

SPECIAL COMMITTEE REPORTS

Spec. Com. Rep. No. 1

Your Committee on Credentials begs leave to report that it has examined the Certificates of Election of the Senate of the Twenty-third Legislature of the State of Hawaii, Regular Session of 2005, and finds that the following persons have been legally elected and are fully qualified to sit as members of the Senate.

The newly elected Senators whose respective terms of office will expire on November 4, 2008 are:

First Senatorial District

Lorraine R. Inouye

Third Senatorial District

Paul Whalen

Fifth Senatorial District

Rosalyn H. Baker

Sixth Senatorial District

J. Kalani English

Seventh Senatorial District

Gary L. Hooser

Twelfth Senatorial District

Gordon Trimble

Sixteenth Senatorial District

David Y. Ige

Seventeenth Senatorial District

Ron Menor

Eighteenth Senatorial District

Clarence K. Nishihara

Twenty-first Senatorial District

Colleen Hanabusa

Twenty-second Senatorial District

Robert Bunda

Twenty-third Senatorial District

Clayton Hee

Signed by Senators Kim, Tsutsui and Hemmings.

Spec. Com. Rep. No. 2

Your Committee on Human Services, acting as a Special Interim Committee, to which was referred S.R. No. 40, S.D. 2, entitled:

REQUESTING THE SENATE COMMITTEE ON HUMAN SERVICES TO CONVENE INTERIM HEARINGS ON THE MISUSE OF LEGAL INTERVENTIONS AVAILABLE TO THE FAMILY COURT,

begs leave to report as follows:

I. INTRODUCTION

The Senate of the Twenty-Second Legislature, Regular Session of 2004, adopted S.R. No. 40, S.D. 2, in order to address ongoing concerns regarding the misuse of legal interventions available to the Family Court. The measure requested the Committee on Human Services to convene interim hearings to review and address these concerns.

II. SCOPE OF REVIEW

Pursuant to S.R. No. 40, S.D. 2, the Committee's responsibilities were twofold:

- (1) To convene interim task force meetings on the misuse of legal interventions available to the Family Court, including the long-term use of interventions such as temporary restraining orders; the selection, use, and accountability of custody guardians ad litem and other personnel; the use of acceptable national standard of care for the best interests of the children and families in Family Court; and other issues that impact the timely and fair resolution of cases; and
- (2) To submit a report of its findings and recommendations for legislative action to resolve the identified issues no later than twenty days prior to the Regular Session of 2005.

III. APPROACH

The Committee held a public task force meeting on August 19, 2004. At that hearing, testimony was presented and received from the Children's Rights Council of Hawaii and ten individuals. Based on the scope of the Committee's responsibilities and the testimony received at the hearing, your Committee identified four main areas of concern for review:

- (1) Standards relating to "joint custody" and "best interests of the child";
- (2) Accountability of Family Courts in using interventions such as temporary restraining orders (TROs) and protective orders (POs);
- (3) Cost-effectiveness and increased accountability of guardians ad litem (GALs) and other providers (e.g. custody evaluators); and
- (4) Mandatory mediations (alternative dispute resolution) for all Family Court proceedings.

A follow-up task force meeting was held on September 23, 2004. Prior to this hearing, invitations were sent to various state departments, public interest groups, family law attorneys, retired judges, and private individuals. The task force approach was designed to be open and inclusive. Task force meetings and briefings were open to the public and televised over Capitol Television. Anyone with an interest or concern was allowed to participate, and if they chose, were included. Additionally, members were added to the task force as meetings took place. A listing of task force attendees, resource people, and other participants is attached as Appendix A.

At this hearing, attendees were asked to participate in one or more of the four task force groups (joint custody, temporary restraining and protective orders, standards for guardians ad litem, and alternative dispute resolution). Each group was instructed to meet, confer, and present findings and recommendations for its topic at a follow-up task force meeting on October 28, 2004.

At the September 23, 2004 meeting, numerous questions were raised regarding the Family Court's procedures and policies. However, there was no representative from the Judiciary present at the hearing. In an earlier conversation with your Committee Chair, Supreme Court Chief Justice Ronald Moon indicated that no representative from the Judiciary would be present at the September 23, 2004 hearing because any discussion between the Legislature and the Judiciary regarding policy decisions enforced by the Judiciary could create a potential separation of powers problem.

Thus your Committee suggested having a follow-up briefing with a representative from the Judiciary to address some of the procedural questions to aid each of the four task force groups with their work. Written questions were submitted to the Judiciary prior to the briefing. An informational briefing was held on October 11, 2004. At that briefing, Senior Family Court Judge Frances Wong presented a PowerPoint presentation entitled "Private Custody Disputes -- Making a Good Family Court System Better" and answered questions from representatives from each of the four task-force groups. Judge Wong's PowerPoint presentation and a summary of her presentation are included as Appendix B.

On October 28, 2004, a final task force meeting was held. At that hearing, each of the four task force groups presented their findings and recommendations for legislative action to resolve their identified issues.

IV. REVIEW AND ASSESSMENT OF CURRENT STATUTES

There are four main topics covered by your Committee. The main topics are as follows:

- (1) Standards relating to "joint custody" and "best interests of the child";
- (2) Accountability of Family Courts in using interventions such as temporary restraining orders (TROs) and protective orders (POs);
- (3) Cost-effectiveness and accountability of guardians ad litem (GALs) and other providers (e.g. custody evaluators); and

- (4) Mandatory mediations (alternative dispute resolution) for all Family Court proceedings.

There are specific Hawaii statutes that address each area. Each of the following sections describes the current statutory background for each topic and contains a general discussion of issues that were raised during the August 19, 2004 hearing.

Joint Custody

Review of Statutes

Joint custody is a legal concept that not only allows each parent to have an equal voice in making decisions relating to their children's well being, but also recognizes the advantages of shared responsibility in raising children. *See* 24A Am.Jur.2d *Divorce and Separation* §940 (1998). Typically, an award of joint custody is proper where the arrangement is in the best interest of the child and both parents are fit and proper persons to be awarded custody. *Id.*

States have statutorily defined the term "joint custody." Under Hawaii law, "joint custody" refers to "an order awarding legal custody of the minor child or children to both parents and providing that physical custody shall be shared by the parents in such a way as to assure the child or children of continuing contact with both parents. . . ." Hawaii Revised Statutes (HRS) §571-46.1.

Hawaii has enacted a child custody statute that recognizes joint custody as one of many viable custodial arrangements. Joint custody is statutorily established in HRS §571-46.1. This section establishes the standards, considerations, and procedures that the Hawaii Family Court must apply in determining an award of joint custody.

HRS §571-46.1 permits the awarding of joint custody based upon the motion of a parent. This section reads in relevant part:

- (a) Upon the application of either parent, joint custody may be awarded in the discretion of the court. For the purpose of assisting the court in making a determination whether an award of joint custody is appropriate, the court shall, upon the request of either party, direct that an investigation be conducted pursuant to the provisions of section 571-46(4).

Accordingly, under Hawaii law, joint custody is recognized as a viable custodial arrangement if requested by one of the parties. However, there is no statutory language creating an express presumption in favor of this custodial arrangement.

In divorce proceedings, the "best interests of a child" analysis is the proper and feasible criterion for determining which of the two parents will be accorded custody of the child. *See* 24A Am. Jur.2d. *Divorce and Separation* §931 (1998).

In Hawaii, the best interests of a child analysis is utilized in awarding custody in actions for divorce, separation, annulment, separate maintenance, or any other proceeding where there is a dispute as to the custody of a minor child. *See* HRS §571-46.

Under Hawaii law, in determining a custody arrangement that is in the best interests of the child, the court is required to take into consideration various statutorily enumerated factors. Some of these factors include: (1) the child's preference; (2) the moral, physical, mental, spiritual well being of the child; (3) evidence of family violence; and (4) the wishes of the child's parents. *See* HRS §571-46.

Nationally, states have implemented different approaches in determining whether joint custody is the appropriate custodial arrangement for both the child and his or her parents. Some states, such as Connecticut have enacted statutory language that expressly creates a presumption in favor of joint custody. Other state statutes, such as Michigan and Hawaii, recognize joint custody as an option for consideration that may be brought to the court's attention by the parties involved in the divorce action. Summary tables of state joint custody laws are included in Appendix C.

Discussion

At the hearing on August 19, 2004, strong endorsements were made to amend current Hawaii statutes to provide a presumption of joint custody. This view is premised upon the philosophy that the best parent for a child is both parents. According to testimony provided, thirty states and the District of Columbia have enacted a presumption or preference in statute for joint custody. Testimony received by your Committee also highlighted specific state laws deserving of consideration.

Temporary Restraining Orders and Protective Orders

Background Information

Under current Hawaii laws, the process and procedure for obtaining a temporary restraining order (TRO) and protective order (PO) are referenced under Chapter 586, HRS. In 1982, a TRO was effective for 30 days and a PO could be issued for a period as "the court deems appropriate, not to exceed ninety days from the date of its initial order." Subsequent amendments expanded both the type of conduct that may form the basis for granting a TRO or PO as well as the groups of individuals that may not only submit a petition for a TRO or PO, but also avail themselves of the protections of a TRO or PO.

In 1985, a "family or household member" was permitted to apply for an order for protection on behalf of a minor or an incapacitated person. Additionally, the protections of a TRO were expanded to include the applicant's family or household members.

In 1987, two important amendments with respect to POs were enacted. First, a state agency was authorized to file a petition for a PO on behalf of a minor or incapacitated individual when there is no household or family member who can initiate the petition. Second, allegations concerning "extreme psychological abuse" and "malicious property damage" were recognized as grounds upon which a petition for a PO may be granted. A PO was now effective for a period of time "the court deems appropriate, not to exceed one

hundred eighty days from the date of the protective order is granted.” A TRO was now effective thirty days from the date the order is granted.

The 1992 amendments identified certain acts which a court may enjoin a respondent from committing against a petitioner for the purposes of issuing a TRO, including contacting, threatening, or physically abusing the petitioner as well as any other person residing at the petitioner’s residence. Accordingly, a TRO could prohibit telephone calls to the petitioner; entering or visiting the petitioner’s residence; and contacting, threatening, or physically abusing the petitioner at work. The 1992 amendments also increased criminal penalties for violations of a TRO as well as extended the TRO period to ninety days from the date the TRO is granted. The 1992 amendments also modified the effective date of the TRO where a TRO, orally granted by the court, may be deemed in effect at that time when the court determines that each party understands the order and its conditions.

In 1997, the PO provisions were amended to remove the requirement that judges consider “recent” acts of domestic violence in determining whether to issue a PO for victims of domestic abuse. This was done to ensure greater uniformity in application of the PO statute among judges as well as provide judges with greater discretion in determining whether there is sufficient evidence to support the need for a PO.

Review of Statutes

Pursuant to statute, to obtain a PO in Hawaii:

(c) A petition for relief shall be in writing upon forms provided by the court and shall allege, under penalty of perjury, that: a past act or acts of abuse may have occurred; threats of abuse make it probable that acts of abuse may be imminent; or extreme psychological abuse or malicious property damage is imminent; and be accompanied by an affidavit made under oath or a statement made under penalty of perjury stating the specific facts and circumstances from which relief is sought.

HRS §586-3(c).

To obtain a TRO, the respondent does not have to be present at the hearing and the petition must show probable cause that one or more acts of abuse have occurred or a threat of abuse make it probable that an act of abuse is imminent. The HRS provisions state that:

[u]pon petition to a family court judge, an ex parte temporary restraining order may be granted without notice to restrain either or both parties from contacting, threatening, or physically abusing each other, notwithstanding that a complaint for annulment, divorce, or separation has not been filed.

HRS §586-4(a).

The order shall state that there is probable cause to believe that a past act or acts of abuse have occurred, or that threats of abuse make it probable that acts of abuse may be imminent. The order further shall state that the temporary restraining order is necessary for the purposes of: preventing acts of abuse or preventing a recurrence of actual domestic abuse; and ensuring a period of separation of the parties involved.

HRS §586-4(c) (emphasis added).

Time limits for TROs are statutorily limited to 90 days. However, POs have no statutory limits and may be extended indefinitely.

(a) A temporary restraining order granted pursuant to this chapter shall remain in effect at the discretion of the court, for a period not to exceed ninety days from the date the order is granted.

HRS §586-5(a).

[T]he court may order that a protective order be issued for a further fixed reasonable period as the court deems appropriate.

...

(b) A protective order may be extended for such further fixed reasonable period as the court deems appropriate.

HRS §586-5.5.

Additionally, when a TRO is issued, the respondent is restrained from contacting the petitioner, as well as any person residing at the petitioner’s residence. Specifically, the petitioner is restrained from:

- (1) Contacting, threatening, or physically abusing the protected party;
- (2) Contacting, threatening, or physically abusing any person residing at the protected party’s residence; or
- (3) Entering or visiting the protected party’s residence.

HRS §586-4(a).

Nationally, most states have codified similar standards as those present in Hawaii’s TRO and PO laws. A summary of a national statutory review is included as Appendix D.

Discussion

At the task force meeting on August 19, 2004, a number of testifiers voiced concerns regarding the prevalence of TROs and POs in their own cases or in those of close friends or family. These oft-repeated complaints focused upon the use of ex parte motions to obtain TROs where one party was not present to contest the allegations as well as allowing these orders to extend indefinitely, often beyond the expiration date. In regard to POs, testifiers echoed similar concerns with respect to the potentially open-ended nature of these orders which could be extended indefinitely at the discretion of a Family Court judge.

At the October 11, 2004 information briefing, Judge Frances Wong did not address many of the written questions submitted to the Judiciary regarding misuse of TROs and false allegations of abuse, saying that these represented 'red herrings.'

Guardians ad Litem and Custody Evaluators

Review of Statutes

Under current Hawaii statutes, there are two programs that are used as tools in resolving child custody issues. These two distinct programs involve different functions under separate provisions of the HRS: the custody evaluator program and the guardian ad litem program.

In 1995, the Family Law Section of the Hawaii State Bar Association in cooperation with the Family Court of the First Circuit developed the Special Guardian Ad Litem project designed to help resolve difficult or complex custody cases in a fair and expeditious manner. After one year, the Special Guardian Ad Litem program was replaced with custody evaluators and custody guardians ad litem by then Senior Family Court Judge Michael Town. Subsequent memorandums in the Family Court of the First Circuit established the duties and responsibilities of these two positions, including qualifications, a fee schedule, and process for filing reports with the Family Court. Presently, only custody evaluators remain in use as the Family Court of the First Circuit abolished the Custody Guardian Ad Litem Program in 2002.

Custody evaluators are private experts designed to assist Family Court judges in determining appropriate custodial arrangements as well as visitation schedules. Subsequent court memorandums clarified the specific duties and responsibilities of custody evaluators as well as the qualifications and experience necessary to serve as a custody evaluator.

A custody evaluator is appointed by the Family Court and authorized, pursuant to HRS §571-46(4), to investigate, evaluate, and make recommendations relating to child custody determinations. The respective duties of a custody evaluator are defined statutorily as follows:

- (4) Whenever good cause appears therefor, the court may require an investigation and report concerning the care, welfare, and custody of any minor child of the parties. When so directed by the court, investigators or professional personnel attached to or assisting the court shall make investigations and reports which shall be made available to all interested parties and counsel before hearing, and the reports may be received in evidence if no objection is made and, if objection is made, may be received in evidence; provided the person or persons responsible for the report are available for cross-examination as to any matter that has been investigated.

HRS §571-46(4).

Payment for custody evaluators is not specifically provided for by statute. However, in the Family Court of the First Judicial Circuit, Judge Frances Wong issued a memorandum, dated December 5, 2001, specifying the fee schedule for custody evaluators. Specifically, the memorandum provides that:

The court will state a "cap" on fees in all orders appointing custody evaluators The "caps" for custody evaluators will normally range from \$1500 to \$3000, will be subject to further order of the court, and will not include costs. "Caps" may be exceeded depending on the resources of the parties, the complexity of the case and the experience of the professional and must be approved by the court. For . . . custody evaluators . . . , no extraordinary costs can be incurred without prior order of the court or a filed stipulation of the parties. In the event that the court orders parties into counseling or guided co-parenting planning, the court shall set "caps" for said services which can be exceeded only by further order or by agreement of the parties. The court, based on the totality of the circumstances, shall apportion fees and costs.

Memorandum, "'Custody Guardian Ad Litem and Custody Evaluation Program' in First Circuit," December 5, 2001.

In contrast, a GAL is appointed by the court to act as an advocate for a child. Section §571-46(8), HRS, governs the appointment of a GAL in a child custody determination and provides as follows:

- (8) The court may appoint a guardian ad litem to represent the interests of the child and may assess the reasonable fees and expenses of the guardian ad litem as costs of the action, payable in whole or in part by either or both parties as the circumstances may justify.

HRS §571-46(8).

GALs, once appointed by the courts, are reimbursed in two ways for their services: the court either pays for the GAL services or orders one or both parties to pay the GAL for costs and fees. HRS §§571-46(e) and 587-34(e). Under HRS §571-87(b), the courts determine a reasonable compensation amount based on a rate of \$40 an hour for out-of-court services and \$60 an hour for in-court services with a statutorily capped fee of:

- (1) Cases arising under chapters 587 and 346, part X:
 - (A) Predisposition \$1,500;
 - (B) Postdisposition review hearing \$500;
- (2) Cases arising under chapters 560, 571, 580, and 584 \$1,500.

Payments in excess of any maximum provided for under paragraphs (1) and (2) may be made whenever the court in which the representation was rendered certifies that the amount of the excess payment is necessary to provide fair compensation and the payment is approved by the administrative judge of such court.

HRS §571-87(b).

Discussion

At the August 19, 2004 task force meeting, some testifiers were confused over which program was the target of their complaints, the custody evaluator program or the guardian ad litem program. Most of the complaints were directed toward the guardian ad litem program; but it was not clear which program was in effect at the time of individual claimants' complaints. Thus, for this discussion section, the term "guardians ad litem" will be used generally to refer to both guardians ad litem and custody evaluators.

Testimony and recommendations with respect to the use and role of "guardians ad litem" in Family Court focused on two areas: (1) excessive fees, and (2) lack of standards and accountability. One concern voiced by the testifiers focused on the amount of fees charged by "guardians ad litem" during the course of family court litigation. A number of testifiers discussed their own cases in which "guardian ad litem" fees were in excess of thousands of dollars with little tangible results to justify the expense or believed that the fees charged violated statutorily-set caps.

A second concern voiced by testifiers centered upon the need for publicly-documented, reviewable standards to insure oversight and accountability by the Family Court regarding the appointment and performance of "guardians ad litem." Testifiers said they believed that court-appointed "guardians ad litem" in their cases often conducted themselves in an unprofessional manner and with little oversight by the Family Court, which relied upon the findings and recommendations contained in their reports.

At the October 11, 2004 informational hearing, Judge Frances Wong responded to questions regarding guardians ad litem and custody evaluators, stating that in 2002, the custody guardian ad litem program was abolished in response to numerous complaints that she investigated and determined to have merit.

Judge Wong also stated that she is presently working to establish a new custody investigation unit in place of the former custody guardian ad litem program. When finalized, the custody investigation unit will establish standards and a certification process for future guardians ad litem and custody evaluators, provide various social service for clients, and implement mediation and other forms of alternative dispute resolution throughout the Hawaii Family Court system. Attached as Appendix B is the Family Court's written summary of the proposed custody investigation process, based upon a model currently used in Maricopa County, Arizona.

Alternative Dispute Resolution

Review of Statutes

Currently in Hawaii, there are family court rules that provide:

The court, in its discretion or upon motion by a party, may order the parties to participate in an alternative dispute resolution process subject to conditions imposed by the court.

Hawaii Family Court Rules, Rule 53.1.

Hawaii also has a domestic violence exception for the mediation requirement in divorce and child custody and visitation proceedings when there are allegations of abuse. This statutory requirement in HRS §580-41.5, reads as follows:

(a) In contested divorce proceedings where there are allegations of spousal abuse, the court shall not require a party alleging the spousal abuse to participate in any component of any mediation program against the wishes of that party.

(b) A mediator who receives a referral or order from a court to conduct mediation shall screen for the occurrence of family violence between the parties. A mediator shall not engage in mediation when it appears to the mediator or when either party asserts that family violence has occurred unless:

- (1) Mediation is authorized by the victim of the alleged family violence;
- (2) Mediation is provided in a specialized manner that protects the safety of the victim by a mediator who is trained in family violence; and
- (3) The victim is permitted to have in attendance at mediation, a supporting person of the victim's choice including but not limited to an attorney or advocate. If the victim chooses to exercise such option, any other party to the mediation will be permitted to have in attendance at mediation, a supporting person of the party's choice including but not limited to an attorney or advocate.

(c) In a proceeding concerning the custody or visitation of a child, if a protective order is in effect, the court shall not require a party alleging family violence to participate in any component of any mediation program against the wishes of that party.

(d) In a proceeding concerning the custody or visitation of a child, if there is an allegation of family violence and a protective order is not in effect, the court may order mediation or refer either party to mediation only if:

- (1) Mediation is authorized by the victim of the alleged family violence;
- (2) Mediation is provided in a specialized manner that protects the safety of the victim by a mediator who is trained in family violence; and
- (3) The victim is permitted to have in attendance at mediation, a supporting person of the victim's choice including but not limited to an attorney or advocate. If the victim chooses to exercise such option, any other party to the mediation will be permitted to have in attendance at mediation, a supporting person of the party's choice including but not limited to an attorney or advocate.

HRS §580-41.5 (emphasis added).

Nationally, states have implemented different approaches in requiring mediation for family court proceedings. Approximately eight states have a statute requiring mandatory mediation. Of the eight states, only one has a requirement applying to family court proceedings other than child custody and visitation. Approximately thirty-three states have discretionary languages that allow the courts to decide if mediation is appropriate. In all of the states where mandatory mediation is codified, the provisions have an exception for cases with histories of domestic violence. A summary table of mediation requirements for Family Court cases in each state is included in Appendix E.

Discussion

The testimony and recommendations on this issue centered upon increasing the use of alternative dispute resolution techniques at the outset of the litigation as well as expanding and increasing the use of alternative dispute resolution to other Family Court proceedings beyond property division and those involving financial considerations.

V. FINDINGS

Upon the conclusion of its hearings, briefings, and group discussions, each task force group made the following findings:

Joint Custody

For many Family Court participants, the experience is litigious and adversarial. Unfortunately, the Family Court system presents a fear for parents that they are losing the ability to have a major role in the lives of their children. This fear polarizes parents emotionally, and in the end it is the children that ultimately are traumatized by the adversarial process.

Based on this understanding of the adversarial process, the joint custody task-force group made the following findings:

- (1) Children recover faster from a parent's divorce or separation when less emotional trauma is associated with the process;
- (2) Active participation from parents and extended family help children feel secure and included in a relationship with their parents when a divorce or separation occurs;
- (3) Co-parenting arrangements reduce children's post separation distress and minimize feelings of alienation and anger;
- (4) Children usually maintain better academic performance and relationships with peers and experience less incidents of substance abuse if they are in joint custody; and
- (5) Parents who do not experience prolonged litigation (which may include the use of mediation) in their divorce and separation are usually able to regain financial and emotional stability for their family faster.

Temporary Restraining Orders and Protective Orders

Based upon their respective experiences with the TRO and PO process in the Hawaii Family Court, the TRO task force group made the following findings. These findings focused primarily on the TRO and PO statutes and the subsequent impact once a TRO or PO is issued:

- (1) When the general provisions for domestic abuse protection orders were enacted in 1982, there were no provisions for protective orders for "extreme psychological abuse" and "malicious property damage." Both of these terms were added in subsequent amendments to the protective order provisions;
- (2) Many TROs and POs are obtained by one party to a dispute to try to gain the advantage over another party in future or ongoing divorce proceedings or a custody disputes;

- (3) The respondent in a TRO or PO proceeding often loses visitation rights as well as the ability to spend time with his or her children not because he or she is a threat to the children, but because the children are members of a household where the petitioner resides;
- (4) For many TRO or PO cases where the petitioner and the respondent have children, the respondent's continued access to the children is usually cut off, even though the children are not named as a party to the TRO or PO. The respondent is usually cut off from visitation with the children because the children live with the petitioner, and Hawaii laws prevent the respondent from having any contact with the petitioner, as well as anyone who resides in the petitioner's household;
- (5) Parties in a divorce proceeding or any other type of Family Court proceeding may file an independent action for a TRO or PO rather than a motion for TRO or PO as a part of the ongoing divorce or other Family Court proceeding. When this happens, a TRO or PO judge hears the case and the Family Court judge, who is handling the divorce or other Family Court case and may be more familiar with the parties, does not take part in granting or denying the independent action for the TRO or PO. Instead, there is usually a short and expedited hearing held by a TRO or PO judge without any background of the family's situation; and
- (6) A finding or determination of family violence raises a rebuttable presumption that it is detrimental to the child and not in the child's best interest to be placed with the perpetrator of family violence. Thus, once an ex parte TRO is granted, there is significant pressure to stipulate to a PO without going to trial, in order to avoid potential findings of abuse which could affect later custody decisions because a finding or determination of family violence raises a rebuttable presumption that it is detrimental to the child and not in the child's best interests to be placed with the perpetrator of family violence.

The TRO/PO process errs on the side of caution, and the court has erred on the side of caution in issuing POs based only on allegations of spousal abuse. In some situations, a stipulation is a common result even though it is not based on factual evidence whose veracity has been tested by the court. Consequently, the ex parte TRO/PO process is biased against a respondent who must prove that allegations of spousal abuse are false. In that instance, misuse of the TRO process results in reward to the petitioner and harm to the respondent and children involved.

In addition to the findings made by task force members, the Committee also received input on these complex issues from representatives from the Domestic Violence Clearinghouse and family law practitioners. These discussions provided the Committee with a practitioner's view of the current TRO and PO process utilized in the Hawaii Family Court. The findings suggested by these individuals are as follows:

- (1) There are insufficient financial and educational resources and personnel assigned to the TRO and PO calendar in the Hawaii Family Court of the First Judicial Circuit. Presently, there are only two judges assigned to the TRO calendar where daily caseload is extremely heavy. As a result, the written allegations contained in the petition are the only source of information available to a judge in regards to evaluating the credibility as well as the veracity of the petitioner's allegations. A verification or screening process does not exist presently which would not only aid judges in this determination, but also assist prospective petitioners unfamiliar with the legal process;
- (2) It is crucial that Family Court judges, including per diem judges, assigned to the TRO calendar have both the experience and familiarity with the complex issues implicit in domestic abuse cases. However, no requirement exists either statutorily or in court rules that requires Family Court judges attend continuing judicial education and training programs prior to being assigned to the TRO calendar;
- (3) When a TRO or PO is granted, often times there is a lack of clarity or specificity for both the petitioner and respondent in regards to the basis or grounds upon which the petition was granted. Presently, the judge marks the appropriate box on the court form without being required to identify the specific basis or grounds upon which the TRO or PO issued. This, in turn, raises due process concerns for both the petitioner and respondent; and
- (4) Several task force participants raised concerns that TROs and POs are obtained by one party to a dispute to try to gain an advantage over the other parent in future or ongoing divorce proceedings or a custody disputes. For example, once an ex parte TRO is granted, there is significant pressure to stipulate to a PO without going to trial in order to avoid potential findings of abuse which could affect later custody decisions. This is because any finding or determination of family violence raises a rebuttable presumption that it is detrimental to the child and not in the child's best interests to be placed with the perpetrator of family violence.

Guardians ad Litem and Custody Evaluators

- (1) Custody evaluators investigate facts and make recommendations to the courts for determining appropriate custodial arrangements and visitation schedules. The court relies heavily on the custody evaluator's recommendations and often makes its decision based solely on these recommendations. In these instances, the concern is that judicial decision making is transferred to the custody evaluators;
- (2) Many custody evaluators and guardians ad litem are contracted by one party in the case. This financial arrangement could bias results or, in any event, creates the perception of bias in favor of the party who is paying the fees of the custody evaluator or the guardian ad litem;
- (3) There is a lack of statutorily-established standards of conduct, oversight, accountability and rules of ethics for custody evaluators and guardians ad litem;

- (4) There is no formal grievance system for the submission and resolution of complaints concerning custody evaluators and guardians ad litem; and
- (5) The Family Courts does not receive feedback to hold the guardians ad litem accountable for their performance.

Alternative Dispute Resolution

- (1) There is a general problem accessing the court system. Many parties are unable to afford legal representation and often represent themselves in legal proceedings, without proper knowledge of the law or legal process;
- (2) There is a lack of resources available to educate the public on court proceedings or the benefits of alternative dispute resolution processes;
- (3) Currently, there is only one type or level of mediation offered during Family Court proceedings. However, there are situations where early intervention or a higher level of mediation or alternative dispute resolution may be useful to both parties in resolving their disputes;
- (4) Many states use parenting plans and parent coordinators as a part of the mediation process to resolve issues (e.g. visitation, exchanges, health and safety, communications) privately rather than through litigation; and
- (5) There is a lack of regularly collected data available to properly evaluate and track the progress of all mediation programs.

VI. RECOMMENDATIONS

Task Force Groups' Recommendations

Upon conclusion of its meetings, briefings, and group discussions, each task force group recommended that these issues continue to be examined and evaluated annually to effectively address problems within the Family Court system. Each task force group also made specific recommendations which are outlined below:

Joint Custody

A majority of the task force group agreed with the following recommendations; however, an attorney from the Legal Aid Society of Hawaii objected to the recommendation that the standard for child custody should start with a presumption of "equal parenting." The recommendations of this task force group are as follows:

- (1) "Joint custody" should be redefined in the current statutes as "shared parenting" and its definition should create a rebuttable presumption that it is in the child's best interest to have equal parenting continue after divorce or separation;
- (2) "Shared parenting" should be defined as equal parenting time, and both parents should be given the opportunity to transition to co-parenting roles in the post-separation or divorced family structure; and
- (3) When one parent is unable to care for the child or children for more than 24 hours, the other parent should have the first opportunity to care for the child or children as an alternative.

Temporary Restraining Orders and Protective Orders

The recommendations proposed by members of this task force group are not intended to restrict or diminish the right of abused individuals from applying for a TRO or PO against their abuser or on behalf of their minor child or household members. The majority of task force members agreed with the recommendations; however, an attorney with the Legal Aid Society objected to the recommendation that would delete from the "extreme psychological trauma" and "malicious property damage" from the domestic abuse statutes. The recommendations of this task force group are as follows:

- (1) Requirements for obtaining ex parte TROs should be amended to require:
 - (a) Evidence of a past act or acts of physical harm, bodily harm, bodily injury, or assault;
 - (b) A reasonable likelihood of threat of imminent physical harm, bodily injury, or assault; or
 - (c) For minor family or household members, a TRO shall be issued for any act which would constitute an offense of abuse of family and household members under HRS §709-906, sexual offenses under part V of chapter 707, HRS, or child abuse under part VI of chapter 707;

The distinction from the present statutory language, and intent of this recommendation, is to limit ex parte TROs to situations where "physical harm, bodily harm, bodily injury, or assault" has occurred in the past or is imminent.

For situations involving "extreme psychological abuse" or "malicious property damage," a normal hearing process (consolidated with other existing or pending cases) should be utilized. Only imminent threat of physical harm or injury justifies an ex parte process which has inherently less protection for the respondent; yet, has significant adverse impact on constitutionally protected rights (access to a family home and contact with one's children);

- (2) Require that family, children, household, property and other matters remain intact when ex parte TROs are granted;
- (3) Require that if the petitioner and respondent have one or more children together, and the children are not named in the petition for an order of protection, reasonable supervised visitation should be arranged for the respondent, unless a finding is made that any visitation is not in the children's best interest;
- (4) Require that any findings of fact related to the granting or denying of TROs or POs should not bind any subsequent Family Court cases filed within six months of the TRO or PO case; and
- (5) Require that any TRO or PO filed between two or more persons who have a Family Court case pending between the same parties should have the two cases consolidated. In the alternative, require that the petitioner for the TRO or PO file a motion in the pending Family Court case. If however, there is no pending Family Court case, the petition for the TRO or PO should be filed as an independent action.

In addition to these proposed recommendations, the Committee also received suggested recommendations proposed by the Domestic Violence Clearinghouse as well as family law practitioners. These proposed recommendations are designed to address concerns raised by the dissenting task force group participants and are made with the recognition that the current TRO and PO process encompasses and touches upon a myriad of complex issues. These include: potential impact on future or ongoing child custody determinations, the adequacy and availability of financial and educational resources for judges responsible for issuing a TRO or PO, and the conduct of attorneys as well as individuals that utilize the TRO or PO process. In recognition of the foregoing concerns, the following recommendations are made to improve and strengthen the TRO and PO process:

- (1) The Judiciary should contract with a non-profit service agency to conduct a pre-TRO screening process to properly evaluate and determine if the allegations made by the petitioner fall within the ambit of the TRO statute;
- (2) Requirements for obtaining an ex parte TROs should be amended to require:
 - (a) The Family Court judge, assigned to the TRO calendar, should meet with a prospective petitioner on a one-on-one basis prior to issuing a TRO as opposed to relying solely upon the written allegations contained in the petition. This face-to-face meeting should, at a minimum, be required when the petitioner and respondent have or share children together. This will enable a judge to personally evaluate the credibility of the petitioner as well as the veracity of the petitioner's allegations; and
 - (b) When a TRO is issued, the judge should be required to make specific findings or at a minimum specifically identify which allegations alleged by the petitioner form the basis for issuing the TRO or PO, as opposed to checking off the appropriate box on the court approved forms;
- (3) Additional Family Court judges should be assigned to the TRO calendar in order to provide better accountability and consistency in the way TRO and PO cases are handled and adjudicated;
- (4) Family Court judges, including per diem judges, assigned to the TRO as well as the domestic violence calendars should attend annual legal education or training seminars in the area of domestic violence prevention in order to gain the necessary expertise and familiarity with the complex issues involved in these cases;
- (5) There should be a requirement that any findings of fact related to the granting or denying of TROs or POs should not bind any subsequent Family Court case filed within six months of the TRO or PO case; and
- (6) The Judiciary should create a pilot program to establish a combined domestic violence and divorce calendar with experienced and knowledgeable judges and a dedicated staff. This specialized calendar would handle divorce cases involving custody determinations where a TRO or PO based upon allegations of "family violence" has been issued. The same judge would adjudicate both proceedings to ensure familiarity and consistency in rulings.

Guardians ad Litem and Custody Evaluators

- (1) Too much weight is given to the conclusions and recommendations of the court-appointed custody evaluators; thus, the custody evaluator should be replaced with court-appointed fact finders who only report the facts and who do not make recommendations to the court;
- (2) In Family Court cases requiring custody evaluation, the Judiciary rather than private parties should contract with the court-appointed fact finders to avoid the perception of bias; rather than having the fact finders contract directly with the private parties in a Family Court case;
- (3) An impartial, unbiased, and expeditious complaint and resolution system for oversight and accountability for court-appointed fact finders and guardians ad litem should be established;
- (4) An impartial, unbiased, resolution process for Family Court cases should be established; and
- (5) A commission should be established to conduct an impartial and unbiased external audit to:
 - (a) Evaluate Hawaii's custody evaluation programs' (e.g., guardians ad litem, custody evaluators, volunteer guardians ad litem, and other similar programs) policies, procedures, and authorizing laws;

- (b) Research and compare the custody evaluation programs implemented in other states;
- (c) Request that the Judiciary provide necessary and appropriate information for the audit and study; and
- (d) Hold public hearings to obtain information from the public concerning specific problem areas that the audit identifies.

Alternative Dispute Resolution

- (1) The Judiciary should enhance its website to better address children's needs during a divorce, explain the entire divorce litigation process, explain mediation options, and provide links and directory information for support programs such as parenting plans (examples of parenting plans provided by other states are attached as Appendix F);
- (2) Parenting skills and communication skills should be considered as part of the high school education curriculum;
- (3) The Department of Health should distribute brochures about parenting and divorce to marriage license applicants;
- (4) The Judiciary should expand the Kids First program to include co-parenting classes for litigants engaged in high-conflict divorces;
- (5) Family Court should expand the spectrum of alternative dispute resolution processes to include different levels of intervention for different levels of conflict. Specifically:
 - (a) Early access to mediation should be available to divorce litigants since the majority of litigants do not present themselves for motions or contested hearings;
 - (b) When a matter is set for a motion or hearing, the courts should provide a consistent message that resolution through mediation or other means is preferable and that all matters be directed through mediation;
 - (c) Matters set for pre-hearing mediation should be sent to a facilitative mediator that does not evaluate or present a report to the judge if an agreement is not reached;
 - (d) A neutral party who uses an evaluative process with a mediation process should be used for litigants who are more entrenched in litigation. For these types of litigants, reports should be provided to the judge when no agreement is reached; and
 - (e) Compensation for professionals who perform evaluation and mediation processes should be provided to assure the quality of the services;
- (6) The Judiciary should explore establishing:
 - (a) An arbitration program for high conflict divorce cases;
 - (b) Parenting plans to help resolve issues earlier and avoid litigation; and
 - (c) A program that utilizes parent coordinators to work out issues, such as visitation, exchanges, health and safety issues, communication, etc. An example of a parent coordinator program from Vermont is attached as Appendix F; and
- (7) The Judiciary should provide more thorough and accurate information about divorce processes, its litigants, and the final outcomes. Data should be collected more regularly, all programs should be evaluated, and program evaluation results should be measured against goals that are measurable and able to be tracked.

Special Interim Committee's Recommendations

Based on the task force meetings, briefings, group discussions, and each task force group's recommendations, your Committee has chosen to adopt the recommendations made by the task force groups. These recommendations will form the basis for further discussion regarding the Hawaii Family Court as well as proposed legislation with respect to improving the process and procedures utilized in Hawaii Family Court.

Signed by Senator Suzanne Chun Oakland, Chair, on behalf of the Committee.

Senators Les Ihara, Jr., Fukunaga, Hooser, Kokubun, Trimble.
Committee members.

CONFERENCE COMMITTEE REPORTS

Conf. Com. Rep. No. 1 on S.B. No. 1483

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Waimea Country School.

Your Committee on Conference finds that this method of funding provides worthy schools with necessary resources to fund a variety of school projects. This measure will provide the reputable institution of Waimea Country School with the resources it needs to improve its educational facilities. Thus, your Committee on Conference has amended the measure by amending its effective date 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 S.B. No. 1483, 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. 1483, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, Evans, Ching.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 2 on S.B. No. 77

The purpose of this measure is to require:

- (1) Motor vehicle carriers to obtain vehicle identification cards by filing a description of the vehicle with the Director of Transportation; and
- (2) Commercial motor vehicles to be equipped with fenders, covers, or other devices to minimize the spray or splash of water or mud to the rear of the vehicle, and providing a \$50 fine for noncompliance.

Existing administrative rules provide for the requirements of vehicle identification cards and mudguards for motor carriers. Currently, however, no similar provisions exist under the current statutory law. Therefore, codification of these requirements will better enable the Department of Transportation to enforce safety regulations imposed by the Federal Motor Carrier Safety Administration.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 77, 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. 77, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Souki, Hiraki, Luke, Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 3 on S.B. No. 459

The purpose of this measure is to authorize the issuance of \$30,000,000 in special purpose revenue bonds to assist Hawaii Pacific Health in financing, refinancing, and reimbursing costs related to the acquisition or construction of health care facilities, development of information technology and software, and other related projects.

The bill also amends the definition of "project agreement" under the special purpose revenue bond law relating to health care facilities to include lease financing.

Your Committee on Conference amended this measure by:

- (1) Amending the definition of "health care facility", "facility", or "project" under the special purpose revenue bond law so that special purpose revenue bonds may be used for the purchase of computer software and technology; and

- (2) Amending 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. 459, 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. 459, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Tsutsui, Taniguchi, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Arakaki, Nishimoto, Pine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 4 on S.B. No. 1843

The purpose of this bill is to promote fairness in the long-term relationships between the government and contractors that provide construction design professional services (contractor) by:

- (1) Prohibiting the State from requiring the contractor to indemnify the State for the State's negligence; and
- (2) Allowing the State to require the contractor to indemnify the State for the contractor's negligence.

Your Committee on Conference finds that the prevailing practice in state and county contracts is to require the contractor to indemnify, defend, and hold harmless the government in the event of negligence of the employees and agents of the government. Your Committee further finds that this contracting practice is against public policy on the basis that every party to a contract should be liable for that party's own conduct.

Your Committee on Conference further finds that indemnity clauses are the subject of frequent litigation involving their interpretation and the true intent of the parties. Your Committee learned that "duty to defend agreements" are insurable only when the policyholder is determined to be negligent. The insurance policy does not cover a public agency for the public agency's wrongdoing.

This measure is intended to resolve these difficulties and thereby to facilitate bidding on government contracts. In doing so, it will encourage economic growth and discourage costly and time-consuming litigation.

Your Committee on Conference has amended this measure by reverting to the S.D. 1 draft.

As affirmed by the record of votes of the managers 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. 1843, 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. 1843, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Taniguchi, Espero, Sakamoto, Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Sakamoto).

Representatives Herkes, Luke, Magaoay, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Luke).

Conf. Com. Rep. No. 5 on S.B. No. 761

The purpose of this measure is to better enable individuals with serious mental illness to access necessary treatment by including four additional disorders within the definition of "serious mental illness" in section 431M-1, Hawaii Revised Statutes, which are obsessive compulsive disorder, dissociative disorder, delusional disorder, and major depression.

Your Committee on Conference amended this measure by amending the effective date section to provide that the measure will 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. 761, 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. 761, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Arakaki, Hiraki, Green, Schatz, Finnegan.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 6 on S.B. No. 122

The purpose of this measure is support systematic improvements to the health care system that increase patient safety by including “case review forum” in the list of proceedings protected from discovery.

Your Committee on Conference amended this measure by amending the effective date section to provide that the measure will 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. 122, 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. 122, S.D. 1, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Arakaki, Hiraki, Luke, Finnegan.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 7 on S.B. No. 1003

The purpose of this bill is to:

- (1) Allow eligible customer-generators of not more than 300 kilowatts to participate in the net energy metering program;
- (2) Allow the Public Utilities Commission (PUC) to set and increase the maximum percentage of the electric utility’s peak system demand that may be produced by eligible customer-generators, provided that the maximum percentage shall not be less than .5 per cent of the utility’s peak system demand;
- (3) Authorize the PUC to amend the applicable rate structure and standard contract or tariff;
- (4) Require an electric utility to provide eligible customer-generators with a twelve-month reconciliation of their consumption and production of energy; and
- (5) Clarify the policy for actions taken on credits for excess electricity generated by an eligible customer-generator that remain unused after the twelve-month reconciliation.

Your Committee finds that this measure will encourage the expansion of net energy metering as more customers will seek to take advantage of being an eligible customer-generator due to month to month carryover of unused credits for excess customer-generated electricity within a twelve-month period. Further, your Committee finds that the measure provides regulatory flexibility to the PUC in the areas of percentage of peak system demand generated by eligible customer-generators, rate structure, standard contracts, and tariffs.

Your Committee also finds that customer generating systems as large as 300 kilowatts may pose safety and reliability issues. In order to foster the growth of this program, your Committee believes that more reliable, smaller generating systems provide the best opportunity to demonstrate the viability of customer-side electrical generation.

Your Committee has amended this measure by:

- (1) Changing the capacity limit of an eligible customer-generator to fifty kilowatts; and
- (2) Changing the effective date 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 S.B. No. 1003, 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. 1003, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Morita, Hiraki, Herkes, Kanoho, Marumoto.

Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Kanohe).

Conf. Com. Rep. No. 8 on S.B. No. 1903

The purpose of this measure is to exempt seawater air conditioning district cooling projects that use renewable energy resources to generate at least fifty percent of the energy needed for cooling system from regulation by the Public Utilities Commission.

Your Committee on Conference has amended this measure by changing its effective date 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. 1903, 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. 1903, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, English, Menor, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Menor).

Representatives Herkes, Morita, Hiraki, Stonebraker.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Stonebraker).

Conf. Com. Rep. No. 9 on S.B. No. 76

The purpose of this measure is to clarify the penalties for motor vehicle size and weight violations.

The law currently provides that fines for violating vehicle size requirements; vehicle gross weight, axle, and wheel load requirements; or any exceptions to the vehicle requirements, shall be no more than \$600 and no less than the amounts set forth in section 291-37, Hawaii Revised Statutes. This measure removes the \$600 "maximum fine" requirement for first violations.

Your Committee on Conference has amended this measure by:

- (1) Making a conforming amendment in terminology relating to the fine; 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 S.B. No. 76, 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. 76, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Souki, Luke, Lee, Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 10 on S.B. No. 1378

The purpose of this measure is to statutorily designate the path that runs from Halawa Landing to Waipahu as the Pearl Harbor Historic Trail, in order to meet the necessary requirements for federal funding opportunities to support the planning, construction, and completion of the trail.

Your Committee has amended this measure by changing its effective date to "upon its approval."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1378, 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. 1378, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Fukunaga, Taniguchi, Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

Representatives Kanohe, Ito, Yamane, Karamatsu, Stonebraker.

Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Stonebraker).

Conf. Com. Rep. No. 11 on S.B. No. 700

The purpose of this measure is to clarify and strengthen Hawaii's nuisance abatement law.

Specifically, this measure:

- (1) Establishes that a preponderance of the evidence is the standard of proof applicable to nuisance abatement actions;
- (2) Authorizes a court to issue a protective order to prevent the disclosure of the identity of a witness when presented with evidence of acts or prior threats of violence by any defendant or any other person in a nuisance abatement action;
- (3) Subjects an individual who knowingly violates a protective order to civil as well as criminal contempt of court; and
- (4) Enables a court to enter an order suspending or revoking any business, professional, or operational license of an entity involved in maintaining, aiding, abetting, or permitting the nuisance.

Your Committee on Conference has amended this measure by:

- (1) Limiting the scope of the protective order to defendants, and not any other person, involved in a nuisance abatement action and who have engaged in acts of violence or made prior threats of violence against a witness;
- (2) Including liquor licenses within the categories of professional and operational licenses that may be suspended or revoked by a court if the holder of the license is involved in maintaining, aiding, abetting, or permitting the nuisance; and
- (3) Making technical, non-substantive changes.

As affirmed by the record of votes of the managers 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. 700, 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. 700, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives B. Oshiro, Luke, Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 12 on S.B. No. 673

The purpose of this measure is to provide for the authorization and payment of claims against the State for judgments, settlements, and other miscellaneous payments.

Your Committee on Conference has amended this measure at the request of the Department of the Attorney General to include the following three claims:

- | | |
|---|-----------------------------|
| (1) Colleton v. State of Hawaii
Civil No. 03-1-1657-08, First Circuit | \$37,595.44
Settlement; |
| (2) Sakaguchi v. State of Hawaii, et al.
Civil 98-1640, First Circuit
and | \$350,000.00
Settlement; |
| (3) Bacani v. Uchida, et al.
Civil No. 02-1-2099-09, First Circuit | \$500,000.00
Settlement. |

Your Committee on Conference has also amended this measure by providing the correct case number for Brub v. State of Hawaii, et al., Civil No. 03-1-0500-03.

As affirmed by the record of votes of the managers 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. 673, 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. 673, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Hee, Tsutsui, Slom.

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

Representatives Luke, Takamine, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 13 on S.B. No. 1253

The purpose of this measure is to clarify the responsibilities of school community councils.

Your Committee on Conference finds that there exists some confusion as to how school community councils are to align their plans with the complex statutory requirements of the educational accountability system. This measure clarifies the councils' duties by requiring them to ensure that the school's academic and financial plans are consistent with the educational accountability system.

Upon further consideration, your Committee on Conference has amended this measure by deleting the amendments made regarding a council's approval of a school's academic and financial plan.

As affirmed by the record of votes of the managers 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. 1253, 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. 1253, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, Berg, Ching.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 14 on S.B. No. 1685

The purpose of this measure is to allow state taxpayer information to be shared with the counties.

Presently, the counties are not allowed access to state tax information. By allowing access to such information, this bill will strengthen county collection efforts with respect to the real property tax. With the ability to access state tax information, such as whether taxpayers are residents in a particular county, the counties would be able to investigate discrepancies related to real property tax exemptions and credits. The counties would also benefit from transient accommodations tax information by being able to investigate discrepancies related to the status of real property (i.e. condominium or hotel), since the type of property determines the tax rate for that property.

Your Committee on Conference has amended this measure on the recommendation of the Department of Taxation by:

- (1) Enacting a new statutory section to allow the reciprocal supplying of real property tax information;
- (2) Clarifying the purpose section for accuracy;
- (3) Deleting references to the Multistate Tax Commission sharing information with the counties; and
- (4) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1685, 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. 1685, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Taniguchi, Fukunaga, Tsutsui, Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Tsutsui).

Representatives Takamine, Tanaka, Fox.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 15 on S.B. No. 121

The purpose of this measure is to allow brewpubs to sell malt beverages in recyclable containers.

Specifically, this measure would allow the sale of malt beverages manufactured on the licensee's premises to consumers in recyclable containers, rather than limiting such sales to glass containers only.

Your Committee on Conference has amended this measure by:

- (1) Authorizing brewpub licensees to sell malt beverages manufactured on the licensee's premises in brewery-sealed containers to Class 2 restaurant licensees; and
- (2) Making the measure effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 121, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 121, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, English, Hanabusa, Baker, Slom.

Managers on the part of the Senate.

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

Representatives Herkes, Hiraki, Luke, Schatz, Ching.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 2 (Schatz, Ching).

Conf. Com. Rep. No. 16 on S.B. No. 639

The purpose of the measure is to remove the Housing and Community Development Corporation of Hawaii (HCDCH) from managing Department of Education teacher housing and authorize the department to manage the housing.

Your Committee on Conference finds that Act 51, Session Laws of Hawaii 2004, encouraged the transfer of educational functions in other departments to the Department of Education. Under the HCDCH, the teacher housing program has been an effective tool for retention and recruitment for isolated communities that have limited affordable housing for educational personnel. With concurrence from both the HCDCH and Department of Education, your Committee on Conference finds that the department is better suited to administer the program.

Upon further consideration, your Committee on Conference has amended the effective dates and required the department to submit its report to the 2007 Legislature.

As affirmed by the record of votes of the managers 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. 639, 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. 639, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Menor, Taniguchi, Hooser, Hogue.

Managers on the part of the Senate.

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

Representatives Takumi, Kahikina, Nishimoto, Ching.

Managers on the part of the House.

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

Conf. Com. Rep. No. 17 on S.B. No. 693

The purpose of this measure is to facilitate fundraising through the use of charitable gift annuities by clarifying and streamlining the requirements governing nonprofit organizations.

This measure:

- (1) Requires a nonprofit educational foundation or nonprofit organization that issues charitable gift annuities:
 - (a) To calculate its reserves in accordance with mortality tables and discount rates to be determined by the Insurance Commissioner, rather than in accordance with accepted actuarial standards; and
 - (b) To file its annual compliance statement with the Attorney General by March 15th of each year; and
- (2) Provides that, in determining the appropriate reserve level, no surplus shall be required for any portion of a gift annuity that is reinsured by an authorized insurer.

Your Committee on Conference has amended this measure by retaining language in section 431:1-204(c)(1), Hawaii Revised Statutes, that requires a qualifying charity to have conducted business in the State continuously for at least ten years, and by adding language therein to clarify that the business conducted shall have been in the form of program services or fundraising activities.

As affirmed by the record of votes of the managers 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. 693, 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. 693, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. No. 18 on S.B. No. 754

The purpose of this measure is to conform certain insurance laws to federal law and national standards.

This measure incorporates federal and national standards into insurance code provisions relating to, among other things, the examination of domestic insurers, suspension of an insurer's certificate of authority, electronic filing of insurance policy revisions, the liquidation of an insolvent insurer, and the Interstate Insurance Product Regulation Compact.

Your Committee on Conference has amended this measure:

- (1) By deleting from proposed section 431:3-219(b), Hawaii Revised Statutes (HRS), the phrase "one-year" as it refers to original and extended suspensions of an insurer's certificate of authority, in order to be consistent with current statutory language in section 431:3-219(a), HRS, that implies that a suspension may be imposed for a period of less than one year;
- (2) By making technical, nonsubstantive amendments; and
- (3) To take effect upon its approval, rather than on July 1, 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 S.B. No. 754, 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. 754, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Hiraki, Luke, Herkes, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Herkes).

Conf. Com. Rep. No. 19 on S.B. No. 1117

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc. with multi-project capital improvement construction programs for the furnishing of electric energy in this State.

Your Committee on Conference has amended this measure to take effect 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. 1117, 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. 1117, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Espero, Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Morita, Evans, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 20 on S.B. No. 1349

The purpose of this measure is to allow condominium owners to review business and financial records maintained by a condominium association that pertain to time periods other than the current and prior years.

Currently, the law requires condominium associations to make available for review by condominium owners certain financial and business records that pertain to the current and prior years only. This measure repeals this limitation and requires condominium associations to make available for review all such records for as long as those records are maintained by the association.

Your Committee on Conference has amended this 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. 1349, 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. 1349, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. No. 21 on S.B. No. 1453

The purpose of this measure is to authorize the imposition of the public service company tax on a private sewer company or facility.

This measure amends the definition of "gross income" in the public service company tax law to include gross income from the operation of a private sewer company or facility. Your Committee on Conference finds that this measure supports a more equitable system of taxation by requiring private sewer companies to pay the same tax that is assessed against other sewage and wastewater treatment companies.

Your Committee on Conference as amended this measure to take effect 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. 1453, 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. 1453, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Baker, Nishihara.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Morita, Hiraki, Takamine, Stonebraker.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Stonebraker).

Conf. Com. Rep. No. 22 on S.B. No. 1018

The purpose of this measure is to improve the efficiency of the administration of private preschools by exempting private preschools and their programs that are part of a licensed elementary school from the licensing requirements imposed by the Department of Human Services (DHS).

Many independent and private preschools are either accredited or licensed by the Hawaii Association for Independent Schools, the Hawaii Council of Private Schools, or other accrediting or licensing bodies, and are also licensed by the DHS. A single licensing or accreditation program would be appealing, more efficient, and less bureaucratic when a private preschool and its programs are part of a licensed elementary school.

Your Committee on Conference has amended this measure on the recommendation of the Attorney General by:

- (1) Deleting the statutory exemption from the child care facilities law;
- (2) Deleting references to a memorandum of understanding;
- (3) Clarifying that the duty of the task force is to develop recommendations;
- (4) Requiring the task force to report its findings and recommendations to the DHS; and

- (5) Specifying that the task force report serve as a basis for legislation or administrative rule amendments by the DHS.

As affirmed by the record of votes of the managers 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. 1018, 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. 1018, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, Sonson, Berg, Cabanilla, Finnegan.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Cabanilla).

Conf. Com. Rep. No. 23 on S.B. No. 1772

The purpose of this measure to require each applicant for medical assistance to identify the employer of the proposed beneficiary of medical assistance. This measure also requires the Department of Human Services to submit an annual report to the Legislature that identifies all employers who employ twenty-five or more beneficiaries of medical assistance programs administered by the Department of Human Services.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the applicability of confidentiality requirements established under Medicaid regulations as well as the administrative simplification provisions of the Health Insurance Portability and Accountability Act of 1996 with respect to the nondisclosure of certain identifying information of beneficiaries in the annual report to the Legislature; and
- (2) Changing the effective date to make the measure effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1772, 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. 1772, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Sonson, B. Oshiro, Takamine, Cabanilla, Finnegan.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Takamine).

Conf. Com. Rep. No. 24 on S.B. No. 1872

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Palolo Chinese Home, a Hawaii not-for-profit corporation, and its not-for-profit subsidiaries, in financing the expansion, construction, and rebuilding of its health care facilities.

In operation since 1917, Palolo Chinese Home is Hawaii's largest and second oldest adult care home facility. Its mission is to assist and care for the aged and indigent, maintain homes for them, and alleviate their suffering and distress through works of charity, mercy, and benevolence. To fulfill this mission, Palolo Chinese Home provides the elderly with extended care and intermediate and skilled nursing care, as well as community services for those who wish to remain in their own homes, including good neighbor referral service, adult daycare, meal delivery, overnight respite services, and access to its community-based, integrated information network to services for the elderly.

Your Committee on Conference has amended this measure by authorizing the issuance of special purpose revenue bonds in the amount of \$40,000,000, and changing the effective date 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 S.B. No. 1872, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1872, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Baker, Ihara, Taniguchi, Tsutsui, Trimble.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

Representatives Kawakami, Nishimoto, Pine.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Pine).

Conf. Com. Rep. No. 25 on S.B. No. 1427

The purpose of this measure is to encourage the use of energy-efficient vehicles and save state funds by requiring state agencies to procure increasing percentages of alternative fuel vehicles. This measure also allows agencies to offset the purchase percentage requirements for alternative fuel vehicles by successfully demonstrating percentage improvements in overall light duty vehicle fleet mileage economy.

Your Committee has taken into consideration concerns raised by the Comptroller that this measure will result in increased procurement costs for state agency vehicles. Your Committee finds that implementation of this program will result in a net savings to the State in the long run through reduced gas consumption, while demonstrating the State's commitment to reducing greenhouse gas emissions. Your Committee encourages the Department of Accounting and General Services to anticipate the procurement of highly energy-efficient vehicles pursuant to this measure in preparing its biennium budget.

Your Committee 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 S.B. No. 1427, 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. 1427, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Inouye, Taniguchi, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

Representatives Morita, Evans, Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 26 on S.B. No. 1877

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 (Department) and that the Department shall have sole jurisdiction over land and state planning functions.

The measure also prohibits the transfer of any of these offices or functions to any other department by executive order and establishes that the position of Director of the Office of Planning is to be filled by appointment by the Governor with the advice and consent of the Senate.

Your Committee on Conference has amended this measure by:

- (1) Making this measure effective upon its approval; and
- (2) Making technical, nonsubstantive changes 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 S.B. No. 1877, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1877, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Taniguchi, Espero, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Espero).

Representatives Herkes, Kanoho, Wakai, Evans, Marumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Evans).

Conf. Com. Rep. No. 27 on S.B. No. 956

The purpose of this measure is to prevent the importation of agricultural pests into Hawaii by allowing the Department of Agriculture to require the identification of specific articles on bills of lading, negotiable and non-negotiable warehouse receipts, or other documents of title for inspection of pests.

Your Committee on Conference has amended this measure by making technical, nonsubstantive changes 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 S.B. No. 956, 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. 956, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, English, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Abinsay, Tsuji, Stonebraker.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Stonebraker).

Conf. Com. Rep. No. 28 on S.B. No. 1798

The purpose of this measure is to exempt associations of apartment owners (AOAOs) from the nonprofit corporation laws governing cumulative voting to elect board directors and voting to remove a director.

This measure clarifies the scope of the Hawaii Nonprofit Corporations Act (Act), codified in chapter 414D, Hawaii Revised Statutes (HRS), by providing that the Act's provisions relating to cumulative voting to elect board directors and voting to remove a director do not apply to AOAOs organized under the laws governing condominium property regimes.

Your Committee on Conference has amended this measure by replacing its contents with language that amends chapter 514A, HRS, and corresponding provisions in Act 164, Session Laws of Hawaii 2004. As amended, this measure:

- (1) Clarifies that the removal and replacement of a member of an AOAO's board of directors require a vote of a majority of apartment or unit owners;
- (2) Authorizes cumulative voting if permitted under the bylaws and if an owner gives notice of the owner's intent to so vote before voting commences; and
- (3) Takes effect upon its approval and upon the effective date of section 2 of Act 164, Session Laws of Hawaii 2004, rather than on July 1, 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 S.B. No. 1798, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1798, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. No. 29 on S.B. No. 1778

The purpose of this measure is to impose deadlines upon the Regulated Industries Complaints Office (RICO) for the commencement and completion of an investigation of a complaint of unlicensed contracting, and to appropriate funds for these investigations.

Your Committee on Conference has amended this measure by replacing its contents with language that:

- (1) Requires a citation issued by RICO for unlicensed contracting to include an order for the violator to cease and desist the unlicensed activity; presently, the law authorizes, but does not mandate, that a citation include an order of abatement; and
- (2) Authorizes a court to impose a fine of not less than \$10,000 for each day of violation of a cease and desist order.

Additionally, this measure has been amended to take effect upon its approval, rather than on July 1, 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 S.B. No. 1778, 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. 1778, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Baker, Espero, Ige, Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Baker, Ige).

Representatives Hiraki, Takamine, Chong, Schatz, Marumoto.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 30 on S.B. No. 1348

The purpose of this measure is to require an association of apartment owners (AOAO) to make AOAO board meeting minutes available for review by owners on the premises of the condominium property if the AOAO maintains an office or resident manager apartment thereon.

Your Committee on Conference has amended this measure:

- (1) To establish as an alternative to the above, an owner's right to request, and receive within fifteen days of receipt of the request, copies of meeting minutes by mail, electronic mail, or facsimile, subject to the owner's payment of a reasonable administrative fee;
- (2) To reflect the appropriate effective dates, rather than an effective date of July 1, 2009; and
- (3) By making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1348, 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. 1348, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. No. 31 on S.B. No. 117

The purpose of this measure is to authorize the establishment of affordable housing requirements for certain undeveloped parcels in Puukolii Village by agreement between the project's developer, the Housing and Community Development Corporation of Hawaii (HCDCH), and the appropriate Maui County housing agency. Under the measure, the affordable housing requirements established by the parties must include a requirement for housing affordable to households earning up to one hundred per cent of the county median income.

Your Committee on Conference has amended this measure:

- (1) By inserting language contained in the measure, as introduced, which grants HCDCH the power to amend, delete, restate, and otherwise modify the terms, conditions, plans, and specifications relating to housing projects approved by HCDCH's predecessor agency, the Housing Finance and Development Corporation;
- (2) To require that the affordable housing requirements for Puukolii Village include a requirement for housing affordable to households earning up to one hundred twenty per cent, rather than one hundred per cent, of the county median income;
- (3) By replacing its effective date of July 1, 2020 with an effective date of July 1, 2005; and
- (4) By making technical, nonsubstantive amendments for the purposes of 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 S.B. No. 117, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 117, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Kahikina, B. Oshiro, Nishimoto, Halford.

Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 32 on S.B. No. 1883

The purpose of this measure is to ensure sustainable stocks of near-shore fish for the Miloli'i community in South Kona. Specifically, this measure designates the Miloli'i fisheries management area in South Kona as a community based subsistence fishing area to preserve and maintain the area's legacy as a traditional Hawaiian fishing village.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1883, 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. 1883, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Taniguchi, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Kanoho, Carroll, Thielen.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Thielen).

Conf. Com. Rep. No. 33 on S.B. No. 1891

The purpose of this measure is to amend the fee requirements for commercial use vessels that are moored in the State's small boat harbors and clarify which fees and penalties are to be deposited to the boating special fund.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the formula for calculating the commercial use vessel fee to be three per cent of gross revenues derived from the use of the vessel or two times the moorage fee assessed for a recreational vessel of the same size, whichever is greater;
- (2) Making the measure effective as of July 1, 2005; and
- (3) Making a technical, nonsubstantive change for 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. 1891, 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. 1891, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Taniguchi, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Kanoho, Takamine, Schatz, Tanaka, Meyer.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Schatz).

Conf. Com. Rep. No. 34 on S.B. No. 797

The purpose of this measure is to make "housekeeping" amendments to the laws governing the Housing and Community Development Corporation of Hawaii.

This measure clarifies chapter 201G, Hawaii Revised Statutes, by redefining the term "housing project" as "public housing project" to distinguish between low-income housing projects and affordable housing developments, and by making conforming amendments throughout the chapter.

Your Committee on Conference has amended this measure to take effect upon its approval and by making a technical amendment for the purpose of 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. 797, 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. 797, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Kahikina, Nishimoto, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 35 on S.B. No. 1473

The purpose of this measure is to ensure the health, safety, and well being of communities surrounding the Waimano Ridge area on Oahu by:

- (1) Prohibiting any state or county agency, commission, or department from granting, approving, or issuing any lease or permit that authorizes new or expanded use, or further development, of existing leased lands or facilities on state-owned land in the Waimano Ridge area until a master plan is developed, communicated to area residents, and the public health, well-being, and safety is assured;
- (2) Establishing a process, and requiring public input, for the Department of Health (DOH) to draft the master plan; and
- (3) Requiring DOH to prepare and disseminate an annual report describing the activities on Waimano Ridge, including certain details on the tests and programs being conducted there as well as details on the public informational meetings conducted.

Your Committee on Conference has amended this measure by:

- (1) Deleting the provision, and any references thereto, that prohibits any state or county agency, commission, or department from granting, approving, or issuing any lease or permit that authorizes new or expanded use, or further development, of existing leased lands or facilities on state-owned land in the Waimano Ridge area until a master plan is developed, communicated to area residents, and the public health, well-being, and safety is assured;
- (2) Deleting the provision regarding a specific process by which DOH shall gather public input on the draft of the master plan;
- (3) Deleting the annual report of activities on Waimano Ridge by the DOH;
- (4) Requiring DOH to give ninety days prior notice to the local neighborhood board and the members of the Legislature from the affected districts and obtain approval of the Governor for any use of state-owned land under its jurisdiction in the Waimano Ridge area prior to use of the land as a sex offender treatment facility, drug treatment facility, state laboratory, or any other uses;
- (5) Requiring DOH to submit an updated master plan to the Legislature; and
- (6) Changing the effective date 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 S.B. No. 1473, 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. 1473, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Kokubun, Chun Oakland, Fukunaga, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Whalen).

Representatives Kanoho, Karamatsu, Pine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 36 on S.B. No. 702

The purpose of this measure is to update the State's antitrust laws relating to mergers and acquisitions so as to be consistent with federal law. This measure:

- (1) Expands the scope of antitrust laws governing mergers and acquisitions to include all business entities;
- (2) Establishes a private party's right of action for injunctive relief if the party will or may be injured by a proposed merger or acquisition; and
- (3) Authorizes an award of reasonable costs and attorney's fees to the prevailing party in an injunctive action.

Your Committee on Conference has amended this measure:

- (1) To prohibit anti-competitive or monopolistic acquisitions and holdings of a person's "stock, interest, or membership", rather than a person's "stock or other share capital";
- (2) To define "subsidiary" and "control" in section 480-7, Hawaii Revised Statutes (HRS);
- (3) To authorize, rather than to require, a court to order a divestiture when the court finds that a holding substantially lessens competition or tends to create a monopoly;
- (4) To repeal the prerequisites for divestiture that the assets be reasonably identifiable and separable, and that divestiture not result in undue hardship on the economic entity;
- (5) By deleting and inserting language to reflect that the measure shall take effect upon its approval, rather than on July 1, 2009; and
- (6) By making technical, nonsubstantive amendments to repeal obsolete or redundant language, and for purposes of clarity, consistency, and style.

Finally, your Committee on Conference finds that the intent of section 480-7(b), HRS, in the measure, as amended, is to provide the opportunity to a person who is threatened with loss or damage in the person's business or property by reason of anything forbidden or declared unlawful in section 480-7(a), HRS, to seek injunctive relief against the threatened loss or damage without having to allege or prove actual loss or damage.

As affirmed by the record of votes of the managers 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. 702, 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. 702, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Hanabusa, Baker, Espero, Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Baker, Espero).

Representatives Hiraki, Luke, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 37 on S.B. No. 1721

The purpose of this measure is to establish a permanent cultural public market within the City and County of Honolulu on State-owned land within the Kakaako Makai area. Specifically, the public market would provide a venue for the:

- (1) Exposure, education, and awareness of the diverse ethnic groups in Hawaii and spotlight the host Hawaiian culture;
- (2) Sale of ethnic foods, produce, and products;
- (3) Exhibition and showcasing of cultural artwork and crafts;
- (4) Showcasing of entertainers and artists; and
- (5) Presentation of information on the culture and history of the various ethnic groups in Hawaii.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date to October 1, 2005;
- (2) Deleting references to "permanent" with respect to the state cultural public market;
- (3) Eliminating its appropriation provisions; and
- (4) Making nonsubstantive technical amendments for clarity, consistency, and style.

Your Committee on Conference notes that the change made to the name of the marketplace is not meant to suggest that the cultural marketplace be established temporarily. Your Committee on Conference continues to support the establishment of a permanent venue for the state cultural marketplace. Your Committee on Conference further notes that this measure is not intended to effect the Hawaii Community Development Authority's Request for Proposals (RFP) process currently in effect. Accordingly, the effective date of this measure has been changed to October 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. 1721, 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. 1721, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Fukunaga, Taniguchi, Kim, and Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Hogue).

Representatives Herkes, Nakasone, Abinsay, and Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Meyer).

Conf. Com. Rep. No. 38 on S.B. No. 556

The purpose of this measure is to enact a statute on parenting plans for contested custody of children.

Your Committee on Conference has amended this measure by:

- (1) Adding criteria for the court to consider in awarding custody in the best interests of the child;
- (2) Defining “meaningful contact”; and
- (3) Making a statutory conforming 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. 556, 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. 556, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Hanabusa, Fukunaga, Trimble.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Sonson, Luke, Cabanilla, B. Oshiro, Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Cabanilla).

Conf. Com. Rep. No. 39 on S.B. No. 1796

The purpose of this measure is to allow a person sentenced for a first-time drug offense prior to July 1, 2004 and who meets the requirements of Act 161, Session Laws of Hawaii 2002, to apply to a court for the expungement of the related arrest and conviction records.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that a person sentenced for a first-time drug offense prior to July 1, 2002 is eligible to apply for re-sentencing provided that the person is able to demonstrate to the court a satisfactory record of drug treatment and abstinence and no intervening criminal convictions between the date of the person’s sentencing for a first-time drug offense and the application for re-sentencing; and
- (2) Changing the effective date of this measure to take effect upon its approval, provided that the resentencing provision shall apply retroactively to July 1, 2002 and shall be repealed on December 31, 2006.

As affirmed by the record of votes of the managers 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. 1796, 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. 1796, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Hee, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Luke, B. Oshiro, Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 40 on S.B. No. 1100

The purpose of this measure is to reduce the illegal manufacturing of crystal methamphetamine by:

- (1) Limiting the dispensing, sale, or distribution of pseudoephedrine products without a prescription to no more than three packages per transaction;
- (2) Exempting products in liquid, liquid capsule, or gel capsule form containing other active ingredients in addition to pseudoephedrine from the sales restriction;
- (3) Requiring any wholesaler to report all sales of pseudoephedrine products made to any retailer; and
- (4) Specifying the minimum information wholesalers must provide for all sales of pseudoephedrine products to any retailer.

Your Committee on Conference has amended this measure by:

- (1) Adding a new section that requires any person transporting by any means more than three packages of any restricted pseudoephedrine product to obtain a permit;
- (2) Making the unlawful transport of pseudoephedrine a misdemeanor;
- (3) Prohibiting a pharmacy or retailer from dispensing, selling, or distributing without a prescription more than three packages or not more than nine grams per transaction of pseudoephedrine products; provided that:
 - (A) The pseudoephedrine products are dispensed, sold, or distributed from an area that is in the direct line of sight of an employee at the check-out station or counter;
 - (B) The pseudoephedrine products are dispensed, sold, or distributed from an area that is under constant video monitoring with signage placed near the drug that warns that the area is under constant video monitoring; or
 - (C) The pseudoephedrine products are dispensed, sold, or distributed from an area not accessible by customers or the general public, such as behind the counter or in a locked display case;
- (4) Adding extended-release pseudoephedrine combination products to those that the Department of Public Safety may exempt if the administrator finds the products are not used in the illegal manufacture of methamphetamine or other controlled substances; and
- (5) Changing the effective date 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 S.B. No. 1100, 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. 1100, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. No. 41 on S.B. No. 118

The purpose of this bill is to exempt the Board of Dental Examiners from chapter 91, Hawaii Revised Statutes, until December 31, 2005, to develop a state examination for the licensure of dental hygienists and to specify that if two state examinations are not given within a calendar year, that applicants that pass one of four regional examinations after February 1, 2004, or a national examination approved by the Board, shall be eligible for licensure as dental hygienists.

Your Committee on Conference has amended this measure by:

- (1) Deleting the requirement that the application be filed with the Board at least sixty days prior to the date selected by the Board for examination;
- (2) Deleting subsection 447-1(b), Hawaii Revised Statutes, regarding the requirement that two examinations shall be held in each year and any references thereto;
- (3) Adding a provision that the Board shall require an applicant to take and pass the State's examination or one of four regional examinations until a national examination is available;
- (4) Adding a provision that an applicant who has taken and passed the state or regional examination after February 1, 2005, but prior to the availability of a national examination, shall be deemed to have met the Board's examination requirement; and
- (5) Making the measure effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 118, 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. 118, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Menor, Chun Oakland, Ige, Whalen.

Managers on the part of the Senate.

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

Representatives Arakaki, Hiraki, Green, Herkes, Schatz, Finnegan.

Managers on the part of the House.

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

Conf. Com. Rep. No. 42 on S.B. No. 568

The purpose of this measure is to give Hawaii's citizens greater access to appropriate dental care and to assure that applicants for licensure as dentist are not deprived of the opportunity to take an examination for an indefinite or extended period of time.

Your Committee on Conference amended this measure by:

- (1) Changing all references to a national examination to the American Board of Dental Examiners (ADEX) examination;
- (2) Allowing an applicant who takes and passes one of four regional examinations given between February 1, 2004, and the date of availability of the ADEX examination to be eligible for licensure if the Board of Dental Examiners determines that two state written and practical examinations on dentistry will not be or have not been administered;
- (3) Adding a new section to the Hawaii Revised Statutes regarding once the ADEX examination is available and approved by the Board, an applicant shall take and pass the ADEX examination, and neither the state examination nor any regional examination shall be accepted;
- (4) Providing that an applicant who has taken and passed a regional examination after February 1, 2004, but prior to the availability of the ADEX examination shall be deemed to have met the Board's examination requirement;
- (5) Requiring the Board to make a determination and post notification on its webpage by July 15, 2005, regarding whether the two state written and practical examinations on dentistry will be administered pursuant to Subsection 448-10(a), Hawaii Revised Statutes (HRS);
- (5) Amending the measure to take effect upon its approval; provided that on the date that the Board approves the ADEX examination, Section 448-10, HRS, shall be repealed.

As affirmed by the record of votes of the managers 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. 568, 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. 568, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Menor, Chun Oakland, Ige, Whalen.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Ige, Whalen).

Representatives Arakaki, Hiraki, Green, Herkes, Schatz, Finnegan.

Managers on the part of the House.

Ayes, 6. Noes, none. Excused, none.

Conf. Com. Rep. No. 43 on S.B. No. 1285

The purpose of this measure is to replace references to a panel or panel members to the kupuna council or kupuna council members, with regard to the regulation of traditional Hawaiian healing practices. This measure also:

- (1) Prohibits the kupuna council members from being sued in relation to their selection, convening, or certification process;
- (2) Expands the practice to include all traditional Hawaiian healers, rather than only traditional native Hawaiian healers; and
- (3) Requires the kupuna councils to be separate and independent from the State.

Your Committee on Conference amended this measure by:

- (1) Deleting the word "native" from the term "traditional native Hawaiian healers" as it pertains to those who may engage in traditional Native Hawaiian healing practices or methods;

- (2) Deleting the definition of “traditional Native Hawaiian healer” from section 2 of Act 162, Session Laws of Hawaii 1998; and
- (3) Amending 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. 1285, 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. 1285, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Luke, B. Oshiro, Thielen.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Thielen).

Conf. Com. Rep. No. 44 on S.B. No. 1660

The purpose of this measure is to create the education design and construction project assessment fund within the Department of Education and broaden the department’s authority over capital improvement projects.

Your Committee on Conference finds that management over the Department of Education’s facilities repair, maintenance, and construction projects has been generally divided between the Department of Accounting and General Services and the Department of Education. Consequently, Act 51, Session Laws of Hawaii 2004, required the transfer of functions regarding the maintenance of school facilities from the Department of Accounting and General Services to the Department of Education. In transferring management to the Department of Education, your Committee on Conference believes that the improved coordination will reduce the backlog of public school facilities projects. Furthermore, the establishment of the fund will allow the superintendent to make assessments on construction projects.

Accordingly, the following amendments were made:

- (1) Correcting the effective dates to coincide with Act 164, Session Laws of Hawaii 2004;
- (2) Specifying appropriation amounts of \$4,000,000 for fiscal years 2005-2006 and 2006-2007; and
- (3) Making nonsubstantive, technical 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. 1660, 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. 1660, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, Takamine, Ching.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 45 on S.B. No. 1699

The purpose of this measure is to demonstrate strong legislative acknowledgement of the importance of culture and arts in Hawaii’s communities and of the enrichment of the quality of life of Hawaii’s people through an appropriation to the Hawaii State Foundation on Culture and the Arts.

Your Committee on Conference has amended this measure by specifying the appropriation amount, changing the effective date to July 1, 2005, and making technical nonsubstantive amendments.

As affirmed by the record of votes of the managers 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. 1699, 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. 1699, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Taniguchi, English, Tsutsui, Hogue.
Managers on the part of the Senate.

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

Representatives Chang, Karamatsu, Pine.

Managers on the part of the House.

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

Conf. Com. Rep. No. 46 on S.B. No. 1702

Your Committee on Conference understands the purpose of this measure is to give the High Technology Development Corporation (HTDC) greater flexibility in responding to growth and development potential in Hawaii's rapidly expanding technology sector through the establishment of the not-for-profit High Technology Innovation Corporation (HTIC). HTIC will provide a number of benefits, including additional sources of much-needed revenue and the ability to respond quickly and efficiently to opportunities and changes in the State's increasingly diversified technology industries.

Your Committee on Conference has amended this measure by:

- (1) Referencing the manner in which the initial term for board members appointed from the general public shall be decided;
- (2) Clarifying that new employees of HTIC shall not be entitled to any benefits conferred under chapter 76, 77, 88, or 89, Hawaii Revised Statutes, and that any existing officer or employee of the State whose functions are transferred to HTIC shall not suffer any loss of benefits as a result of the transfer; and
- (3) Removing the exemption from Chapter 103D, relating to public procurement.

Your Committee on Conference supports the commitment of the HTDC - and its Board of Directors - to become more self-sufficient through establishment of this 501(c)(3) corporation. However, your Committee on Conference also must balance this additional flexibility with the State's policies on the expenditure of any public monies. Your Committee on Conference has responded to this concern by deleting the proposed HTIC exemption from the procurement code, Chapter 103D, Hawaii Revised Statutes.

Although your Committee on Conference recognizes that this will affect the flexibility of HTIC, exemptions from the code are allowed under section 103D-102(b)(4)(L), Hawaii Revised Statutes. Your Committee on Conference understands that HTDC has pursued specific exemptions in the past, and that it is a lengthier process than a blanket exemption would provide. However, your Committee on Conference urges HTIC to pursue this option. If this proves to be a serious barrier to HTIC in meeting its duties, your Committee on Conference expects that HTIC would inform the Legislature prior to the convening of the 2006 session, so that additional options might be considered at that time.

As affirmed by the record of votes of the managers 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. 1702, 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. 1702, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Espero, Taniguchi, English, Ige, Hogue.

Managers on the part of the Senate.

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

Representatives Herkes, Caldwell, B. Oshiro, Nakasone, Fox.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 2 (Caldwell, Fox).

Conf. Com. Rep. No. 47 on S.B. No. 1362

Your Committee on Conference finds that, although the problem with abandoned vehicles in public highways, streets, and rights of way, and on private lands contiguous to public highways, streets, and rights of way is growing, there appears to be some confusion as to the jurisdiction of the counties to take custody and dispose of these abandoned vehicles. This measure would enhance the ability of government to remove abandoned vehicles.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that, at the request of the landowner, a county may cause a vehicle to be taken into custody and disposed of on roads for which dedication to the State or county is pending; 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 S.B. No. 1362, 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. 1362, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Espero, Baker, Whalen.

Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Morita, Souki, Lee, Evans, Meyer.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 48 on S.B. No. 1876

The purpose of flexible design in highway construction is to meet the community's desire to protect and preserve natural, cultural, historic, and scenic values and resources. Community organizations, including the Alliance for the Heritage of East Maui, the Hanalei Road Committee on Kauai, and the Hamakua-Honokaa Heritage Corridor on the Big Island have been working on and support scenic byway or heritage corridor programs. The upper Kona road on the Big Island and Ka Iwi coastal highway on Oahu are also under review as important scenic and historic corridors.

Congress expressly acknowledged the importance of flexible highway design sensitive to the surrounding environment, especially in historic and scenic areas. Section 1016(a) of the Intermodal Surface Transportation Efficiency Act of 1991 allows approval of projects designed to allow for historic and scenic value preservation, while ensuring safe use. Highway design under the National Highway System Act (other than interstates) may consider the constructed and natural environment of the area, and the environmental, scenic, aesthetic, historic, community, and preservation impacts of the project. The Act gives states the flexibility to develop and apply criteria they deem appropriate for federal-aid projects not on the National Highway System.

This measure also provides for a limitation of liability for government entities by providing immunity for the decision whether to utilize flexible alternatives when a flexible alternative design guideline is selected in accordance with the provisions of this measure. Public utilities are protected against liability for the decision to use a flexible design guideline as well. For example, if the decision to utilize a specific alternative standard requires the use of a particular type of utility pole and precludes the use of another type, the utility would not be liable for use of the required pole. This immunity similarly applies only to the use of flexible alternative and does not relieve the utility from its subsequent responsibility of safe design, construction and maintenance.

Your Committee on Conference has amended this measure by:

- (1) Rewording several provisions to make it clear that immunity applies only to the decision to utilize a flexible design standard and does not extend to subsequent design, construction, maintenance, or improvements;
- (2) Adding language to specify that for county roads, the counties, not the State, make the decision whether to select or apply flexible highway design guidelines;
- (3) Allowing the Director of Transportation additional time to establish new flexible highway design guidelines from November 1, 2005 to June 30, 2006;
- (4) Changing the effective date of this measure from July 1, 2010 to July 1, 2005; and
- (5) Making technical, nonsubstantive revisions 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. 1876, 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. 1876, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Taniguchi, Espero, Kokubun, Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Kokubun).

Representatives Souki, B. Oshiro, Lee, Fox.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 49 on S.B. No. 1267

The purpose of this measure is to take steps to counter the growing incidents of shark attacks in Hawaii by providing funding to tag and monitor sharks along the leeward coast of Oahu.

Your Committee on Conference has amended this measure by:

- (1) Making the measure effective on July 1, 2005; and
- (2) Making technical, nonsubstantive changes for 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. 1267, 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. 1267, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Taniguchi, Hanabusa, Hemmings.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Kanoho, Abinsay, Magaoay, Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 50 on S.B. No. 116

The purpose of this measure is to establish a nursing scholars program administered by the University of Hawaii to train nurses for teaching careers in nursing.

Specifically, this measure would:

- (1) Establish a scholarship program to support nurses pursuing graduate degrees and careers in nursing instruction; and
- (2) Re-establish the Operation Nightingale Program to help nurses pass the State Board of Nursing examination.

One of the reasons for the nursing shortage in the State is the lack of a sufficient number of qualified faculty. In turn, one of the reasons for the faculty shortage is the diminishing rate of financial returns in pursuing a graduate level nursing education when a baccalaureate level education will more than ensure a steady career.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the purpose section to state the necessity of increasing the qualified nursing faculty;
- (2) Deleting the Operation Nightingale program;
- (3) Appropriating \$20,000 for fiscal year 2005-2006, and deleting the appropriation for fiscal year 2006-2007;
- (4) Changing the effective date to July 1, 2005; and
- (5) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers 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. 116, 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. 116, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Baker, Taniguchi, Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

Representatives Waters, Arakaki, Lee, Finnegan.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Lee).

Conf. Com. Rep. No. 51 on H.B. No. 295

The purpose of this bill is to assist citizen-soldiers by facilitating the process for restoring the professional or vocational license of a member of the Hawaii National Guard, regular military, or military reserves whose license has expired, been forfeited, or deemed delinquent while the member is on active duty and deployed during a state or national crisis.

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

- (1) Removing the provision that extends the time for attorneys to renew their licenses; and
- (2) Changing the effective date to July 1, 2005.

The Judiciary informed your Committee on Conference that the provision relating to attorneys was unnecessary, because a law license does not have an expiration date.

As affirmed by the record of votes of the managers 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. 295, 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. 295, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Menor, Tsutsui, Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Hogue).

Representatives Ito, Hiraki, Luke, Chong, Marumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Hiraki).

Conf. Com. Rep. No. 52 on H.B. No. 1320

The purpose of this bill is to enhance public safety by requiring county public safety answering points to retain recordings of all emergency 911 telephone calls and radio dispatches for at least one year.

Your Committee on Conference has amended this bill by changing the effective date 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. 1320, 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. 1320, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Hanabusa, Taniguchi, Tsutsui, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Tsutsui).

Representatives Ito, Luke, Chong, Yamane, Stonebraker.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Stonebraker).

Conf. Com. Rep. No. 53 on H.B. No. 606

The purpose of this bill is to lessen Hawaii's future dependence on imported oil and encourage greater use of renewable energy by requiring the Public Utilities Commission to adopt interconnection standards and regulations removing impediments to the installation of customer-sited renewable energy systems with a capacity greater than ten kilowatts.

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. 606, 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. 606, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Kokubun, Menor, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Menor).

Representatives Morita, Hiraki, Schatz, Pine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Pine).

Conf. Com. Rep. No. 54 on H.B. No. 712

The purpose of this bill is to protect historical and cultural sites by:

- (1) Establishing criminal offenses for knowingly taking, appropriating, excavating, injuring, destroying, or altering historic property, aviation artifacts, and burial sites without permission or without obtaining required approval;
- (2) Making it a criminal offense to knowingly fail to stop work in the immediate area and report the discovery of a burial site; and
- (3) Establishing that it is a civil and administrative violation to knowingly fail to re-inter human remains discovered on private lands or lands owned by the State or counties or to knowingly glue together, label, or conduct any tests that destroy skeletal remains.

Your Committee on Conference has amended this bill by making technical, nonsubstantive changes 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. 712, 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. 712, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Kokubun, Hanabusa, English, Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Kokubun, English).

Representatives Kanoho, Carroll, B. Oshiro, Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 55 on H.B. No. 864

The purpose of this bill is to affirm the State's commitment to protecting and preserving its outstanding scenic vistas and natural beauty by permitting the counties to adopt ordinances prohibiting billboards or outdoor advertising devices located in the airspace or waters beyond the land boundaries of the county if those devices are visible from any public location within the county.

Your Committee on Conference finds that this bill will eliminate any ambiguity in current law as to the county's jurisdiction over outdoor advertising devices located in airspace or waters beyond the land boundaries of the county, and allow the counties to keep Hawaii's pristine, natural beauty from being overwhelmed by intrusive, unsightly advertising.

To realize this goal, your Committee on Conference has amended this bill by using the contents of the original House version. As amended, this bill clarifies that county ordinances regulating billboards and outdoor advertising also apply to any advertising devices that are physically situated in the airspace or waters beyond the borders of the county if those devices are visible from any public place located within the county.

As affirmed by the record of votes of the managers 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. 864, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 864, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Hanabusa, Chun Oakland, Kim, Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Kim).

Representatives Kanoho, Luke, Karamatsu, Morita, Thielen.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 56 on H.B. No. 1555

The purpose of this bill is to authorize the issuance of up to \$30,000,000 in special purpose revenue bonds to assist Hualalai Academy to finance the planning, acquisition, construction, and improvement of its educational facilities.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to July 1, 2005; 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. 1555, 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. 1555, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Kokubun, Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Kokubun).

Representatives Takumi, Walters, Evans, Berg, Ching.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 57 on H.B. No. 843

The purpose of this bill is to provide the Department of Education (DOE) with greater flexibility in setting the price of school lunches by authorizing DOE to:

- (1) Set the price of a school lunch with the concurrence of the Board of Education; and
- (2) Adjust the price of lunches based on the average cost of preparing the lunches over the three years preceding any price increase.

Your Committee on Conference has amended this bill by:

- (1) Authorizing the DOE to set the price of a school lunch to ensure that moneys received from the sale of the lunches may be up to one-half of the cost of their preparation;
- (2) Changing the effective date to July 1, 2005; 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. 843, 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. 843, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Nishihara, Hogue.

Managers on the part of the Senate.

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

Representatives Takumi, Evans, Berg, Ching.

Managers on the part of the House.

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

Conf. Com. Rep. No. 58 on H.B. No. 1550

The purpose of this bill is to protect the health and safety of diabetic students by allowing Department of Education (DOE) personnel to administer glucagon to these students in emergency situations.

Your Committee on Conference has amended this bill by clarifying that any employee or agent who volunteers to administer glucagon in an emergency situation to a student with diabetes shall receive instruction in the proper administration of glucagon by a qualified health care professional, rather than a qualified health professional.

As affirmed by the record of votes of the managers 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. 1550, 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. 1550, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Baker, Hanabusa, Nishihara, Hogue.

Managers on the part of the Senate.

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

Representatives Takumi, Luke, Berg, Green, Finnegan.

Managers on the part of the House.

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

Conf. Com. Rep. No. 59 on H.B. No. 150

The purpose of this bill is to improve traffic safety by establishing a provisional driver licensing program consisting of graduated driver licensing in three stages for persons under the age of 18. Among other things, this bill:

- (1) Establishes that a person at least sixteen years of age but under the age of 18 may be granted a provisional license subject to certain requirements;
- (2) Limits the number of passengers as well as the hours of operation for drivers with a provisional license;
- (3) Requires a provisional licensee or holder of an instruction permit to be accompanied by a licensed parent or guardian when driving between the hours of 11:00 p.m. and 5:00 a.m., subject to certain exceptions for provisional licensees travelling to and from employment or school-related functions;

- (4) Creates penalties, including suspension and revocation of the provisional license, for violating passenger limits and operating a motor vehicle between 11:00 p.m. and 5:00 a.m. without appropriate verification from a parent or employer or if the provisional licensee is not accompanied by a licensed parent or guardian;
- (5) Gives the District Court and Family Court concurrent jurisdiction over suspensions or revocations of provisional licenses;
- (6) Provides that provisional licenses expire on the licensee's nineteenth birthday to allow licensees more time to apply for a full driver's license;
- (7) Requires instruction permit holders, when driving, to be accompanied by an individual who is at least 21 years of age and licensed;
- (8) Requires the Department of Transportation and Department of Health to compile and analyze all traffic and accident data to determine the effectiveness of this graduated licensing program in reducing traffic fatalities and accidents in the State; and
- (9) Repeals the graduated licensing program in three years.

Your Committee has amended this bill by:

- (1) Clarifying that a provisional licensee may transport more than one person under the age of 18 if the individuals are members of the provisional licensee's household, including hanai or foster children;
- (2) Changing the date of the repeal of this measure to January 9, 2011; 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. 150, 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. 150, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Chun Oakland, Hanabusa, Trimble.

Managers on the part of the Senate.

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

Representatives Souki, Luke, Lee, Fox.

Managers on the part of the House.

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

Conf. Com. Rep. No. 60 on H.B. No. 1238

The purpose of this bill is to lessen Hawaii's future dependence on imported oil and encourage greater use of renewable energy by authorizing the issuance of special purpose revenue bonds (SPRBs) to Honolulu Seawater Air Conditioning LLC to plan, design, and construct a chilled water distribution system and balance of system components and structures for a district cooling system in downtown Honolulu.

Your Committee on Conference has amended this bill by:

- (1) Authorizing \$48,000,000 as the amount of SPRBs to be issued; and
- (2) Changing the effective date 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. 1238, 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. 1238, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, English, Taniguchi, Hemmings.

Managers on the part of the Senate.

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

Representatives Morita, Hiraki, Kawakami, Moses.

Managers on the part of the House.

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

Conf. Com. Rep. No. 61 on H.B. No. 769

The purpose of this bill is to exempt electric utility cooperative associations from the unclaimed property law, subject to certain requirements.

Your Committee on Conference has amended this bill by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 769, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 769, H.D. 3, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Hooser, Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Hooser).

Representatives Morita, Hiraki, Kawakami, Pine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Pine).

Conf. Com. Rep. No. 62 on H.B. No. 162

The purpose of this bill is to assist small business by requiring the Procurement Policy Board to adopt rules to promote the growth and development of small businesses, including:

- (1) Set asides for small businesses in appropriate classifications of requirements suitable to performance by small businesses; and
- (2) Criteria designed to encourage the use of small businesses as subcontractors on large contracts.

Your Committee finds that this measure will support small business growth and development by directing the State Procurement Policy Board to establish administrative rules that help small businesses obtain state and county contracts. By creating small business set-asides, this measure will encourage larger contractors to use small businesses as subcontractors by making it one of the factors considered in the bid evaluation process.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date to July 1, 2005; 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. 162, 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. 162, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Inouye, Taniguchi, Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

Representatives Herkes, Nakasone, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 63 on H.B. No. 1657

The purpose of this bill is to support energy research and technology by authorizing the issuance of an unspecified amount of special purpose revenue bonds to assist Hoku Scientific in planning, designing, constructing, and equipping facilities for the production of the company's core products.

Your Committee on Conference has amended this bill by:

- (1) Inserting the sum of \$10,000,000 as the total amount of special purpose revenue bonds to be issued; and
- (2) Changing the effective date 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. 1657, 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. 1657, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Taniguchi, Ige, Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Herkes, Karamatsu, Wakai, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Moses).

Conf. Com. Rep. No. 64 on H.B. No. 502

The purpose of this bill is to amend the penalties for repeat offenders of traffic violations that involve child passenger restraint systems, motor vehicle alarm systems, and motor vehicle lights equipment to make them easier to apply and fairer to the violators who would potentially face much stiffer fines for a relatively minor second offense.

Your Committee on Conference has agreed to use the language of House Draft 1 as the Conference Draft 1. As amended, this bill adds provisions that limit the time period during which a prior conviction may be considered to:

- (1) Three years for offenses involving child passenger restraints under section 291-11.5, Hawaii Revised Statutes (HRS); and
- (2) One year for offenses under sections 291-25 to 291-31, HRS, involving violations relating to motor vehicle lights.

As affirmed by the record of votes of the managers 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. 502, 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. 502, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Hanabusa, Chun Oakland, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives B. Oshiro, Luke, Thielen.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Thielen).

Conf. Com. Rep. No. 65 on H.B. No. 551

The purpose of this bill is to clarify the law on public agency meetings by:

- (1) Allowing two board members to discuss matters relating to official board business if they do not constitute a quorum of their board;
- (2) Enabling multiple board members constituting less than a quorum of their board to testify or make presentations on official board business at a meeting of another board or at a legislative public hearing provided that certain notice and reporting requirements are met; and
- (3) Providing that final actions taken in violation of open meeting and public notice requirements may be voidable upon mere proof of the violation.

Your Committee on Conference has amended this measure by deleting the provisions allowing board members to testify or make presentations on official board business at a meeting of another board or at a legislative public hearing.

As affirmed by the record of votes of the managers 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. 551, 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. 551, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Luke, B. Oshiro, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 66 on H.B. No. 553

The purpose of this bill is to protect personal identifying information by:

- (1) Allowing government agencies to withhold identifying information from government records, which if disclosed, would constitute a clearly unwarranted invasion of privacy; and
- (2) Excluding from disclosure the social security numbers of individuals under contract with the government.

Your Committee on Conference has amended this bill to correct a typographical error in citing section 92F-13(1), 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 H.B. No. 553, 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. 553, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, English, Hee, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (English).

Representatives Luke, B. Oshiro, Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 67 on H.B. No. 1709

The purpose of this bill is to reduce property crime by establishing a new misdemeanor offense of aggravated criminal property damage for persons who:

- (1) Intentionally damage the property of another without the other's consent; and
- (2) Have two or more convictions for criminal property damage in the third or fourth degree in the preceding five years.

Your Committee on Conference finds that this measure is aimed at addressing the costly and recurring problem of vandalism.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the new offense of aggravated criminal property damage should be placed in chapter 708, Hawaii Revised Statutes (HRS), relating to offenses against property rights;
- (2) Removing a superfluous reference to the maximum fine of \$2,000 for misdemeanors, which is already provided in section 706-640, HRS; and
- (3) Changing its effective date from July 1, 2050, to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1709, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1709, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Hee, Whalen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Whalen).

Representatives B. Oshiro, Luke, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 68 on H.B. No. 125

The purpose of this bill is to recognize the historical and cultural importance of the sport of Hawaiian outrigger canoe paddling by authorizing certain Hawaiian outrigger canoe clubs (clubs) to keep their canoes on state shoreline areas.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that the canoes may be kept on state shoreline areas at no charge; and
- (2) Clarifying that a club shall secure an annual revocable permit from the applicable state or county agency where required.

Your Committee on Conference intends that although clubs shall be exempt from canoe storage charges, they must still pay any applicable permit fees.

As affirmed by the record of votes of the managers 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. 125, 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. 125, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Hooser, Fukunaga, Hemmings.

Managers on the part of the Senate.

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

Representatives Kanoho, Schatz, Meyer.

Managers on the part of the House.

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

Conf. Com. Rep. No. 69 on H.B. No. 1295

The purpose of this bill is to safeguard the health of students, faculty, and visitors at all Department of Education (DOE) schools by minimizing the risk of asbestos exposure by appropriating funds and requiring DOE to:

- (1) Ensure that all asbestos testing is conducted prior to any exterior or interior renovations or painting of school facilities, except charter schools; and
- (2) Maintain records of all students who may have been exposed to dust containing asbestos during an exterior renovation project that was conducted at King Intermediate School in December 2004.

Your Committee on Conference has amended this bill by:

- (1) Removing the requirement that DOE maintain records of all students who may have been exposed to dust containing asbestos during the exterior renovation project conducted at King Intermediate School in December 2004;
- (2) Deleting the appropriation to conduct the asbestos testing and records maintenance;
- (3) Changing the effective date to July 1, 2005; 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. 1295, 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. 1295, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Hooser, Tsutsui, Hogue.

Managers on the part of the Senate.

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

Representatives Takumi, Chong, Berg, Evans, Ching.

Managers on the part of the House.

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

Conf. Com. Rep. No. 70 on H.B. No. 332

The purpose of this bill is to protect consumers by informing them about bakery products that have been previously frozen and sold as thawed food that resembles fresh food.

Your Committee on Conference finds that the process of flash freezing to ensure product freshness is a standard practice but that nondisclosure to consumers at the point of purchase of bakery goods that have been frozen and offered for sale in a thawed state could be misleading and does not allow consumers to make an informed decision. However, it is the intent of your Committee on Conference to allow retailers some flexibility in the manner in which consumers are informed, and your Committee believes that signage “within close proximity of the point of display” provides sufficient notification.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the sign or notice shall be entitled “Baked Goods Previously Frozen”;
- (2) Specifying that the sign or notice include the words “Previously Frozen and Thawed”;
- (3) Changing the effective date to January 1, 2006; 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. 332, 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. 332, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Menor, Chun Oakland, Espero.

Managers on the part of the Senate.

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

Representatives Arakaki, Hiraki, Green, Finnegan.

Managers on the part of the House.

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

Conf. Com. Rep. No. 71 on H.B. No. 164

The purpose of this measure is to prohibit movie piracy by creating a new misdemeanor offense of unauthorized operation of a recording device in a motion picture theater.

Your Committee on Conference finds that movie piracy through unauthorized audiovisual recordings made in movie theaters has resulted in losses to the motion picture industry, including actors, producers, and distributors of motion pictures. The illicitly copied movies are illegally duplicated, packaged, and distributed across the country and abroad, further aggravating industry losses.

Your Committee on Conference notes that retail merchants are afforded protection from civil liability for detaining suspected shoplifters while awaiting the arrival of law enforcement officers. It is your Committee's intent to extend the same protections to movie theater operators and their agents.

However, concerns were raised that the immunity language in the Senate draft was too broad. Accordingly, your Committee on Conference has amended this measure by providing movie theater operators the same immunity afforded to retail merchants when detaining a person suspected of stealing from the establishment.

Technical, nonsubstantive amendments were also made 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. 164, 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. 164, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Hanabusa, Menor, English, Hogue.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, English).

Representatives Hiraki, Luke, Marumoto.

Managers on the part of the House.

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

Conf. Com. Rep. No. 72 on H.B. No. 477

The purpose of this bill is to provide greater protection to an individual's retirement moneys by granting Roth individual retirement or 408A accounts (Roth IRAs) the same protection from creditor claims afforded to regular individual retirement of 408 accounts (regular IRAs).

Your Committee on Conference finds that both regular IRAs and Roth IRAs are sound financial vehicles for retirement planning, and allow individuals to enjoy the benefit of tax-deferred growth on their retirement savings year after year.

Your Committee on Conference further finds, however, that while both regular 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 creditors' claims.

Upon consideration of the Senate draft, your Committee on Conference has amended this bill by removing its July 1, 2099, effective date, and providing that the bill becomes 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. 477, 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. 477, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Hanabusa, Ige, Hogue.

Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Ige).

Representatives Hiraki, Luke, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 73 on H.B. No. 785

The purpose of this bill is to expressly provide for non-judicial foreclosure of time share interests under the power of sale. The provisions of this bill are based on the existing power of sale law, and as such they:

- (1) Allow a mortgagee to foreclose under the power of sale by giving notice of the intention to foreclose the mortgage;
- (2) Require that copies of the notice be filed with the state Director of Taxation and posted on the time share interest premises not less than 21 days before the day of sale;
- (3) Provide that the day of sale may be any time after four weeks from the date of publication of the first notice;
- (4) Require the mortgagee to file a copy of the notice of sale and the mortgagee's affidavit in the Bureau of Conveyances within 30 days after selling the time share interest; and
- (5) Allow a mortgage creditor having a lien on a time share interest to request and receive written notice of foreclosure from another mortgage creditor with a lien on the same interest, at least seven days before the mortgage creditor forecloses on the mortgage by power of sale.

The bill also improves the notice given to time share mortgage debtors. In addition to publication of the notice of foreclosure in a newspaper in the county where the time share interest is located, the mortgage creditor must also provide the mortgagor with notice of foreclosure by:

- (1) Certified mail, return receipt requested, when the mortgagor's last known address is within the United States; or
- (2) Mail, when the mortgagor's last known address is outside the United States.

Your Committee on Conference finds that foreclosure under the power of sale provides time share associations and time share lenders a practical alternative to pursuing judicial foreclosure of a time share interest, the cost of which frequently exceeds the amount recovered. Further, the additional notice that this bill requires will protect the many time share mortgage debtors who do not live in the county where the time share interest is located.

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. 785, 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. 785, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. No. 74 on H.B. No. 1659

The purpose of this bill is to extend the Department of Land and Natural Resources' (DLNR) authority to enter into lease agreements with noncommercial pier owners, and allow noncommercial pier owners more time to negotiate leases of state submerged lands or lands beneath tidal waters (submerged land lease). Specifically, this bill extends Act 261, Session Laws of Hawaii (SLH) 2000, by two years to June 30, 2007.

Your Committee on Conference notes, that for purposes of determining the lease rent for the submerged land leases, DLNR is using 50 percent of the 2001 real property tax assessment of the fast land as the value of the submerged land to be leased. Procrastinating landowners desiring to enter into a submerged land lease with the State for noncommercial piers must be urged to act in a timely manner. Accordingly, your Committee on Conference has amended this bill by:

- (1) Urging DLNR to commence using the prevailing real property tax assessment value of the fast land in determining lease rents for leases entered into after July 1, 2006; and
- (2) Making technical, nonsubstantive amendments 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 H.B. No. 1659, 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. 1659, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Hooser, Hemmings.

Managers on the part of the Senate.

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

Representatives Kanoho, Chong, Schatz, Meyer.

Managers on the part of the House.

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

Conf. Com. Rep. No. 75 on H.B. No. 1430

The purpose of this bill is to discourage illegal dumping of solid waste by creating the offense of petty misdemeanor disposal of solid waste for the illegal disposal of volumes equal to or greater than one cubic yard and less than ten cubic yards.

Your Committee on Conference has amended this measure by:

- (1) Making an exemption to the petty misdemeanor offense for solid waste consisting solely of green waste, and providing a definition for such exempted green waste; and
- (2) 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. 1430, 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. 1430, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Hanabusa, Hemmings.

Managers on the part of the Senate.

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

Representatives Morita, B. Oshiro, Pine.

Managers on the part of the House.

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

Conf. Com. Rep. No. 76 on H.B. No. 895

The purpose of this bill is to protect the aquatic habitat surrounding the islands from the harmful effects of light pollution by prohibiting artificial light that directly illuminates the shoreline and ocean waters, and direct or indirect glare when light is displaced across property boundaries toward the shoreline and ocean waters. The bill also directs special management area authorities to minimize light displacement.

Your Committee on Conference, upon further consideration, has made the following amendments to this bill:

- (1) Deleting all references to the phrases “direct and indirect glare” and “light displacement”;
- (2) Splitting the two requirements necessary to meet the hotel exception from the prohibition into two separate exceptions;
- (3) Narrowing one of the hotel exceptions by limiting excepted outdoor lighting fixtures to those that illuminate an area of no more than 30 feet into the shoreline and ocean waters;
- (4) Expanding the hotel exception by adding “employees” to the list of persons to be protected by the excepted outdoor lighting fixture;
- (5) Changing the method by which the special management area authorities would minimize light pollution, from adopting guidelines for a review process, to prohibiting the issuance of special management area use permits and special management area minor permits subject to certain exceptions; and
- (6) Making technical, nonsubstantive changes 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. 895, 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. 895, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Hanabusa, Kokubun, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Hanabusa).

Representatives Morita, Kanoho, B. Oshiro, Pine.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 77 on H.B. No. 1201

The purpose of this bill is to strengthen the agricultural theft law by:

- (1) Clarifying that a person commits theft in the second degree if the person commits theft of agricultural equipment, supplies, commodities, or products, valued from over \$100 and up to and including \$20,000, or of agricultural commodities or products that exceed 25 pounds, from cultivated or uncultivated agricultural lands that are fenced or posted with warning signs;
- (2) Establishing that possession of agricultural commodities or products without ownership and movement certificates is prima facie evidence that the commodities or products are or have been stolen; and
- (3) Establishing that possession of livestock without a livestock ownership and movement certificate is prima facie evidence that the livestock is or has been stolen.

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

- (1) Removing references to agricultural commodities and, instead, inserting agricultural commodities in the definition of “agricultural equipment, supplies, or products”;
- (2) Clarifying that a person commits theft in the second degree if the person commits theft of agricultural equipment, supplies, or products, valued from over \$100 and up to and including \$20,000, or of agricultural products that exceed 25 pounds, from premises that are fenced, enclosed, or secured in a manner designed to exclude intruders, or there is prominently displayed on the premises a sign that provides sufficient notice and reading “Private Property”; and
- (3) 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. 1201, 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. 1201, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Hanabusa, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Abinsay, Luke, Halford.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Halford).

Conf. Com. Rep. No. 78 on H.B. No. 1202

The purpose of this bill is to deter trespassing on agricultural land by establishing that a person commits the offense of criminal trespass in the second degree if the person enters or remains on agricultural lands that:

- (1) Are fenced, enclosed, or secured in a manner designed to exclude intruders;
- (2) Have a sign or signs prominently displayed on unenclosed cultivated or uncultivated agricultural land providing sufficient notice and reading as follows: “Private Property”; or
- (3) Have a visible presence of a crop either under cultivation, in the process of being harvested, or that has been harvested and marketable at the time of entry.

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

- (1) Specifying that a person commits criminal trespass in the second degree if the person enters or remains on agricultural lands without the permission of the owner of the land, the owner’s agent, or the person in lawful possession of the land;
- (2) Removing the requirement that any crop that has been harvested also be marketable; and
- (3) 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. 1202, 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. 1202, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Hanabusa, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Abinsay, Luke, Halford.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Halford).

Conf. Com. Rep. No. 79 on H.B. No. 320

The purpose of this bill is to amend the financial interest disclosure law to:

- (1) Require the filing of a financial disclosure statement within 30 days of separation from state government if a prior financial disclosure statement was not filed within the 180 days preceding the date of separation;
- (2) Specify that the requirements of the financial interest disclosure law apply to:
 - (A) The directors, executive directors, and executive secretaries of state agencies or departments;
 - (B) The directors of the Legislature's service agencies; and
 - (C) Members of a state board or commission that has the authority to render declaratory rulings or hold contested case hearings;
- (3) Exempt from disclosure the street address and tax map key number of the filer's residence;
- (4) Make all financial disclosure statements filed with the Ethics Commission (Commission) public records available for inspection and duplication; and
- (5) Require disclosures of business and real property interests held outside of the state.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that a financial disclosure statement is required to be filed within 30 days of separation from a state position, rather than separation from state government, if a prior statement for the position was not filed within 180 days preceding the date of separation;
- (2) Deleting the provisions described in paragraphs (2) and (4) above; 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. 320, 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. 320, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, English, Hee Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Luke, B. Oshiro, Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 80 on H.B. No. 384

The purpose of this bill is to help ensure that indigent criminal defendants are represented by competent counsel by increasing the hourly rates and maximum fees for court-appointed attorneys. Specifically, this bill:

- (1) Raises the hourly rate of compensation for appointed counsel, from \$40 to \$60 for out-of-court services, and from \$60 to \$90 for in-court services;
- (2) Increases the maximum allowable fee schedule for appointed counsel; and

- (3) Clarifies the types of family court cases that are included in the maximum fee schedule.

Your Committee on Conference finds that the current statutory rates of compensation for court-appointed counsel were last amended in 1987, and that fee increases will assist the courts in attracting competent counsel to represent indigent defendants.

Your Committee on Conference has amended this measure by:

- (1) Amending the hourly rate for appointed counsel to \$90 for all services;
- (2) Doubling the maximum allowable amounts in the current fee schedule for appointed counsel; 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. 384, 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. 384, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Hee, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

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

Conf. Com. Rep. No. 81 on H.B. No. 438

The purpose of this bill is to clarify various traffic laws by:

- (1) Repealing the penalties in sections 291C-13 and 291C-18, Hawaii Revised Statutes (HRS), because penalties for those statutes are provided under section 291C-161, HRS; and
- (2) Requiring the driver of a vehicle approaching within 20 feet of a marked crosswalk to stop and remain stopped at the stop line while pedestrians or bicyclists are within a marked crosswalk.

Upon further consideration, your Committee on Conference has amended this bill by replacing the new language relating to crosswalks, with amendments requiring the driver of a vehicle to stop and yield the right of way to a pedestrian crossing the roadway within a crosswalk, regardless of whether traffic-control signals are in place or in operation in that location.

As affirmed by the record of votes of the managers 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. 438, 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. 438, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Luke, B. Oshiro, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 82 on H.B. No. 806

The purpose of this bill is to repeal the amendments made to the offense of criminal trespass in the second degree by Act 50, Session Laws of Hawaii 2004. Although Act 50 was intended to address the problem of squatters in public parks or campgrounds, this law was being broadly used in circumstances not related to squatting.

Upon further consideration, your Committee on Conference has amended this bill by:

- (1) Establishing a new petty misdemeanor offense of criminal trespass onto public parks and recreational grounds;
- (2) Inserting a purpose and findings section; and
- (3) 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. 806, 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. 806, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Hee, Whalen.

Managers on the part of the Senate.

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

Representatives B. Oshiro, Luke, Marumoto.

Managers on the part of the House.

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

Conf. Com. Rep. No. 83 on H.B. No. 422

The purpose of this bill is to protect Hawaii's marine environment from pollution associated with discharge from cruise ships by regulating the discharge of air and liquid pollutants by large commercial passenger vessels into the marine waters of the state.

Your Committee on Conference has amended this bill by reverting to the language contained in H.B. No. 422, H.D. 2, which is substantially similar to H.B. No. 422, S.D. 1, and, among other things:

- (1) Regulates discharges from commercial passenger vessels, specifically discharges of untreated sewage, sewage, other wastewater, and air emissions;
- (2) Requires owners or operators of commercial passenger vessels to:
 - (A) Maintain records of:
 - (i) Discharges of sewage and other wastewater into the marine waters of the state; and
 - (ii) The opacity of air emissions;
 - (B) Provide reports detailing discharges and air emissions to the Department of Health (DOH) upon request; and
 - (C) Submit to DOH copies of any reports of hazardous waste or hazardous substances, sewage, or opacity of air emissions required by the federal government;
- (3) Allows the State to:
 - (A) Enter into voluntary agreements with any owners or operators of commercial passenger vessels to control pollution outside the state's marine waters; and
 - (B) Adopt pollution controls more stringent than those provided by this bill;
- (4) Permits DOH to engage in efforts to encourage and recognize superior environmental protection efforts made by owners or operators of commercial passenger vessels;
- (5) Provides exemptions that include discharges to secure safety or save a life, and for commercial passenger vessels that operate in the marine waters of the state solely in innocent passage;
- (6) Permits DOH to engage in:
 - (A) Direct in-water monitoring of discharges or releases of sewage and direct monitoring of the opacity of air emissions;
 - (B) Monitoring and studying the direct or indirect effects of commercial passenger vessels operating in the marine waters of the state; and
 - (C) Researching ways to reduce the effects of commercial passenger vessels operating in the marine waters of the state and other coastal resources of the state;
- (7) Subjects violations of the requirements in this bill to fines established by DOH; and
- (8) Provides DOH flexibility in establishing alternative terms and conditions for vessel discharges applicable to an owner or operator of a vessel who cannot practicably comply with established regulations.

Additionally, your Committee on Conference has further amended this measure to address concerns regarding the federal Clean Water Act preemption raised by the Attorney General by clarifying that:

- (1) New effluent standards regarding discharges from a commercial passenger vessel into the marine waters of the state do not apply to discharges of sewage; and

- (2) Prohibitions against discharges from large commercial passenger vessels into the marine waters of the state do not apply to treated sewage.

As affirmed by the record of votes of the managers 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. 422, 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. 422, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Inouye, Taniguchi, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Souki, Morita, Kanoho, Lee, Evans, Pine.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, 1 (Pine).

Conf. Com. Rep. No. 84 on H.B. No. 1235

The purpose of this bill is to enable legislators to carry out their constitutional mandate and statutory duties, providing a key linkage between their diverse constituencies and state policy, representing both their own constituents and all the people of the state. It is the legislators who develop state policies and strategies, oversee state agencies, provide services to the citizens of the state, and establish a forum for representation. To support legislators in accomplishing their duties, this bill provides travel allowances that reflect the increased cost of living by increasing the allowances of:

- (1) Neighbor island legislators during the legislative session;
- (2) Oahu legislators traveling to a neighbor island for legislative business during the legislative session;
- (3) All legislators on their respective island of legal residence for legislative business, when a session of the Legislature is recessed for more than three days or during the interim; and
- (4) All legislators traveling out-of-state on official legislative business.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1235, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1235, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. No. 85 on H.B. No. 1236

The purpose of this bill is to improve communication between legislators and their constituents by:

- (1) Increasing the legislative allowance for incidental expenses from \$5,000 to \$7,500; and
- (2) Specifying that when the legislative salary is increased, the legislative allowance shall be increased by the same percentage.

After careful consideration, your Committee on Conference has amended this measure by 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. 1236, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1236, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Tsutsui, Hemmings.
Managers on the part of the Senate.

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

Representatives Takamine, Kawakami, Meyer.

Managers on the part of the House.

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

Conf. Com. Rep. No. 86 on H.B. No. 408

The purpose of this bill is to clarify the environmental impact statement (EIS) law by adding definitions for “collection system”, “disposal system”, “individual wastewater system”, “treatment unit”, “treatment works”, and “wastewater facility” to the law.

Your Committee on Conference has amended this bill by:

- (1) Inserting a legislative findings and purpose section;
- (2) Deleting the definitions previously added by the bill, which do not serve to clarify the EIS law;
- (3) Defining “wastewater treatment unit” in the EIS law to make it clear that proposed changes to a portion of an existing wastewater treatment facility do not trigger the environmental review process;
- (4) Clarifying that when the proposing agency and the determining agency are the same, the Office of Environmental Quality Control is authorized to review an agency’s determination, consult the agency, and advise of non-compliance with the EIS law; and
- (5) 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. 408, 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. 408, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Taniguchi, Hooser, Hemmings.

Managers on the part of the Senate.

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

Representatives Morita, Evans, Fox.

Managers on the part of the House.

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

Conf. Com. Rep. No. 87 on H.B. No. 283

The purpose of this bill is to recognize and honor Senator Hiram L. Fong by establishing the temporary Senator Hiram L. Fong Commission (Commission) and appropriating \$2,000 for the Commission.

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

- (1) Deleting the provision that exempts any grants or subsidies made by the Legislature to the Commission from the requirements of the Grants and Subsidies Law, chapter 42F, Hawaii Revised Statutes;
- (2) Clarifying that the appropriation is to be used in accordance with the Grants and Subsidies Law;
- (3) Changing the effective date of this measure to July 1, 2005; 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. 283, 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. 283, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Taniguchi, Hogue.

Managers on the part of the Senate.

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

Representatives Chang, Kawakami, Karamatsu, Ching.

Managers on the part of the House.

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

Conf. Com. Rep. No. 88 on H.B. No. 1476

The purpose of this bill is to provide public access to, and a protective buffer for, the Kohala Historical Sites State Monument (Monument) by requiring the Department of Land and Natural Resources (DLNR) to renew its efforts to acquire the lands adjacent to the Monument through land exchange.

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

- (1) Deleting the provision requiring DLNR to renew its efforts to acquire the lands adjacent to the Monument through land exchange;
- (2) Clarifying that the lands adjacent to the Monument amount to 250 acres;
- (3) Requiring DLNR to:
 - (A) Determine, after consultation with Mo'okini Luakini, Inc., and Kamehameha Schools, whether the 162 acres that may be acquired by Kamehameha Schools are adequate to provide an adequate buffer and public access to the Monument; and
 - (B) If the 162 acres is found insufficient, renew its efforts to acquire the remaining 88 acres through land exchange;

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. 1476, 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. 1476, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Kanoho, Evans, Carroll, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Carroll).

Conf. Com. Rep. No. 89 on H.B. No. 931

The purpose of this bill is to encourage the development of workforce housing and affordable housing on leased residential lots by exempting such developments from the provisions of chapter 516, Hawaii Revised Statutes, which allows for mandatory lease-to-fee conversion of single-family residential properties.

Your Committee on Conference has amended this bill by:

- (1) Adding a provision which excludes the University of Hawaii at Manoa from the applications being introduced by this Act while still providing for other University of Hawaii properties outside of the Manoa vicinity;
- (2) Changing the effective date to July 1, 2005; 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. 931, 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. 931, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Espero, Hooser, Hogue.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Kanoho, Kahikina, Magaoay, Meyer.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 90 on H.B. No. 1750

The purpose of this bill is to support community-based reintegration programs for female offenders in their transition from prison back into a healthy, productive role within the community.

Your Committee on Conference has amended this bill by:

- (1) Inserting an appropriation of \$100,000 for fiscal year 2005-2006;
- (2) Deleting the provision for a matching appropriation for fiscal year 2006-2007; and
- (3) Making technical, nonsubstantive changes 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. 1750, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1750, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Ito, Chong, Yamane, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Moses).

Conf. Com. Rep. No. 91 on H.B. No. 852

The purpose of this bill is to:

- (1) Exempt proceedings of the Public Utilities Commission from automatic permit approval provisions; and
- (2) Specify that a delay caused by a lack of quorum by an issuing agency shall not initially result in an automatic permit approval, but a subsequent lack of quorum shall not provide cause for further extension unless agreed upon by all parties.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 852, 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. 852, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Espero, Hanabusa, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Espero).

Representatives Kanoho, Herkes, Wakai, Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Meyer).

Conf. Com. Rep. No. 92 on H.B. No. 1276

The purpose of this bill is to expand public recreational opportunities by allowing the Department of Land and Natural Resources (DLNR) to enter into indemnity and defense agreements to protect parties associated with landowners from potential claims and property loss associated with public use of private lands.

Upon further consideration, your Committee on Conference has amended this bill by:

- (1) Clarifying the manner in which DLNR would indemnify a landowner for property losses by:
 - (a) Providing a process for reimbursement of property losses due to public use; and
 - (b) Allowing DLNR to settle small claims for losses up to \$10,000 per year to be paid from the trail and access program special funds;
- (2) Changing the effective date to July 1, 2005; and
- (3) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1276, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1276, H.D. 3, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Hanabusa, Taniguchi, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Hanabusa).

Representatives Kanohe, Luke, Magaoay, Carroll, Schatz, Meyer.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, 1 (Carroll).

Conf. Com. Rep. No. 93 on H.B. No. 1301

The purpose of this bill is to appropriate funds, in addition to the amounts requested by the Hawaii Invasive Species Council for the biennial period, to the counties specifically to accelerate the response, control, and eradication efforts for programs and initiatives that are found to be most effective in the control or eradication of priority invasive species, including the coqui frog.

Your Committee on Conference, upon careful consideration, has amended this bill by:

- (1) Specifying that the additional funds are to be used toward the control and eradication of only the coqui frog, and not all priority invasive species;
- (2) Clarifying the proviso that each county work in collaboration with its own invasive species committee or other invasive species working group;
- (3) Deleting an appropriation for fiscal year 2006-2007;
- (4) Changing the total appropriation amount to \$300,000, with the City and County of Honolulu and the County of Kauai to receive \$50,000 each, and the County of Maui and the County of Hawaii to receive \$100,000 each; and
- (5) 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. 1301, 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. 1301, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Taniguchi, Kokubun, Hemmings.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Morita, Tsuji, Yamane, Pine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Pine).

Conf. Com. Rep. No. 94 on H.B. No. 1758

The purpose of this bill is to prohibit the reduction of weekly unemployment benefit payments to individuals who receive pension payments including those under the Social Security Act or the Railroad Retirement Act of 1974.

Your Committee on Conference has amended this measure by:

- (1) Inserting provisions for the reduction in benefits under specific circumstances for claims filed with an effective date prior to July 1, 2005, and those filed with an effective date beginning on or after July 1, 2005;
- (2) Changing the effective date to July 1, 2005; 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. 1758, 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. 1758, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Caldwell, Nakasone, Fox.
Managers on the part of the House.

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

Conf. Com. Rep. No. 95 on H.B. No. 325

The purpose of this bill is to:

- (1) Authorize employees to use temporary disability insurance sick leave benefits in excess of the minimum statutory temporary disability insurance benefits requirement for family leave purposes; and
- (2) Amend the definition of “sick leave” under the state family leave law.

Your Committee on Conference has amended this measure by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 325, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 325, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Caldwell, Takamine, Nakasone, Pine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Pine).

Conf. Com. Rep. No. 96 on H.B. No. 140

The purpose of this bill is to authorize the Senate Ways and Means, Health, and Human Services Committees and the House Finance, Health, and Human Services Committees to serve as a joint legislative oversight committee to oversee and evaluate:

- (1) The implementation of the Temporary Assistance for Needy Families (TANF) program; and
- (2) TANF fund expenditures.

Your Committee on Conference has amended this bill by:

- (1) Removing reference to legislative oversight and instead requiring public input regarding TANF funding and programs;
- (2) Deleting references to the specific House and Senate committees and instead referring to committees having primary jurisdiction over fiscal, health, and human services issues;
- (3) Clarifying that the hearings are at the discretion of the Legislature and that no fewer than one hearing be held on each island annually only if the Legislature decides to hold hearings; 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. 140, 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. 140, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Taniguchi, Hooser, Kokubun, Tsutsui.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Hooser, Kokubun).

Representatives Sonson, Takamine, Kawakami.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Kawakami).

Conf. Com. Rep. No. 97 on H.B. No. 1317

The purpose of this bill is to ensure that Medicaid beneficiaries continue to receive a broad range of medical coverage by prohibiting the Department of Human Services (DHS) from taking any action or expending state resources to remove prescription drug benefits from managed care plans that provide health care coverage for Hawaii Medicaid beneficiaries.

Your Committee on Conference has amended this bill by:

- (1) Requiring DHS to submit a report to the Legislature no later than 20 days prior to the convening of the Regular Session of 2006 on the impact of carving out pharmaceutical benefits management from managed care plans;
- (2) Clarifying that DHS shall not take any action to remove pharmaceutical benefits management from managed care plans that provide health care coverage for Hawaii Medicaid beneficiaries and placing the provision in the Session Laws of Hawaii rather than the Hawaii Revised Statutes;
- (3) Changing the effective date to effective upon approval; 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. 1317, 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. 1317, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Sonson, Arakaki, Hiraki, Kawakami.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 98 on H.B. No. 1668

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 on Conference 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. 1668, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1668, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. No. 99 on H.B. No. 500

The purpose of this measure is to provide the necessary appropriations and authorizations for the operation of the Judiciary for fiscal biennium 2005-2007.

Your Committee on Conference has increased the Judiciary's budget in general funds by \$9,644,308 and \$9,394,425 for fiscal year 2005-2006 and 2006-2007, respectively. Collective bargaining accounts for a little over thirty per cent of these general fund increases, with judges and director pay raises, pursuant to authorization by Act 123, Session Laws of Hawaii 2003, accounting for fourteen per cent (\$1,341,102) and eighteen per cent (\$1,723,456), in each respective year.

The remainder of the funding provided by your Committee on Conference is mainly focused upon the continued funding of the Drug Court program. Your Committee on Conference recognizes the importance of the Drug Courts and the significant strides they have made. As such, your Committee on Conference remains dedicated to substance abuse prevention in the State. To this end, in addition to funds from Act 40, Session Laws of Hawaii 2004, your Committee on Conference has provided an additional \$751,998 in general funds for fiscal year 2005-2006 and \$623,161 in general funds for fiscal year 2006-2007 in keeping with its commitment to continue funding the Drug Court program.

Your Committee on Conference has also carefully considered the Judiciary's budget requests and sought to provide general funds for the following items:

- (1) \$297,388 for fiscal year 2005-2006 and \$470,162 for fiscal year 2006-2007 for operating expenses for the new Kauai court complex in the fifth circuit;
- (2) \$359,491 for fiscal year 2005-2006 and \$322,691 for fiscal year 2006-2007 to replace federal funding ending April, 2005, for the juvenile sex offender program to enable the program to continue operating;
- (3) \$170,000 for each year of the fiscal biennium for the Hawaii State Law Library for the most current books and subscriptions;
- (4) \$86,524 for each year of the fiscal biennium to permanently establish the parent education "Kids First" program;
- (5) \$40,000 and \$50,000 for each respective fiscal year for the biennium for the children's justice center program; and
- (6) \$27,000 for each year of the fiscal biennium to provide security guard services for juvenile detention in the third circuit.

Your Committee on Conference has also increased the computer system special fund ceiling in order to accommodate the projected expenditures due to the implementation of the Judiciary integrated case management system computer system.

Your Committee on Conference also provided \$95,000,000 in capital improvement funding for the Kapolei judiciary complex. Your Committee on Conference finds that an immediate appropriation for the complex is necessary to secure 13.6 acres of land from the Estate of James Campbell at no cost to the State.

As affirmed by the record of votes of the managers 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. 500, 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. 500, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, English, Espero, Fukunaga, Hooser, Inouye, Kanno, Kim, Kokubun, Nishihara, Sakamoto, Tsutsui, Hemmings, Slom, Trimble.

Managers on the part of the Senate.

Ayes, 14. Noes, none. Excused, 2 (Fukunaga, Trimble).

Representatives Luke, Takamine, Thielen.

Managers on the part of the House.

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

Conf. Com. Rep. No. 100 on H.B. No. 100

Overview

Your Committee on Conference has labored to craft a balanced budget that is responsive to the needs and demands of our communities, focusing primarily on improving the quality of life for the people of Hawaii. Inherent in this approach is the need to be mindful of the interrelationships at play between the State and the federal government and how what happens at the federal level impacts the State's role in providing services. This approach also recognizes the pressing needs of our communities, particularly in the areas of education, controlling the crystal methamphetamine or ice epidemic, supporting the most vulnerable people in our communities, and ensuring a sustainable future for our children. The budget crafted by your Committee on Conference:

- Continues to support education system reform efforts initiated by Act 51, Session Laws of Hawaii 2004;
- Continues efforts to stem the ice epidemic by providing the resources needed to meet the objectives established by Act 40, Session Laws of Hawaii 2004;
- Provides additional funding for homeless programs and the general assistance population;
- Ensures that valuable green space will be preserved and protected for future generations;
- Supports the needs of the University of Hawaii system;
- Assists the counties by providing money to maintain their roads; and

- Honors the sacrifices being made by the men and women of the Hawaii National Guard.

Despite strong economic indicators for Hawaii, and the strong revenue projections made by the Council on Revenues, your Committee, as in previous years, continues to take a prudent and fiscally responsible approach to balancing competing demands for resources in the development of the Executive Biennium Budget.

National Economy

The United States economy is growing at a steady pace with low unemployment, inflation, and interest rates, with many forecasters expecting non-inflationary real growth to continue. At the same time, the strain associated with the increasing demand on resources created by the solid performance of the economy is cause for concern. Rising oil prices and growing inflationary pressures are just a couple consequences of an economy that has seen sustained growth. In general, the adverse effects from these factors do not appear to threaten the overall outlook for continued expansion. However, how those adverse effects are resolved could substantially impact on United States national economic performance.

Council on Revenues

At its March 8, 2005 meeting, the Council on Revenues updated its forecast of the general fund tax revenues for fiscal year 2004-2005 and beyond. The growth rate for the current fiscal year is forecast at ten per cent, up from 8.8 per cent from its January 6, 2005 prediction. However, the Director of Taxation cautioned the Council that the bulk of the increase in revenues over the last fiscal year is attributable to one-time events that are unlikely to be repeated. The Council also revisited their visitor arrival assumptions and deemed them too high. Applying that rate to our current visitor levels would mean that total visitor arrivals would exceed 8,000,000 a year in the very near future. This was deemed to be an unrealistic forecast given our current capacity and lack of plans to increase it. The growth forecast was therefore lowered for fiscal year 2005-2006 from 5.3 per cent to five per cent and for the following year from 5.7 per cent to 4.9 per cent.

Although the outlook based upon the Council's projections is promising, your Committee on Conference proceeded with caution in anticipation of the reduction in state tax revenue. Additionally, a reduction in federal funding to Hawaii is looming on the horizon as Congress debates the President's plan to shift more of its current services and obligations onto the states.

Budget Situations in Other States

According to the *State Budget Update, April 2005*, published by the National Conference of State Legislatures, state revenues are improving, but not enough to ameliorate continued budget gaps in a number of states.

Budget shortfalls continue, even though state revenues outpace estimates. Only a few states are reporting that collections from major tax sources are below previous estimates.

The problems are not with revenues but with expenditures. In recent years, states were forced to make drastic reductions to spending. These prior year reductions have placed extreme pressure on lawmakers to restore appropriations to previous levels. In addition, lawmakers have had to contend with increases in Medicaid and other health care costs. According to the National Conference on State Legislatures, this collision between current increases to revenues and prior year reductions is responsible for maintaining budget gaps in at least half the states:

- Thirty-one states report fiscal year 2005 spending overruns for some portion of the budget, compared with twenty-three states in November 2004.
- Rising health care costs and utilization are driving Medicaid and other health care programs over budget, a trend that began several years ago. Through the first eight months of the fiscal year, Medicaid and other health care spending exceed appropriations in twenty-three states (compared with sixteen in November).
- Corrections expenses are over budget in thirteen states, up from seven in November. In some of these states, pharmaceutical costs and other medical services explain the overruns.
- Property tax relief programs are over budget in Ohio and Maine.
- Other programs above budgeted levels include temporary assistance to needy families, mental health services, district courts, state parks, employee health insurance, and K-12 education.

Hawaii in Relation to Other States

According to National Conference of State Legislatures, Hawaii joins the overwhelming majority of states with no budget gaps for fiscal year 2004-2005. Hawaii also falls in line with half of the states entering fiscal year 2005-2006 without any spending overruns. Performance of major tax categories has exceeded expectations from last year, with the outlook for fiscal year 2005-2006 being positive but not likely to match or exceed the current fiscal year's rate of growth.

Collective Bargaining

Your Committee on Conference finds that, in any organization, the quality of services delivered is determined by the quality of its employees. By addressing the salary and other conditions of work issues of teachers, firefighters, engineers, nurses, and other public workers, it should be easier to select and retain the best public servants who can provide the best services to the people of Hawaii. In today's economy, the public sector must remain competitive with the private sector in terms of wages and benefits.

Your Committee on Conference adjusted expenditures to account for the collective bargaining agreements for the Hawaii Government Employees Association, United Public Workers, and the Hawaii State Teachers Association.

These agreements will cost the State the following amounts:

	<u>Fiscal Year 2005-2006</u>	<u>Fiscal Year 2006-2007</u>
Hawaii Government Employees Association	\$31,200,000	\$81,000,000
Hawaii State Teachers Association	\$20,500,000	\$77,100,000
United Public Workers	\$9,100,000	\$20,500,000

Budget HighlightsLower Education

On October 2004, the Board of Education approved a biennial operating budget request of an additional \$102,700,000 to address essential public school programs. The biennial budget was later revised upward an additional \$3,000,000.

However, after reviewing and revising the Board of Education's biennial budget request, the executive branch submitted a biennial budget on behalf of the Department of Education totaling only \$23,500,000, creating underfunded and unfunded public education needs that totaled approximately \$79,200,000 to \$82,100,000.

One of your Committee on Conference's top priorities was to address the shortfalls in public education. Your Committee on Conference exceeds the Governor's proposal by almost twice the amount requested for the Department of Education. Still, the almost \$40,000,000 appropriated by your Committee on Conference does not fully provide for budgetary shortfalls in the Department of Education. However, in light of lower revenue projections from the Council on Revenues in its March 2005 forecast, your Committee on Conference feels it did its best in crafting a balanced budget that not only addressed educational priorities but other top priorities as well.

Nationwide, the number of students diagnosed with autism spectrum disorder increases by approximately ten to seventeen per cent annually. In Hawaii, the increase in the number of students diagnosed with autism spectrum disorder is estimated at sixteen per cent annually. Based upon its initial analysis, the Department of Education requested an additional \$6,000,000 for the fiscal biennium 2005-2007 to address the needs of students diagnosed with autism spectrum disorder. Although the Governor approved the amount, further analysis indicated that, for the fiscal biennium 2005-2007, the additional amount needed to address the needs of students diagnosed with autism spectrum disorder was over \$10,000,000. Your Committee on Conference agreed with this later analysis and provided \$10,000,000 in additional general funds for the treatment of students diagnosed with autism spectrum disorder.

Another priority that the Department of Education identified was the conversion of school principals from a ten-month to a twelve-month salary schedule. With Act 51, Session Laws of Hawaii 2004, also known as the "Reinventing Education Act of 2004," greater responsibilities and expectations are placed upon school principals. As part of the school principal's expanded role, the Department of Education requested that school principals be converted from a ten-month salary schedule to a twelve-month salary schedule. Your Committee on Conference agreed with the Department of Education and appropriated \$5,286,750 in each year of fiscal biennium 2005-2007 to convert the salary schedules of school principals to a twelve-month salary schedule.

In fiscal biennium 2003-2005, the Legislature noted that there were accumulated balances in federal and special funds for school food services. As a result, general fund appropriations were reduced in fiscal biennium 2003-2005 in order for the Department of Education to expend the excess federal and special funds. The Department of Education has informed the Legislature that, by the end of the current fiscal year, those federal and special fund balances will be depleted. Initially, the Department of Education requested over \$10,000,000 in each year of the fiscal biennium. The executive branch submitted its request to the Legislature to restore general funds at less than half of the dollar level needed by school food service.

Subsequent analysis indicated that the shortfall for school food service would be even higher than originally estimated. Increases in food shipping costs resulted in revised increases in shortfall projections of forty to eighty per cent over original estimates. Your Committee on Conference recognizes the support and cooperation that the Department of Education demonstrated in assisting the State in balancing its budget during fiscal biennium 2003-2005. Due to fiscal constraints and your Committee on Conference's philosophy of providing resources to a broad range of basic priorities, your Committee on Conference provided a total of \$20,000,000 in general funds toward school food services. This amount approximates over ninety per cent of the accumulated balances that remained in the school food services' special and federal funds accounts at the beginning of the fiscal biennium 2003-2005.

Finally, the executive branch sought only \$200,000,000 in capital improvement program funds over the fiscal biennium for all of the Department of Education's capital requirements. Your Committee on Conference finds that this offering is embarrassingly short of the \$500,000,000 needed to satisfy the enormous need in repair and maintenance projects, as well as other necessary improvements. As a result, your Committee on Conference increased the Governor's request and provided a total of \$280,000,000 in capital improvement program funds, including \$100,000,000 for school repairs and maintenance.

Higher Education

On September 10, 2004, the University of Hawaii Board of Regents approved a detailed biennial operating budget request of \$70,000,000 (\$31,000,000 in fiscal year 2005-2006 and \$39,000,000 in fiscal year 2006-2007) and forwarded that plan to the Governor. The Board's budget plan included the creation of many positions vital to the expansion of programs, such as workforce development and economic diversification initiatives, to meet the needs of the State in areas of occupational growth as well as personnel shortages (e.g. teaching, nursing, and construction), and leveraging the resources of the University of Hawaii for economic expansion and job creation.

In the 2005 State of the State address, the Governor acknowledged that investment in the University of Hawaii is our best hope for meeting the higher education needs of our residents and that it is imperative that adequate resources be provided to the University.

However, the executive branch later revised the University of Hawaii Board of Regents' budget request down to \$25,000,000 lump-sum amounts of \$10,000,000 in fiscal year 2005-2006 and \$15,000,000 in fiscal year 2006-2007.

Using the lump-sum budget method inherently removes the ties between the specific and detailed goals and objectives of an organization and the resources used to achieve those goals and objectives. As the lump-sum budget request did not originate from the University of Hawaii Board of Regents, the University of Hawaii administration could not adequately provide detailed information as to the allocation of the lump sum amounts. As a result, your Committee on Conference was prevented from performing its responsibility of analyzing the budget request of the University of Hawaii with the due diligence required in budget matters. Your Committee on Conference did not approve of the lump-sum budget requests as presented by the Governor's office. Your Committee on Conference spent countless hours crafting a detailed budget for the University of Hawaii. Your Committee on Conference feels that, although the result is a fair budget for the University of Hawaii, the Committee on Conference's limited resources could have been better spent in reviewing budget request priorities.

While your Committee on Conference recognizes the semi-autonomous status of the University of Hawaii, your Committee on Conference feels that it has a fiduciary duty to review monetary matters, especially matters regarding general funds, paid for by all taxpayers. Your Committee on Conference feels that the transparency and accountability that are paramount concerns in today's government are hindered by lump-sum budgeting. Furthermore, the flexibility and efficiency enjoyed by semi-autonomous governmental units should be balanced with the dissemination of accurate and meaningful information to stakeholders, the public, and other interested parties and individuals.

On March 25, 2004, the Governor, jointly with the President of the University of Hawaii, members of the University of Hawaii Board of Regents, and the University of Hawaii Professional Assembly announced that an unprecedented six-year collective bargaining contract between the State and University of Hawaii professors had been reached, which may exceed all prior year contract lengths. Among other things, the contract provided for pay increases equating to raises of over thirty-four per cent over the six-year contract, with the cost borne entirely by the State for the first three years and then split between the State and University of Hawaii over the last three. Total obligations are estimated to be \$124,000,000 to the State and \$39,000,000 to the University. State law requires that this contract only becomes valid when the Legislature appropriates the necessary funds to pay for the new cost items.

During the 2004 legislative session, members of the Legislature expressed concerns that, in order for the University of Hawaii to pay for its portion of the contract, tuition for students may have to be raised. While your Committee on Conference cannot draw a direct correlation between the pay raises and the actions of the University of Hawaii, your Committee on Conference notes that, in March of this year, the University of Hawaii proposed to increase tuition to more than double its current rate within the next five years. Among its top priorities, the University of Hawaii cited the need to hire and retain faculty and fix classrooms and buildings. While your Committee on Conference recognizes that the needs expressed by the University of Hawaii are legitimate and valid, we note that, in its current biennial budget, the University of Hawaii identified \$20,000,000 (\$4,500,000 in fiscal year 2005-2006 and \$15,500,000 in fiscal year 2006-2007) in additional collective bargaining costs over and above the \$8,600,000 in collective bargaining costs expended in prior years. Despite its concerns, your Committee on Conference recommends to fully provide for the University of Hawaii Professional Assembly's collective bargaining costs of \$37,200,000 (\$13,100,000 in fiscal year 2005-2006 and \$24,100,000 in fiscal year 2006-2007).

Your Committee on Conference remains committed to the vision of creating a world-class institution of higher learning. In spite of substantial collective bargaining costs and lower overall revenue expectations from the Council of Revenues, your Committee on Conference provided nearly \$16,000,000 in general funds for fiscal biennium 2005-2007 in increased support for various University of Hawaii programs, such as nursing, improvements to campus security, workforce development, financial aid and student services to the community colleges, a "B" Plus Scholarship Program, and several Hawaiian studies programs.

Your Committee on Conference also provided \$13,000,000 in general fund appropriations and revolving fund ceiling increases to address projected shortfalls in operating, faculty, and support functions at the new facilities for the John A. Burns School of Medicine. Your Committee on Conference believes that prior University of Hawaii administrations may have been overly optimistic as to the short-term potential of the new John A. Burns School of Medicine facilities at Kakaako to generate external grant and other non-general funds. However, your Committee on Conference continues to believe in the medium and long-range potential of the John A.

Burns School of Medicine facilities at Kakaako in becoming a world-class health, biomedical, and biotech research and teaching facility.

In this regard, your Committee on Conference provided for budget shortfalls of the John A. Burns School of Medicine with a combination of general funds and revolving funds. Although the University of Hawaii administration did not adequately budget for "start-up" or operating costs, your Committee on Conference acknowledges that millions of dollars have already been committed to the construction of the John A. Burns School of Medicine. It would not be fiscally prudent to have the facilities sit dormant or underutilized because funds were not provided for the start-up costs or day-to-day operations. Your Committee on Conference also recognizes the fact that, while research has the potential of becoming "self-supporting," this does not apply to the educational portion of the Kakaako facility. The intent of your Committee on Conference is to provide general funds to support costs associated with the educational functions of the facility, while authorizing expenditure ceiling increases from the research and training revolving fund to temporarily support the research component of the John A. Burns School of Medicine, Kakaako facility. This action will give the research component of the facility time to become fully operational to fulfill the expectations of the Legislature, the University community, and the general public in becoming a world-class medical, biomedical, and biotech center. It is hoped that, as more external funding is obtained for research by the School of Medicine, the initial "investment" from the research and training revolving fund will be returned several fold.

The research and training revolving fund is the depository for overhead reimbursements that the State or the University of Hawaii expended in support of administering federal grants. Historically, the University of Hawaii has allowed the research unit that obtained federal grants to retain approximately fifty per cent of the reimbursement, with the vice-president for research and various chancellors receiving the remaining fifty per cent. There are no federal guidelines as to the disposition of federal overhead reimbursements. In the distant past, all federal overhead reimbursements were deposited into the state treasury as general funds.

Finally, your Committee on Conference eliminated approximately two hundred positions from the University of Hawaii system. These positions have been vacant and unfunded for at least one year. Vacant and unfunded positions occur when the University of Hawaii chooses to reallocate funding to other areas of importance. Your Committee on Conference noted that, in the past several years, while other executive branch departments have experienced the reduction of vacant and unfunded positions, very few, if any, vacant and unfunded positions have been reduced from the University of Hawaii inventory. It is estimated that, at the beginning of the 2005 regular legislative session, over five hundred positions were classified as vacant and unfunded in the University of Hawaii system.

While your Committee on Conference, in part, understands the rationale behind the University of Hawaii's desire to retain all of its vacant and unfunded positions, your Committee on Conference also realizes that the University of Hawaii may have exceeded what would be considered acceptable in retaining these vacant and unfunded positions. By reducing a portion of the vacant and unfunded positions from the University of Hawaii, it is hoped that the University will become more efficient and prudent in the management of its position counts.

Substance Abuse Treatment

Your Committee on Conference firmly recognizes the need to continue the work of the Joint House-Senate Task Force on Ice and Drug Abatement, which provided a comprehensive plan last legislative session established under Act 40, Session Laws of Hawaii 2004, to address the ice epidemic. Accordingly, your Committee on Conference provided an additional \$13,100,000 in general funds to the Department of Health for substance abuse treatment services and prevention programs over the biennium for both adolescents and adults. In addition, your Committee on Conference provided \$1,200,000 in each year of the biennium for the counties to continue support for anti-drug campaigns and community substance abuse prevention, as was provided for in Act 40.

Your Committee on Conference also notes that the level of funding provided for substance abuse prevention exceeds the executive branch's biennial request, which only provided marginal support to stem the ice epidemic.

Public Safety

The paramount concerns of the Department of Public Safety continue to be the overcrowded conditions of our correctional facilities, the deteriorating physical condition of these facilities, and the increased demand for correctional services. For example, on March 7, 2005, there were 3,943 inmates in facilities in Hawaii, although the design capacity is only 3,487. Additionally, 1,617 Hawaii inmates were held in facilities on the mainland and ninety-nine were held at the Federal Detention Center on Oahu.

With the unlikelihood of any new facilities being built in Hawaii in the near future, transferring inmates to the mainland or to the Federal Detention Center is the current solution to reducing the overcrowding at our correctional facilities. This budget approves the transfer of an additional two hundred fifty inmates to out-of-state facilities, which would bring the total Hawaii inmate population housed on the mainland to 1,867. Your Committee on Conference provided \$6,055,128 for fiscal year 2005-2006 and \$7,203,436 for fiscal year 2006-2007 for this purpose. Those amounts include \$1,500,000 per year to cover a 2.50 per cent annual increase in the basic daily fee for the one thousand six hundred inmates currently held in mainland facilities. Furthermore, your Committee on Conference provided \$8,200,000 over the fiscal biennium 2005-2007 for one hundred forty more contract beds at the Federal Detention Center.

With the recent construction of new court buildings and the increased responsibility over state buildings and their interests, your Committee on Conference has provided for eighteen new deputy sheriff positions for Hawaii, Maui, and Oahu courts at a cost of \$566,230 in fiscal year 2005-2006 and \$851,624 in fiscal year 2006-2007.

Health

Your Committee on Conference is committed to strengthening Hawaii's system of care and affirms its support for our most vulnerable populations, including those suffering from mental illness and substance abuse. Your Committee on Conference further 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. As such, the appropriations authorized by your Committee on Conference ensure sufficient funds for the Department of Health's high priority areas, specifically, developmental disabilities, adult mental health, and substance abuse.

To provide for the increase in the number of individuals with developmental disabilities admitted to the Home and Community Based Waiver Services, your Committee on Conference provided \$15,710,000 in general funds over the fiscal biennium 2005-2007 to be matched by Title XIX federal funds.

Your Committee on Conference also provided \$1,000,000 in general funds for each year of the biennium to fund emergency medical services for the county of Maui's aeromedical services.

Your Committee on Conference commends the Adult Mental Health Division in complying with its court-ordered mandate in meeting the requirements of the omnibus plan for community mental health services. More importantly, your Committee on Conference acknowledges and appreciates the significant advancements made by the Division in the treatment and care of its patients.

When reviewing the biennial requests of the Adult Mental Health Division, your Committee on Conference was made aware that funding levels for outpatient services were predicated on its earlier emergency appropriation request for this current fiscal year. Based upon updated information provided by the Division, it was determined that the Adult Mental Health Division's original fifteen per cent increase in clients did not materialize as projected. Accordingly, your Committee on Conference was informed that no additional general funds were necessary for the upcoming biennium.

Further, your Committee on Conference acknowledges the recent implementation in December 2004, of the Adult Mental Health Division's new medicaid rehabilitation option to allow for federal reimbursements for eligible state-funded behavioral health services. Given this recent implementation and the lack of historical data to determine how effective its collection rates are, your Committee on Conference did not believe it would be prudent to reduce or make any adjustments to the current base funding levels of the Adult Mental Health Division pending the outcome of the medicaid rehabilitation option program.

Your Committee on Conference also provided \$996,960 in general funds to the Hawaii State Hospital. These funds provide for the increasing costs of pharmaceutical drugs, the implementation of an automated medication dispensing system, as well as the acquisition of medication carts over the biennium. In addition, \$27,500 in general funds was also provided to the Hawaii State Hospital to purchase a truck to meet the growing demands of the facility. Your Committee on Conference further provided \$2,820,000 in general funds for staffing support for the various statewide Community Mental Health Centers.

With regard to the Hawaii Health Systems Corporation, your Committee on Conference is cognizant of the continual and on-going negotiations between the Department of Human Services and the Centers for Medicare and Medicaid Services to amend its current medicaid QUEST demonstration project waiver program. When implemented, the waiver will permit the Corporation's acute care hospitals to recover a portion of their unreimbursed costs for providing health care to those in our population that are either indigent or uninsured. These payments, aptly named "DSH-Like" payments, simulate for Hawaii the "Disproportionate Share Hospital" reimbursements that other states receive by federal allotment provided under federal law.

Your Committee on Conference is mindful that, when implemented, these reimbursements will provide some fiscal relief to the Hawaii Health Systems Corporation. Concurrently, upon receipt of the federal reimbursements, your Committee on Conference expects the Hawaii Health Systems Corporation to cooperate and to reimburse the state treasury with the appropriate amount of general funds that the Corporation will receive in federal funds.

Your Committee on Conference readily acknowledges the need to support the safety net hospitals and provides a continued recurring source of general funds amounting to \$32,300,000 for fiscal year 2005-2006 and \$34,100,000 for fiscal year 2006-2007 to the Hawaii Health Systems Corporation.

In concluding this section, your Committee on Conference believes that the Healthy Start program warrants attention by the Department of Health's administration. Established in 1985 to prevent child abuse and neglect by providing support for families of newborns, the Healthy Start program appears to be in need of restructuring. Although the department readily acknowledges and has raised concerns about the Healthy Start program, little has been done to address these concerns. Further, concerns raised by service agencies and providers with regard to the program also need to be addressed by the department.

Your Committee on Conference also believes that there is a need for the department to conduct a thorough program review of the Healthy Start program as soon as possible, to develop its findings, and to make appropriate recommendations. To this end, your Committee on Conference has included a proviso for the Healthy Start program to address some of these concerns. Meanwhile, your Committee on Conference has also included a proviso earmarking up to \$2,000,000 from the early intervention special fund in fiscal year 2005-2006 to support the Healthy Start program while the department works to resolve the problems the Healthy Start program faces.

Human Services

Your Committee on Conference reviewed the budget requests of the Department of Human Services and approved the vast majority of them. That approval, however, came with reservations due, in large part, to the absence of timely communication from the department. The lack of information left your Committee on Conference with questions regarding the departments fiscal discipline, accountability for taxpayers' moneys, and the department's responsibility to the Legislature to provide the information necessary to make appropriate decisions. Despite the department's failure to respond to your Committee on Conference's requests for information, your Committee on Conference provided the majority of the department's budget requests.

In program areas where decreases in program population or costs are anticipated because individuals are being encouraged towards self-sufficiency, your Committee on Conference has transferred over \$11,800,000 in general funds from the Temporary Assistance to Needy Families and General Assistance Payments in an attempt to mimic expected reductions in expenditures. These funds will be used to assist Hawaii's rapidly growing aged, blind, and disabled population as well as the non-citizen households under the temporary assistance to other needy families program.

Your Committee on Conference understood that one of the most basic needs for any human being is a decent, safe, and affordable place to live. However, the shortage of affordable rental housing is a serious problem in Hawaii for the many low- and moderate-income-working families. Thus, your Committee on Conference appropriated an additional \$5,000,000 annually for development, construction, and management of affordable housing. In addition, your Committee on Conference realized that the homeless problem facing our State has grown too large. Your Committee on Conference therefore appropriated an additional \$1,600,000 to provide homeless individuals and families with a safer and better living standard.

Your Committee on Conference acknowledges that the soaring costs of medical care and the increased number of uninsured adults and children prompted the need for large spending to assist the people of Hawaii. To offset this cost increase, your Committee on Conference found it necessary to appropriate an additional \$7,500,000 in fiscal year 2005-2006 and \$15,400,000 in fiscal year 2006-2007 to assist the needy adults and children eligible under the Hawaii QUEST program. In addition, your Committee on Conference found that the population of the aged, blind, and disabled has reached over 37,000 recipients and is expected to increase further by approximately sixteen per cent per year. Your Committee on Conference found it crucial to provide payments for medical care to the State's low-income population through the Medicaid program by appropriating additional general funds of \$29,700,000 in fiscal year 2005-2006 and \$41,700,000 in fiscal year 2006-2007 to improve the health care in Hawaii.

Your Committee on Conference remains committed to the home- and community-based services program that provides medicaid waiver services to low-income persons with disabilities and chronic illnesses to live in community settings as an alternative to more costly institutional placement. In caring for the needs of the developmentally disabled and mentally retarded, your Committee on Conference appropriated an additional \$16,100,000 in fiscal year 2005-2006 and \$19,200,000 in fiscal year 2006-2007 for qualified children and adults in the program to improve the much needed health care of our needy population in Hawaii.

Counties

Your Committee on Conference recognized that the counties required assistance in the repair and maintenance of public roads. To this end, your Committee on Conference provided an additional \$10,000,000 to assist each of the counties in their efforts to improve those thoroughfares that suffer from disrepair.

Business, Economic Development, and Tourism

Your Committee on Conference has added \$8,200,000 in fiscal year 2005-2006 and \$9,700,000 in fiscal year 2006-2007 in tourism special funds for the continued expansion of its promotional programs. However, the Committee has also reduced or eliminated funding for marketing in several other areas where the return on investment could not be quantified to justify additional funds.

Your Committee on Conference has also provided \$1,500,000 in each year of the fiscal biennium for the Hawaii Experimental Program To Stimulate Competitive Research that has proven to be successful over the last three years and \$551,769 in fiscal year 2005-2006 and \$251,769 in special funds for fiscal year 2006-2007 for the implementation of the petroleum industry data and information functions as mandated by chapter 486J, Hawaii Revised Statutes.

Taxation

Since 1999, when the Department of Taxation initiated the first phase of the Integrated Tax Management System, the State began to locate and generate additional revenues through improved tax collection efficiencies. Now, with its final phase of implementation completed, your Committee on Conference continues to support the Integrated Tax Management System and is appropriating \$2,500,000 over the next fiscal biennium for production support to ensure that the system continues to operate at its fullest potential.

Your Committee on Conference also provided thirty-one new auditor and collector positions in fiscal year 2005-2006 and six new positions in fiscal year 2006-2007 to facilitate the eventual collection of approximately \$38,700,000 in additional annual tax revenues annually.

Land and Natural Resources

Your Committee on Conference supports continued and expanded efforts to combat invasive species in the State. In response to various threats such as the Coqui frog and Salvinia Molesta, the 2003 Legislature established the Hawaii Invasive Species Council.

The Hawaii Invasive Species Council is charged with protecting the State against invasive species threats to the natural environment, and the health and lifestyle of Hawaii's people. To show its full support in combating invasive species, your Committee on Conference provided \$4,000,000 for fiscal year 2005-2006 and fiscal year 2006-2007.

Recognizing the projected growth of the cruise ship industry in Hawaii and its possible effects on homeland security, your Committee on Conference has provided an additional ten Conservation and Resources Enforcement Officer positions throughout the State, as well as an additional \$287,000 in general funds and \$450,000 in special funds annually. These positions are essential for providing a safe outdoor environment to the 1,200,000 residents and 6,000,000 visitors who utilize the State's natural resources on a regular basis. With the fourth largest coastline in the nation and eleventh largest state forest, the Conservation and Resources Enforcement Division would be hard pressed to continue operating in an effective manner with their current staffing levels. The addition of five positions and the restoration of five previously abolished positions will help increase coverage around the State.

The increasing state population and tourism have placed greater demands on state parks, their recreational facilities, and resources. Facilities in the state parks system were constructed over thirty years ago and have deteriorated to the extent that they pose safety risks to the public and necessitate substantially increased maintenance and repair costs. To this end, your Committee on Conference has provided eleven temporary positions, an additional \$402,000 in general funds over the fiscal biennium, and a special fund ceiling increase of \$1,560,000 over the biennium for the maintenance of state parks. These additional funds will assist in contracting much needed staffing to address continuous, ongoing repairs and maintenance for all parks statewide.

Agriculture

Hawaii's endemic natural resources are its most important economic asset. It spurs a tourist industry that has dominated Hawaii's economy for decades. Your Committee on Conference finds that there is a need to prevent the incursion of invasive species that pose a threat to Hawaii's unique flora and fauna. To address this, your Committee on Conference approved the addition of ten plant quarantine inspector positions to perform detector dog handler duties. Your Committee on Conference also supports the Legislature's commitment to agricultural research by providing \$494,721 in general funds in both fiscal years for agriculture development, research, and marketing.

Your Committee on Conference also values the economic contribution of Hawaii's farmers. On March 23, 2005, the Governor requested the addition of more than \$184,000 in both fiscal years. This was to assist farmers in covering the increasing costs of water use and irrigation maintenance. Your Committee on Conference concurs with the administration to address the farmers' plight and has appropriated the necessary funds to address the situation.

Defense

Your Committee on Conference appreciates the sacrifices made by veterans who defended our freedom and liberties. While the executive branch's request for the rehabilitation of the Hawaii State Veteran's Cemetery was not provided for in this measure, an amount exceeding the requested amount was provided for in H.B. No. 115, H.D. 1, S.D. 2, C.D. 1. In total, \$208,450 was provided for in that measure.

In addition, your Committee on Conference appropriated \$250,000 in general funds for fiscal year 2005-2006 for an event to thank our troops for their service. On behalf of the Legislature, your Committee on Conference expresses its heartfelt gratitude for the courage and hardships that the men and women of the Hawaii National Guard have endured in the name of freedom.

Your Committee on Conference understands the geographic vulnerability of Hawaii. In light of recent events in South Asia, your Committee on Conference funded the conversion of various temporary civil defense positions to permanent status. This will enable the State to be more informed on, and prepared for, natural and man-made disasters. Your Committee on Conference also authorized more than \$10,000,000 in federal funds to reflect homeland security grant funds to assist counties and state agencies in combating terrorist threats.

Conclusion

Despite the strong economic indicators for Hawaii and the Council on Revenues' positive revenue projections, your Committee on Conference has taken an extremely prudent and thoughtful approach to allocating our financial resources in a responsible manner. This balanced budget provides for the needs of our public schools and communities. While public expectations are high, your Committee on Conference has remained vigilant and has carefully scrutinized how taxpayer dollars are spent.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 100, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 100, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, English, Espero, Fukunaga, Hooser, Inouye, Kanno, Kim, Kokubun, Nishihara, Sakamoto, Tsutsui, Hemmings, Slom, Trimble.

Managers on the part of the Senate.

Ayes, 12. Noes, none. Excused, 3 (Fukunaga, Kim, Trimble).

Representatives Takamine, Carroll, Chong, Evans, Karamatsu, Kawakami, Lee, Magaoay, Nakasone, Nishimoto, Tanaka, Tsuji, Wakai, Yamane, Yamashita, Fox, Meyer, Moses, Pine.
Managers on the part of the House.
Ayes, 17. Noes, none. Excused, 2 (Fox and Meyer).

Conf. Com. Rep. No. 101 on S.B. No. 1038

The purpose of this measure is to encourage the continued promotion and development of a professional procurement workforce, improvement of contract opportunities for private sector contractors, and promotion of excellence in procurement accountability and administration for the public sector by:

- (1) Removing the Hawaii Procurement Institute (HPI) from the State Procurement Office's oversight by placing HPI within the University of Hawaii as an independent program within the William S. Richardson School of Law (UH);
- (2) Establishing and appropriating funds for HPI at UH.

Government procurement is becoming a distinct field of procedures, laws, regulations, and processes. Government procurement in Hawaii is a powerful economic force in view of the relatively small scale of Hawaii business. The William S. Richardson School of Law at the University of Hawaii is particularly well-equipped to furnish the expertise needed in procurement to ensure that government procurement functions are fair, just, equitable, and efficient. In this manner, businesses of all sizes in this State can benefit from procuring government contracts.

Your Committee on Conference has amended this measure by:

- (1) Adding a purpose section to make a finding that this measure is of statewide concern; and
- (2) Deleting the appropriation; and
- (3) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1038, 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. 1038, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Hee, Taniguchi, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

Representatives Herkes, Waters, Magaoay, Shimabukuro, Ching.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 102 on S.B. No. 1592

The purpose of this measure is to:

- (1) Establish a 2050 task force to review the Hawaii state plan and other fundamental components of community planning and to develop recommendations on creating the Hawaii 2050 sustainability plan; and
- (2) Request the Auditor to prepare the Hawaii 2050 sustainability plan, which will define and implement state goals, objectives, policies, and priority guidelines by incorporating some or all of the recommendations of the Hawaii 2050 task force.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$25,000 for the review and recommendations of the Hawaii state plan and other fundamental components of community planning to be performed by the 2050 task force;
- (2) Inserting an appropriation amount of \$75,000 for creating the Hawaii 2050 sustainability plan; and
- (3) Making technical, nonsubstantive changes for 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. 1592, 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. 1592, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Taniguchi, English, Hemmings.
Managers on the part of the Senate.

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

Representatives Herkes, Kanoho, Nakasone, Berg, Meyer.

Managers on the part of the House.

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

Conf. Com. Rep. No. 103 on S.B. No. 1732

The United States Geological Survey will install a flood warning system at Lake Wilson to provide advance information on an impending flood. The United States Geological Survey will work with the National Weather Service to issue flood warnings and, with the Oahu civil defense agency and Honolulu police department, will help ensure the timely evacuation of residents living downstream from Lake Wilson. However, the State must appropriate matching funds for the purchase of stream gauges and the operation and maintenance of the flood warning system.

Your Committee on Conference has amended this measure by:

- (1) Inserting appropriation amounts of \$19,000 for fiscal year 2005-2006 and \$20,000 for fiscal year 2006-2007;
- (2) Changing the effective date to July 1, 2005;
- (3) Changing the expending agency to the Department of Defense; and
- (4) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers 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. 1732, 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. 1732, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Taniguchi, Espero, Kanno, Whalen.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Kanno, Whalen).

Representatives Kanoho, Ito, Magaoay, Stonebraker.

Managers on the part of the House.

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

Conf. Com. Rep. No. 104 on S.B. No. 3

The purpose of this measure is to ensure that developmental disabilities residential service providers are adequately reimbursed for services by:

- (1) Expanding the scope of residential services available to individuals with developmental disabilities or mental retardation;
- (2) Establishing new categories of residences for individuals with developmental disabilities or mental retardation;
- (3) Allowing the Department of Health to provide level of care and other additional payments to certain residential service providers; and
- (4) Appropriating monies for payment of residential services provided by developmental disabilities domiciliary homes and developmental disabilities apartment complexes.

Your Committee on Conference amended this measure by:

- (1) Amending subsection 321-15.9(a), Hawaii Revised Statutes (HRS), to authorize the Department of Health to license developmental disabilities domiciliary homes for individuals with developmental disabilities or mental retardation;
- (2) Deleting any reference to the Department of Health licensing, certifying, or regulating a developmental disabilities apartment complex;
- (3) Clarifying that the Director shall establish criteria for contracts for developmental disabilities apartment complexes and where necessary to provide for additional funding for developmental disabilities domiciliary homes;
- (4) Clarifying that the Department of Health may enter into contracts for additional payments for residential services to the providers of developmental disabilities domiciliary homes and payments to operators of developmental disabilities apartment complexes for residential services on terms determined by the Department of Health;
- (5) Deleting the appropriation for payment of residential services provided by developmental disabilities domiciliary homes and developmental disabilities apartment complexes;

- (6) Substituting the term "contracts" for "purchase of service agreements" to conform to chapter 103F, HRS;
- (7) Deleting subsection 321-15.9(f), HRS, which required the rate of payment for residents in the developmental disabilities domiciliary homes to be determined on the same basis as domiciliary care homes as provided under section 436-53, HRS;
- (8) Amending the effective date to take effect on July 1, 2005; and
- (9) Making technical, non-substantive 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. 3, 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. 3, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Chun Oakland, Tsutsui, Fukunaga, Taniguchi, Whalen.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

Representatives Arakaki, Sonson, Kawakami, Finnegan.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 105 on S.B. No. 1420

The purpose of this measure is to ensure that mental health patients receive appropriate medication by:

- (1) Prohibiting the Department of Human Services (DHS) from restricting payment for access to psychotropic medication prescribed to the recipient by a licensed medical care provider;
- (2) Providing that an individual determined by a licensed medical care provider to be in need of emergency psychiatric or psychological service is presumed eligible for psychotropic medication prescribed by a licensed medical care provider until an eligibility decision is made by DHS, and that DHS must reimburse any costs for the medication and related physician services incurred during the presumptive eligibility period;
- (3) Removing the preauthorization restrictions for licensed medical care providers prescribing psychotropic medication to medicaid-eligible or presumed medicaid-eligible patients in need of emergency psychiatric or psychological service;
- (4) Establishing a task force to examine issues relating to psychotropic medication restrictions, and appropriating an unspecified sum for the task force's expenses; and
- (5) Appropriating unspecified sums for fiscal years 2005-2006 and 2006-2007 for DHS to provide unrestricted payment for and access to psychotropic medication.

Your Committee on Conference has amended this measure by:

- (1) Adding a findings and purpose section;
- (2) Providing that DHS shall not restrict psychotropic medication if it is prescribed by a licensed psychiatrist or by a licensed physician in consultation with a psychiatrist duly licensed in the State;
- (3) Requiring that the definition of psychotropic medication means only those agents approved by the U.S. Food and Drug Administration;
- (4) Specifying that these provisions do not apply to QUEST medical plans;
- (5) Deleting the section regarding presumptive eligibility for medical assistance for individuals in need of emergency psychiatric or psychological service;
- (6) Making the program a pilot project to be repealed on June 30, 2007;
- (7) Requiring DHS to submit a report to the Legislature including the number of prescriptions written pursuant to the measure, the cost and impact of psychiatrists or physicians prescribing medications that are not part of the existing formulary, and the overall utilization under chapter 356, Hawaii Revised Statutes; and
- (8) Changing the effective date 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 S.B. No. 1420, 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. 1420, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Arakaki, Sonson, B. Oshiro, Takamine, Green, Pine.
Managers on the part of the House.
Ayes, 6. Noes, none. Excused, none.

Conf. Com. Rep. No. 106 on S.B. No. 791

The purpose of this measure is to provide therapeutic and rehabilitative services in a residential setting and ensure that housing is available for individuals recovering from substance abuse by allowing the Department of Health to license special treatment facilities and therapeutic living programs.

Your Committee on Conference amended this measure by:

- (1) Providing that the amendments in this measure, including the repeal of section 46-15.39, Hawaii Revised Statutes (HRS), shall not apply to any halfway house, clean and sober home, or any other setting that assists individuals in transition to live independently that is in existence prior to the effective date of the measure;
- (2) Specifying that, notwithstanding the repeal of section 46-15.39, HRS, any drug rehabilitation home established pursuant to, or in compliance with, that section, shall continue to be a permitted use in residentially designated zones, including zones for single family dwellings; and
- (3) Amending the effective date of the measure to take effect upon its approval.

Your Committee on Conference finds that clean and sober homes provide a much-needed residential setting for people recovering from substance abuse. Although this measure repeals section 46-15.39, HRS, your Committee on Conference understands that the land use ordinance of the City and County of Honolulu currently exempts clean and sober homes with eight or fewer residents from obtaining a conditional use permit. While clean and sober homes with more than eight residents require a conditional use permit, your Committee urges the City and County of Honolulu to work cooperatively with such homes. Your Committee also requests the 2006 Legislature to revisit this issue next year.

As affirmed by the record of votes of the managers 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. 791, 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. 791, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Tsutsui, Chun Oakland, Hanabusa, Taniguchi, Trimble.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Trimble).

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

Conf. Com. Rep. No. 107 on S.B. No. 807

The purpose of this measure is to adjust certain statutorily established salaries of various department heads, deputy department heads, and certain other administrative positions, including the:

- (1) Chief Election Officer;
- (2) Auditor and the Deputy Auditor;
- (3) Legislative Reference Bureau Director and the Director's First Assistant;
- (4) Chairperson of the Hawaii Labor Relations Board;
- (5) Ombudsman and the Ombudsman's First Assistant Ombudsman;
- (6) Administrator of the State Procurement Office;
- (7) Stadium Authority Manager and Deputy Manager;
- (8) Vice-Director of Civil Defense;
- (9) Deputy for Water Resource Management;

- (10) Executive Director and the Executive Director's Executive Assistant of the Housing and Community Development Corporation of Hawaii;
- (11) Public Utilities Commission Chairperson;
- (12) Recycling Coordinator;
- (13) Director of the Executive Office on Aging;
- (14) Chairperson of the Hawaii Paroling Authority;
- (15) Director of the Office of Veterans' Services;
- (16) Labor and Industrial Relations Appeals Board Chairperson;
- (17) Executive Director of the Office of Community Services;
- (18) Commissioner of Financial Institutions; and
- (19) State Public Defender.

Upon further consideration, your Committee on Conference has amended the measure by:

- (1) Deleting all sections relating to providing salary increases to the heads and their deputies or first assistants of the legislative service agencies;
- (2) Deleting the sections providing salary increases to the Deputy for Water Resource Management, the Executive Director and the Executive Director's Executive Assistant of the Housing and Community Development Corporation of Hawaii, and the Executive Director of the Office of Community Services;
- (3) Inserting appropriation sections that appropriate funds to pay for the salary increases;
- (4) Changing the effective date to July 1, 2005; and
- (5) 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. 807, 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. 807, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Inouye, Tsutsui, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Caldwell, Shimabukuro, Takamine, Moses.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 108 on S.B. No. 960

The purpose of this measure is to appropriate funds for various tsunami preparedness efforts.

Specifically, the bill provides funds for:

- (1) Installing and maintaining new siren systems;
- (2) Updating evacuation maps in telephone books;
- (3) Constructing additional shelter space and retrofitting existing public buildings that could serve as emergency shelters;
- (4) Providing around-the-clock alert staff for the Civil Defense Division of the Department of Defense; and
- (5) Expanding the public education campaign to emphasize the need for tsunami preparedness.

Your Committee has amended the measure by expanding the scope of the bill to include any emergency related to a natural disaster. Specifically, the amendments:

- (1) Require the Department of Defense to develop Hawaii public shelter and residential safe room design criteria by January 1, 2006; provided that safe room prototype models are developed with public or private sector grants or investments;
- (2) Require the Department of Defense to coordinate the work involving retrofitting public buildings with appropriate government agencies;
- (3) Appropriate \$2,000,000 from the Hurricane Reserve Trust Fund for the 2005-2007 biennium to finance tsunami preparedness efforts and allowing the use of the funds to acquire federal matching funds;
- (4) Expand the definition of the term "wind resistive devices" to include safe rooms built pursuant to Department of Defense specifications;
- (5) Decrease the reimbursement rate for the installation of wind resistive devices from fifty to thirty-five per cent under the Loss Mitigation Grant Program and delete the reference to "inspection";
- (6) Allow the awarding of grants for residential safe rooms under the Loss Mitigation Grant Program;
- (7) Authorize the transfer of \$2,000,000 to the Loss Mitigation Grant Program through the Hurricane Reserve Trust Fund and the Loss Mitigation Grant Fund; and
- (8) Change the effective date of this measure 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 S.B. No. 960, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 960, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Ito, Tanaka, Chong, Stonebraker.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Stonebraker).

Conf. Com. Rep. No. 109 on S.B. No. 669

The purpose of this measure is to authorize the Board of Agriculture to rent the animal quarantine property and facilities to third parties.

This measure also requires all revenues generated by the use or rental of the property or facilities to be deposited into the Animal Quarantine Special Fund and to be used to defray operational costs of the animal quarantine program, as well as minimize the animal quarantine fees.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the property or facility will be leased or rented at fair market value;
- (2) Making technical, nonsubstantive changes 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 S.B. No. 669, 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. 669, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Taniguchi, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Abinsay, Tsuji, Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 110 on S.B. No. 1451

The purpose of this measure is to appropriate funds to develop comprehensive strategies that establish broad water quality management goals for the entire Lake Wilson catchment consistent with comprehensive watershed management and to secure funding and coordinate the implementation of those comprehensive strategies.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$250,000 for fiscal year 2005-2006 to develop the best strategies consistent with comprehensive watershed management to improve the water quality of Lake Wilson;
- (2) Deleting the 2006-2007 fiscal year appropriation for the coordination and implementation of the comprehensive watershed management pilot demonstration project; and
- (3) Making technical, nonsubstantive changes for 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. 1451, 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. 1451, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Taniguchi, Hemmings.

Managers on the part of the Senate.

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

Representatives Kanoho, Waters, Magaoay, Ching.

Managers on the part of the House.

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

Conf. Com. Rep. No. 111 on S.B. No. 1250

The purpose of this measure is to require the Board of Education to develop a classification and compensation plan for substitute teachers' pay commensurate with their educational training and academic qualifications.

Your Committee on Conference finds that the Legislature, in 1996, adopted Act 89, Session Laws of Hawaii 1996, and intended that substitute teachers be paid a specific per diem rate based on the annual entry salary step rate established for Class II teachers, with increases based on the most current teachers' salary schedule. In so doing, the Legislature intended that this single rate for substitute teachers would increase as licensed teachers' raises were negotiated, ensuring that the pay for substitute teachers would increase fairly over time.

Substitute teacher salaries has been an on-going sensitive issue, and this measure attempts to assist in its resolution. If this issue remains unresolved, it can negatively impact substitute teachers, the community-at-large, and most importantly, the students who depend on the substitute teachers. Thus, the following amendments were made:

- (1) Establishing that the minimum hourly or per diem rate shall be determined by the Legislature;
- (2) Requiring the Department of Education to develop a classification and compensation schedule;
- (3) Setting pro-rated rates for individuals in classes I, II, and III;
- (4) Appropriating \$500,000 for fiscal years 2006 and 2007;
- (5) Requiring the Department of Education to submit a report to the 2006 Legislature; and
- (6) Changing the effective date to July 1, 2005.

It is the intent of your Committee on Conference to strongly encourage the Department of Education to include no less than two representatives of substitute teachers in its development of the classification and compensation schedule for substitute teachers. As your Committee on Conference is concerned that all issues are properly addressed, the department is requested to ensure that their views are taken into consideration in the development of the schedule.

As affirmed by the record of votes of the managers 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. 1250, 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. 1250, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Sakamoto, Taniguchi, Hanabusa, Hogue.

Managers on the part of the Senate.

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

Representatives Caldwell, Takumi, Takamine, Berg, Shimabukuro, Meyer.

Managers on the part of the House.

Ayes, 6. Noes, none. Excused, none.

Conf. Com. Rep. No. 112 on S.B. No. 682

The purpose of this bill is to improve tobacco regulation by:

- (1) Requiring businesses engaged in the retail sale of cigarettes and other tobacco products to obtain a retail tobacco permit from the Department of Taxation;
- (2) Requiring the payment of a fee for each retail tobacco permit;
- (3) Establishing criminal offenses for the retail sale of cigarettes and other tobacco products without a valid retail tobacco permit;
- (4) Providing that any cigarette or tobacco product unlawfully sold, possessed, kept, stored, acquired, distributed, or transported may be seized and ordered forfeited; and
- (5) Specifying that of the moneys collected from the issuance of retail tobacco permits that exceed the costs of administering the permit requirements:
 - (A) Fifty percent shall be appropriated to the John A. Burns School of Medicine; and
 - (B) Fifty percent shall be appropriated to the Department of Human Services for the Children's Health Insurance Program.

Your Committee on Conference has amended this measure by:

- (1) Changing the date that the tobacco retail permit is required from July 1, 2006 to December 1, 2006, and providing that the permit shall be valid from December 1 to November 30, renewable thereafter for the same period;
- (2) Establishing the permit fee amount to be \$20;
- (3) Changing the documentation that a permittee shall be required to keep to verify the accuracy of the payment of taxes imposed by the chapter;
- (4) Expanding the Department's authority to include the authority to renew the retail tobacco permit or license, or rescind an order of revocation after a hearing;
- (5) Including lesser penalties for the criminal offenses for the retail sale of cigarettes and other tobacco products without a valid retail tobacco permit;
- (6) Designating what determinations the Department shall make after a hearing;
- (7) Deleting the disposition of revenues amendment and including an appropriation from the tobacco enforcement special fund for the Department up to \$130,953 for fiscal year 2006-2007 to establish and administer the licensing and permitting of tobacco and cigarette sales, including the establishment of three additional permanent full-time positions; and
- (8) Making the effective date of the measure effective upon its approval and repealed on July 1, 2009, with appropriate reenactment language; provided that the appropriation sections shall take effect on July 1, 2006.

Your Committee on Conference requests that the 2006 Legislature consider adjusting the wholesale license fees in accordance with the amount being charged for the retail permits.

As affirmed by the record of votes of the managers 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. 682, 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. 682, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Chun Oakland, Tsutsui, Fukunaga, Taniguchi, Whalen.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Taniguchi).

Representatives Arakaki, B. Oshiro, Kawakami, Green, Karamatsu, Yamashita, Finnegan.
Managers on the part of the House.
Ayes, 7. Noes, none. Excused, none.

Conf. Com. Rep. No. 113 on S.B. No. 802

The purpose of this measure is to establish a state pharmacy assistance program to provide continuing or new prescription drug benefits to eligible elderly and disabled residents, and to facilitate the enrollment and coordination of benefits between the state pharmacy assistance program and the new Medicare Part D drug benefit program provided by the federal Medicare Modernization Act.

This measure will assist Medicare and Medicaid eligible individuals to retain some of their current drug benefits and will also assist a number of Medicare eligible individuals in receiving new drug benefits that they would otherwise no longer receive when dual eligible individuals are required to participate in the federal Medicare Part D drug benefit program on January 1, 2006.

Your Committee on Conference amended this measure by:

- (1) Changing the eligibility requirement from a household income at or below one hundred fifty per cent of the federal poverty level to one hundred per cent of the federal poverty level;
- (2) Appropriating \$2,750,000 out of the state pharmacy assistance program special fund; and
- (3) Changing the effective date 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 S.B. No. 802, 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. 802, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Menor, Tsutsui, Chun Oakland, Ige, Taniguchi, Slom.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 3 (Menor, Taniguchi, Slom).

Representatives Sonson, Arakaki, Takamine, Finnegan.

Managers on the part of the House.

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

Conf. Com. Rep. No. 114 on S.B. No. 27

The purpose of this measure is to appropriate funds for nonschool-hour programs for children and youth.

The Kapiolani Health System reports that over two thousand five hundred children are abused and neglected each year in Hawaii. The Kapiolani Child At-Risk Evaluation Program is dedicated to helping those children. Its mission is to provide comprehensive, coordinated, and compassionate forensic health services to children who are victims or suspected victims of abuse and neglect. The Kapiolani Child At-Risk Evaluation Program offers pre-placement medical evaluations and comprehensive health evaluations for children entering foster care, and forensic medical evaluations for children who are being investigated for allegations of abuse and neglect.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the correct name of the recipient of the funds as the Kapiolani Medical Center for Women and Children;
- (2) Changing the chapter reference with regard to the authority for the funding; and
- (3) Inserting the appropriation amount of \$200,000 for fiscal year 2005-2006.

As affirmed by the record of votes of the managers 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. 27, 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. 27, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Tsutsui, Fukunaga, Ihara, Taniguchi, Trimble.

Managers on the part of the Senate.

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

Representatives Arakaki, Sonson, Kawakami, Pine.

Managers on the part of the House.

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

Conf. Com. Rep. No. 115 on S.B. No. 1816

The purpose of this measure is to reduce substance abuse among students by:

- (1) Clarifying student drug abuse assessment referrals;
- (2) Specifying that follow-up counseling and other student services must be provided to a child who has been assessed for a school substance abuse violation as not needing treatment for substance abuse or dependency;
- (3) Establishing a task force to study the process by which students are referred for substance abuse assessment and treatment; and
- (4) Appropriating funds for referrals for student substance abuse or dependency assessments.

Your Committee on Conference has amended this measure by:

- (1) Deleting the appropriation of funds for referrals for student substance abuse or dependency assessments;
- (2) Replacing subsection 302A-1134.6(f), Hawaii Revised Statutes (HRS), in its entirety with language that:
 - (A) Permits a child who is subject to the Department of Education's (DOE) disciplinary rules to be allowed to return to school earlier upon evidence that the child has completed a substance abuse assessment and is progressing toward clinical discharge from any substance abuse treatment or substance abuse counseling recommended by the assessment; and
 - (B) Permits a child who, according to the substance abuse assessment, does not need substance abuse treatment or counseling to return to school earlier if the child provides a certified copy of the assessment and the child's parent or legal guardian consents to the child receiving follow-up counseling or other student support services; and
- (3) Making the measure effective upon its approval; provided that the measure will sunset on June 30, 2006, and subsection 302A-1134.6(f), HRS, shall be reenacted in the form in which it read on the day before the approval of the measure.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1816, 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. 1816, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. No. 116 on S.B. No. 1661

The purpose of this measure is to:

- (1) Require the conversion of principal positions to twelve-month status;
- (2) Appropriate funds for the continued implementation of the Department of Education's information systems and infrastructure; and
- (3) Establish time periods where a hearing must be requested by a parent or guardian or the department regarding the identification, evaluation, program, or placement of a child with a disability.

Your Committee on Conference finds that it is important to address the public education of children with disabilities. Issues surrounding these special needs students must be properly handled and every possible path to ensure their needs are provided should be developed. This measure addresses the administrative hearing process that determines a student's identification, evaluation, program, or placement due to their disability.

Upon further consideration, your Committee on Conference has made the following amendments:

- (1) Deleted the language referring to principals and the department's information systems and infrastructure;
- (2) Replaced references to handicapped children with children with a disability to reflect the federal language; and
- (3) Changed the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1661, 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. 1661, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, Caldwell, Takamine, Yamashita, Finnegan.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 117 on S.B. No. 1394

The purpose of this measure is to implement a federal revenue maximization program for all medicaid-eligible claims for school health services with the assistance of the Department of Human Services and Department of Health.

Your Committee on Conference finds that the Department of Education provides important health services to school-aged children such as counseling, speech/language therapy, and mental health and other behavioral services. This measure would assist in ensuring that additional qualified federal funds are being utilized to provide these important services for the students.

Upon further consideration, your Committee on Conference has amended this measure to change the effective date to upon approval of the measure.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1394, 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. 1394, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, Waters, Takamine, Ching.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 118 on S.B. No. 1814

The purpose of this measure is to authorize the Department of Education to assess and collect impact fees as fair share contributions of developers for state public school facilities construction.

Your Committee on Conference finds that the Department of Education has been struggling with funding its various construction projects. Although there have been some advances in alleviating the number of the department's growing projects, other methods of funding are needed. An alternative approach to a funding mechanism would be authorizing the department to assess and collect impact fees by intergovernmental agreement with a county, as fair share contributions of developers for public school facilities construction.

Upon further consideration, your Committee on Conference replaced the measure's contents from authorizing the department to collect impact fees to creating a school impact fee working group to perform an overview of alternative financing methods for school construction. Further amendments include appropriating \$150,000 for the working group and correcting the effective date.

As affirmed by the record of votes of the managers 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. 1814, 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. 1814, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, Herkes, Kanoho, Kahikina, Takamine, Evans, Halford.
Managers on the part of the House.
Ayes, 6. Noes, none. Excused, 1 (Halford).

Conf. Com. Rep. No. 119 on S.B. No. 1643

The purpose of this measure is to make various clarifying amendments to the charter school statutes including the following:

- (1) Creating a Task Force on Charter School Governance;
- (2) Ensuring more equitable and stable funding for the basic operations of new century charter schools, including:
 - (a) Establishing and providing funding for a per pupil allocation funding mechanism;
 - (b) Requiring that funds be requested for fringe benefit costs and collective bargaining increases for charter school employee members of collective bargaining units;
 - (c) Allowing additional appropriations for workers' compensation benefits; and
 - (d) Providing charter schools with access to federal education funds;
- (3) Allowing charter school employees to participate in the State's workers' compensation system;

- (4) Ensuring compliance with federal regulations under the Individuals with Disabilities Education Act;
- (5) Clarifying administrative hearing procedures relating to the education of handicapped children; and
- (6) Appropriating funds for these various purposes.

Your Committee on Conference finds ambiguities and discrepancies in the current charter school statutes. This measure assists in resolving many of the problematic issues by clarifying statutory language. Some of these issues were brought to light in the Auditor's report regarding the Na Wai Ola Waters of Life Charter School audit, while other issues have become apparent when employees requested transfers between the Department of Education schools and new century charter schools.

It is the intention of your Committee on Conference to assist new century charter schools to achieve a more equitable and fair administrative structure to encourage their growth and assistance to the State in education.

Upon further consideration, your Committee on Conference has made the following amendments:

- (1) Clarifying the definitions for public schools and new century charter schools;
- (2) Replacing the authority over appointing a business community member to the new century charter school review panel from the executive director to the chairperson of the board of education;
- (3) Clarifying that new century charter schools are exempt from chapter 92;
- (4) Changing the authority and establishing the process of the Board of Education to conduct necessary evaluations and a probationary system;
- (5) Amending the definition of "organizational viability";
- (6) Requiring approval from the charter school administrative office for deductions to per-pupil allocations;
- (7) Clarifying the funding and appropriation process for new century charter schools;
- (8) Appropriating \$50,000 for the task force;
- (9) Appropriating \$1.2 million for fiscal year 2005-2006 and \$1.5 million for fiscal year 2006-2007;
- (10) Deleting language relating to the Individuals with Disabilities Act;
- (11) Changing the effective date; and
- (12) 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. 1643, 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. 1643, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Kokubun, Taniguchi, Hogue.

Managers on the part of the Senate.

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

Representatives Takumi, Caldwell, Takamine, Shimabukuro, Finnegan.

Managers on the part of the House.

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

Conf. Com. Rep. No. 120 on S.B. No. 1780

The purpose of this measure is to continue to support the role of fathers in raising children by:

- (1) Extending the sunset date for the State Commission on Fatherhood (Commission) to June 30, 2007;
- (2) Transferring the Commission from the Office of the Lieutenant Governor to the Department of Human Services (DHS); and
- (3) Appropriating funds to carry out the purposes of the Commission.

This measure will provide the Commission with the support, funding, and additional time needed to fulfill its duties. This includes selecting a strategic plan; coordinating public award recognition of exemplary businesses with parent-friendly policies; raising public awareness on the impact of fatherhood on children; serving as a central clearinghouse and coordinating body for fatherhood activities

and services; identifying obstacles impeding the involvement of fathers with their children; and recommending policies and practices that promote and re-engage fathers in the lives of their children.

Your Committee on Conference has amended this measure by:

- (1) Deleting the appropriation;
- (2) Changing the effective date to upon approval and the effective date of the sunset to June 29, 2005; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers 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. 1780, 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. 1780, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Tsutsui, Hooser, Ihara, Kanno, Kokubun, Taniguchi, Trimble.

Managers on the part of the Senate.

Ayes, 5. Noes, none. Excused, 3 (Kokubun, Taniguchi, Trimble).

Representatives Sonson, Magaoay, Cabanilla, Stonebraker.

Managers on the part of the House.

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

Conf. Com. Rep. No. 121 on S.B. No. 1262

The purpose of this bill is to:

- (1) Place a moratorium on the issuance of state small boat harbor permits for ocean use activities until the boundaries of an ocean recreational management area from Kalaeloa Point to Kaena Point are determined and rules are adopted; and
- (2) Require the Department of Land and Natural Resources to prepare a baseline environmental study to assist in the drafting of ocean recreational management area rules for the aforementioned area.

The proliferation of commercial ocean recreation activities between Kalaeloa and Kaena Point has impacted longtime commercial and subsistence fishing activities and other traditional public uses of the area. Because the area may soon be unable to reasonably accommodate the number of activities and users, your Committee believes that a baseline environmental study leading to a plan and rules to govern ocean activities along the Waianae Coast is needed. Your Committee also finds that a moratorium on state small boat harbor or boating facility commercial permits for vessels engaged in ocean use activities in the area, pending adoption of boundaries and rules, is a reasonable response to the current situation. Permits issued prior to the moratorium will remain valid.

Your Committee on Conference has amended this measure by:

- (1) Placing the provisions in section 2, regarding the baseline environmental study and management plan and rules, in the session laws instead of codifying them in the Hawaii Revised Statutes;
- (2) Removing an appropriation clause;
- (3) Extending the date upon which the baseline environmental study shall be submitted to the Legislature to not later than twenty days prior to the convening of the Regular Session of 2007;
- (4) Changing the effective date to upon approval; and
- (5) Making technical, nonsubstantive changes 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. 1262, 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. 1262, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Taniguchi, Hanabusa, Hemmings.

Managers on the part of the Senate.

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

Representatives Morita, Evans, Carroll, Moses.

Managers on the part of the House.

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

Conf. Com. Rep. No. 122 on S.B. No. 1554

The purpose of this measure is to support the counties in addressing the problem of invasive species by permanently establishing the Environmental Workforce Program.

The environmental workforce program was established on an emergency basis to provide meaningful employment to residents of Hawaii who were negatively impacted by reduced work schedules or layoffs as a result of the September 11, 2001 national tragedy. The workforce's effectiveness in the control of invasive species and containment of dengue fever demonstrates why continuance of the program can assist the State in its ongoing fight against invasive species. The program will help attain both environmental and economic sustainability.

Your Committee has taken into account concerns raised by the Governor during the previous session regarding whether the environmental workforce program supports the Research Corporation of the University of Hawaii's (RCUH) goals of research and training programs, or whether the program would enhance research, development, and training for the public. Your Committee has added language to allow the RCUH to provide training and research opportunities in the biological or social sciences relevant to the problem of invasive species, thus providing a more explicit linkage between the environmental workforce program and the goals of the RCUH.

Your Committee on Conference has amended this measure by:

- (1) Providing that the State is responsible for funding unemployment claims for those hired under this program, and that the RCUH shall contribute the fringe cost charged to the appropriation for unemployment insurance;
- (2) Allowing the RCUH to provide training and research opportunities in the biological and social sciences related to the eradication of invasive species to the environmental workforce, and giving examples of appropriate training and research subject areas;
- (3) Clarifying that the Hawaii Invasive Species Council shall work with the RCUH to use the workforce effectively;
- (4) Deleting the appropriations section; and
- (5) Changing the effective date of the measure 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 S.B. No. 1554, 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. 1554, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Taniguchi, Hanabusa, Hooser, Kokubun, Hemmings.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Hanabusa, Hooser).

Representatives Morita, Kanoho, Waters, Evans, Shimabukuro, Fox.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 2 (Waters, Shimabukuro).

Conf. Com. Rep. No. 123 on S.B. No. 1620

The purpose of this measure is to appropriate unspecified amounts of funds to assist various health and human services programs.

This measure makes various appropriations for health and humans services from the emergency budget and reserve fund:

- (1) As a temporary supplemental source of funding for the State during times of emergency, economic downturn, or unforeseen reduction in revenues, in accordance with section 328L-3, Hawaii Revised Statutes; and
- (2) Maintain levels of programs determined to be essential to public health, safety, welfare, and education;

Your Committee on Conference has amended this measure by deleting certain programs and services, adding certain essential services and programs, and extending the lapse date for all appropriations made pursuant to Act 45, Session Laws of Hawaii 2004 to June 30, 2007.

As affirmed by the record of votes of the managers 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. 1620, 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. 1620, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Baker, Taniguchi, Fukunaga, Hooser, Kokubun.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, 1 (Fukunaga).

Representatives Arakaki, Sonson, Caldwell, Takamine, Yamane, Finnegan.
Managers on the part of the House.
Ayes, 6. Noes, none. Excused, none.

Conf. Com. Rep. No. 124 on S.B. No. 212

The purpose of this bill is to provide a Deposit Beverage Container Redemption Center (Redemption Center) tax credit of up to \$50,000 per year for qualifying costs incurred and paid by an eligible taxpayer during the taxable year to purchase, lease, or operate a redemption center, to direct the Department of Health (DOH) to establish a grant program to provide a maximum grant of \$125,000 per organization to assist in developing redemption centers, and to appropriate funds out of the Deposit Beverage Container Deposit Special Fund (Special Fund) to support the tax credit and grant program.

Your Committee on Conference, upon careful consideration, has amended this bill by:

- (1) Replacing data in the legislative findings section with updated data;
- (2) Acknowledging in the findings section that another factor contributing to the low public participation rate in the redemption program is the lack of infrastructure supporting the overburdened certified redemption centers and recyclers;
- (3) Changing the purpose of the bill to provide a rebate for the cost of a reverse vending machine purchased by the dealer, and to authorize DOH to solicit requests for proposals to increase opportunities for redemption and improve the recycling infrastructure to handle the growth of the deposit beverage container program;
- (4) Replacing the tax credit and grant programs with a Reverse Vending Machine Rebate Program (Rebate Program) and Redemption Center and Recycling Infrastructure Improvement Program (Infrastructure Improvement Program) to be administered by DOH, and appropriating funds from the Special Fund to support these programs;
- (5) Requiring DOH to annually report to the Legislature on the Rebate Program and the Infrastructure Improvement Program;
- (6) Changing the effective date to upon its approval, subject to a repeal date of June 30, 2006, with certain exceptions; and
- (7) 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 S.B. No. 212, 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. 212, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, English, Taniguchi, Hemmings.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Morita, Kanoho, Chong, Karamatsu, Fox.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Karamatsu).

Conf. Com. Rep. No. 125 on S.B. No. 617

The purpose of this measure is to establish the Court Interpreting Services Revolving Fund to support court interpreting services program's educational services and program activities relating to the training, screening, testing, and certification of court interpreters.

Your Committee on Conference has amended this measure by:

- (1) Exempting the Court Interpreting Services Revolving Fund from the central service assessment as well as its pro rata share of administrative expenses for special funds; and
- (2) Appropriating \$100,000 from the Court Interpreting Services Revolving Fund for each year of the fiscal biennium.

As affirmed by the record of votes of the managers 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. 617, 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. 617, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Luke, Lee, Moses.
Managers on the part of the House.

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

Conf. Com. Rep. No. 126 on S.B. No. 708

The purpose of this measure is to amend and clarify laws governing the registration of sex offenders and offenders against children and allowing the public to access information relating to those offenders.

Specifically, this measure:

- (1) Establishes separate registries for sex offenders and offenders against children;
- (2) Allows certain categories of offenders to petition the court in the civil proceeding for termination of registration requirements;
- (3) Establishes legal presumptions, based on the offense, that are to be applied in these civil proceedings;
- (4) Provides that a covered offender who is a sexually violent predator, aggravated sex offender, or repeat covered offender may petition a court in a civil proceeding to terminate registration requirements if the offender has substantially complied with registration requirements for a period of forty years;
- (5) Clarifies that the standard of proof applicable to a covered offender petitioning the court for termination of public access to registration information is a preponderance of the evidence;
- (6) Provides that a denial by a court of a petition to terminate public access to registration information precludes the filing of another petition for five years from the date of the last denial;
- (7) Clarifies the scope and type of offender registration information and permitted disclosures of this information; and
- (8) Appropriates \$1 for fiscal year 2005-2006, for state and county agencies to hire necessary staff to implement these provisions.

Your Committee on Conference has amended this measure by:

- (1) Requiring sexually violent predators, repeat covered offenders, and aggravated sex offenders to comply with registration requirements for life;
- (2) Clarifying that the time periods provided for registration and public access are tolled during any period of time that the covered offender is committed or recommitted to prison or confined to a halfway house or an equivalent facility pursuant to a parole or probation violation;
- (3) Requiring a court to make a determination as to whether a covered offender is a sexually violent predator if a petition requesting termination of registration requirements is filed;
- (4) Deleting the appropriation for state and county agencies; and
- (5) Making technical, non-substantive amendments 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. 708, 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. 708, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Chun Oakland, Hee, Hogue.

Managers on the part of the Senate.

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

Representatives B. Oshiro, Takamine, Luke, Moses.

Managers on the part of the House.

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

Conf. Com. Rep. No. 127 on S.B. No. 813

The purpose of this measure is to amend the law relating to the use of unemployment trust fund moneys to conform to P.L. 107-147, the Temporary Extended Unemployment Compensation Act of 2002, because the requirements for Reed Act funds distributed in 2002 differ from those of prior special Reed Act distributions.

Additionally, this measure appropriates \$10,000,000 from the unemployment insurance trust fund in each fiscal year of the 2005-2007 biennium to improve the services of the unemployment insurance and workforce development divisions of the Department of Labor and Industrial Relations; provided that:

- (1) \$6,000,000 be allocated to the four county workforce investment boards for, among other things, employer outreach services, labor force pool expansion, and capacity building; and

- (2) \$1,000,000 be allocated to Leeward Community College for education and job training for immigrants from the Freely Associated States pursuant to the workforce development program established under Act 225, Session Laws of Hawaii 2004.

In 2002, the Department of Labor and Industrial Relations received approximately \$31,000,000 in federal Reed Act funds. These funds have been placed within the unemployment trust fund, which can be utilized for the payment of benefits and expenses incurred for the administration of the unemployment compensation laws, as well as for public employment offices. Your Committee further finds that Reed Act distributions made prior to P.L. 107-147 were restricted to unemployment insurance administration purposes only. Additionally, under section 303(a)(8) of the Social Security Act, state laws must include provisions for the expenditure of all moneys. Therefore, the current law must be amended to allow for the utilization of the 2002 Reed Act funds.

Furthermore, the utilization of these funds is necessary not only to improve the State's automated unemployment insurance and workforce development division services, but also to address the specific needs of the local workforce investment boards of the four counties. Moreover, immigrants from the Freely Associated States and residents of Hamakua, Waimea, Kohala, and Waikoloa should also benefit from these funds through the provision of services under the Wagner-Peyser Act.

Upon further consideration, your Committee has amended this measure by:

- (1) Clarifying that the Reed Act funds are appropriated to provide seed money to the Department of Labor and Industrial Relations to be used in consultation with the local workforce investment boards to plan, develop, and implement a computer system to benefit workforce development activities and programs operated by the counties;
- (2) Clarifying that the Oahu workforce investment board shall partner with Leeward Community College to provide federal Wagner-Peyser services for immigrants from the Freely Associated States, pursuant to the workforce development program established under Act 225, Session Laws of Hawaii 2004;
- (3) Providing that of the \$10,000,000 appropriation in each fiscal year of the 2005-2007 biennium, the sum of:
 - (A) \$4,795,000 shall be allocated to the Honolulu workforce investment board; provided that it will partner with Leeward Community College to provide federal Wagner-Peyser services to immigrants from the Freely Associated States;
 - (B) \$1,252,775 shall be allocated to the Maui workforce investment board;
 - (C) \$1,000,000 shall be allocated to the Kauai workforce investment board;
 - (D) \$1,650,000 shall be allocated to the Hawaii workforce investment board; provided that it shall partner with the Department of Labor and Industrial Relations to provide Wagner-Peyser services for the eradication of coqui frogs and other invasive species and to serve the residents of Hamakua, Waimea, Kohala, and Waikoloa; and
 - (E) \$1,302,225 shall be allocated to the Department of Labor and Industrial Relations to be used in consultation with the local workforce investment boards to plan, develop, and implement a computer system to benefit workforce development activities and programs operated by the counties;
- (4) Clarifying that the funds appropriated to the county workforce investment boards are to be used to improve employer outreach and services, labor force pool expansion, capacity building, and to fund some shared costs for the operations of the one-stop career centers within each county;
- (5) Requiring that no funds appropriated under the Act shall be released by the Governor to the Department of Labor and Industrial Relations until all funds appropriated for the counties have been so released;
- (6) Providing that the appropriation of funds are not subject to the allotment system powers under part II of chapter 37, Hawaii Revised Statutes;
- (7) Requiring the Department of Labor and Industrial Relations to report to the Legislature on the status of the timely release of funds appropriated under the Act to the counties; and
- (8) Changing the effective date of the act from July 1, 2010 to be effective upon its approval; provided that the appropriation in section 3 shall take effect 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. 813, 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. 813, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Caldwell, Takamine, Shimabukuro, Meyer.
Managers on the part of the House.

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

Conf. Com. Rep. No. 128 on S.B. No. 935

As received, this measure redefined the definition of “public works” to also include projects funded through the issuance of special purpose revenue bonds.

Accordingly, the effect of the measure as received was to have the wages and hours laws governing public works apply as well to projects funded through special purpose revenue bonds.

Your Committee has amended the measure to clarify its intent by further specifying that the projects that are subject to the wage and hours law are those projects whose special purpose bonds are legislatively authorized after January 1, 2006 and whose contract amounts exceeds \$2,000. Furthermore, your Committee has amended this measure by specifying that the wage and hours law is not applicable to home improvements.

Your Committee has also clarified the intent of the measure by adding language: that expressly requires parties to the public works project to pay prevailing wages to the laborers and mechanics working on the project; and requires the Department of Accounting and General Services to collect and maintain certified copies of all payrolls for a special purpose revenue bonds funded project.

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

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Inouye, Taniguchi.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Inouye).

Representatives Herkes, Caldwell, Takamine, Shimabukuro, Halford.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 129 on S.B. No. 962

The purpose of this measure is to provide for the manner in which the prevailing wages for laborers and mechanics on public works and indirect public works projects is to be established.

Currently, the determination of prevailing wages is the responsibility of the Director of Labor and Industrial Relations with a formula and guidelines for such determination established in the administrative rules. In order to provide clear guidance on the determination of prevailing wages, your Committee on Conference determines that codification of these rules is necessary and appropriate.

Upon further consideration, your Committee on Conference has amended this measure by:

- (1) Deleting the section that establishes a category of construction contracts for “indirect public works projects”, provides for a system for prevailing wages certification, and establishes monitoring and compliance procedures;
- (2) Restoring subsection 104-2(a), Hawaii Revised Statutes, to continue to require application of chapter 104, Hawaii Revised Statutes, to public work projects in excess of \$2,000, to which a governmental contracting agency is a party;
- (3) Restoring within subsection 104-2(a), Hawaii Revised Statutes, the deleted definitions for the terms “contract”; “governmental contracting agency”; “party”; and “public work”;
- (4) Deleting language from section 104-2, Hawaii Revised Statutes, that refers to the application of the section to every “public works or indirect public works project”;
- (5) Clarifying within subsection 104-2(b), Hawaii Revised Statutes, that within the determination of prevailing wages, the director shall regard as prevailing the rate of wages paid to the greatest number of those employed in the State in corresponding classes of laborers and mechanics, or what is commonly referred to as the “modal rate”;
- (6) Deleting the newly created subsection 104-2(g), Hawaii Revised Statutes, which defined the terms “contract”; “governmental contracting agency”; “indirect public works project”; “party”; and “public works project”; and
- (7) Deleting the savings clause provisions.

As affirmed by the record of votes of the managers 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. 962, 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. 962, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Hanabusa, Inouye, Taniguchi.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Herkes, Caldwell, Takamine, Shimabukuro, Thielen.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 130 on S.B. No. 1808

The purpose of this measure is to protect the balance created by legislation between the interests of injured workers and their employers and carriers, and to protect the integrity of the separation of powers between the Legislature and the Executive Branch. The measure also amends certain provisions for further refinement of the law and the system.

Your Committee on Conference determines that, to achieve a balance of interests, the law, under the current administrative rules regarding the disability compensation division, embodies the balance intended by the Legislature and should be maintained through codification.

Our State Constitution mandates that the Legislature drafts the laws to establish policies governing the people of Hawaii. Any delegation of our legislative powers to the Executive Branch for rulemaking is administrative in nature and does not give the Executive Branch the power to make or change the laws through rulemaking. (*See 1 Am. Jur. 2d, Administrative Laws, §132 (1962)*). In the area of workers' compensation, the Legislature has balanced the interest of society to return injured workers to gainful employment in the workplace and the interest of the injured worker and the employer.

Last year, the Administration proposed an omnibus bill to reform the State's workers' compensation system, purporting to reduce the average cost of workers' compensation premiums. By seeking the enactment of the Workers' Compensation Omnibus Bill during the Regular Session of 2004, the Administration implicitly recognized that without changes in chapter 386, Hawaii Revised Statutes (HRS), the Executive Branch lacked sufficient authority to implement policy changes in the foregoing areas. Lawmakers found that the omnibus bill would disrupt the balance achieved in the existing statutes and rules and rejected the omnibus bill resoundingly. Despite the Legislature having made clear the balance achieved by the existing law and rules, the Director of Labor and Industrial Relations sent to the Governor for approval amendments to the administrative rules that, through rulemaking in 2005, would achieve what it could not achieve during the 2004 and 2005 legislative session.

The proposed changes to the Hawaii Administrative Rules (HAR) on workers' compensation, if adopted by the Governor, would represent substantial changes in the law regarding compensability, medical care and treatment, and other benefits, and create formalized contested-case procedures for initiating and handling claims that shifts and increases costs to the claimant and the employer. The proposed rule changes would constitute a substantial departure from the legislative purpose and intent as is now found in chapter 386, HRS, and the existing administrative rules. Furthermore, the Administration has given every indication that it intends to cut workers' rights and benefits retroactively by applying the proposed rules to all claims regardless of when the claims were filed.

Your Committee on Conference believes this action by the Administration, seeking to significantly change HAR §§12-10-1 et seq. and 12-15-1 et seq., represents a usurpation of legislative authority. In a democratic system, the role of formulating policy is reserved exclusively for those in the Legislative Branch. (*See Sherman v. Sawyer*, 63 Haw. 55, 621 P.2d 349 (1980) ("Legislative power" is defined as power to enact laws and to declare what law shall be.)). Under the separation of powers doctrine, the authority of the executive branch is restricted to executing and applying the laws enacted by the Legislature.

The Administration's proposed changes to the administrative rules as sent to the Governor April 25, 2005, usurps legislative authority and are proposed at a time of conflicting economic indicators that contradict the need for promulgating procedures in violation of existing law. In October 2004, the Insurance Commissioner approved a proposed change in workers' compensation loss costs that realized a three percent decrease in loss costs, associated with medical costs, disability benefit payments, vocational and other rehabilitation costs, and survivor benefits.

Specifically, the amendments to the administrative rules relating to workers' compensation, as submitted to the Governor on April 25, 2005, are in direct conflict with existing statutory law, rules, policies, and case law on workers' compensation as shown by the following examples:

- (1) The Legislature specifically rejected a broad exclusion of stress claims under workers' compensation in 1998 when it limited the exclusion to mental stress claims arising solely from disciplinary action. (Section 386-3(c), HRS. *See* Act 224, SLH 1998). The legislative intent was recognized by the Intermediate Court of Appeals in *Davenport v. City and County of Honolulu*, 100 Haw. 297 (2002), and by the Hawaii Supreme Court in affirming the appellate court at 100 Haw. 481. The Administration now seeks to define "disciplinary action" to include what are essentially non-disciplinary, personnel matters. *See* proposed change to section 12-10-1, HAR (definition of "disciplinary action" includes action where "no sanction or punishment is ultimately imposed.")). The proposed change would result in stress injury claims intended by the law to be compensable to be improperly excluded from workers' compensation coverage;
- (2) An injured worker is entitled to temporary disability benefits (TTD) so long as the worker is unable to resume work. (Section 386-31(b), HRS). The commercial guidelines on medical treatment adopted in the amended rules sent by the Director to the Governor establish "presumptive" effect under the amendments (*see* proposed change to sections 12-15-30(d) and 12-15-32, HAR) and those guidelines address not just medical care but the number of lost work days an injured worker would be limited to because of the injury. The current law provides no presumption for how long an employee can remain out on TTD before

being “able to resume work” and properly leaves that determination to the attending physician, with the right of the Employer to object (*See* section 386-85, HRS);

- (3) The Legislature provided authority to the Director to issue guidelines on health care and services. (Section 386-26, HRS). That authority was not without restrictions. The Director was limited to guidelines related to the frequency of treatment and for reasonable use of medical care and services that are considered necessary and appropriate under the statute. (Section 386-26, HRS). As defined by the Merriam-Webster dictionary, a guideline is an indication or outline of policy or conduct. It is something that serves as a guide or an example. (*American Heritage Dictionary of the English Language*). The amendments to the rules as submitted to the Governor propose to turn the guidelines from suggestive and informative to a “presumptive” guide in determining reasonableness of care. (*See* proposed change to section 12-15-32, HAR). The scope of treatment would be prescribed by an out-of-state, commercial organization’s publication and the medical provider would have to rebut the presumption by obtaining another national guidelines standard that supported his or her recommended regime of reasonable medical treatment. (*See* proposed changes to sections 12-15-30(d) and 12-15-32, HAR). The legislature has not allowed for such a presumption under section 386-85, HRS, and intended that medical treatment be assessed as whether it is reasonably related to the nature of the injury under section 386-21, HRS. Medical practitioners are already overworked and struggling to meet the paperwork requirements for handling workers’ compensation cases. The rules as submitted to the governor requiring additional justification of any treatment that deviates from a national standard will only reduce the pool of medical providers willing to accept workers’ compensation cases. In 1996, the Legislature deleted the requirement that the Director approve treatments (up to ten additional treatments) after the initial five treatments. (Act 260, section 3, Session Laws of Hawaii 1996). The effect of the 1996 legislative change was to provide more flexibility in treating the claimant. The Administration’s proposal to impose mandatory, presumptively valid commercial guidelines is contrary to the legislative intent on medical treatment guidelines and the general intent to require the employer to provide all medical care, service, and supplies “as the nature of the injury requires.” (Section 386-21, HRS);
- (4) The Legislature intended that all processing of claims at the Disability Compensation Division (DCD) level and proceedings before the Director be informal, not contested case hearings under chapter 91, HRS. To the degree possible, this allows claimants and adjusters to represent themselves at the DCD level. For that reason, the Labor and Industrial Relations Appeals Board was given de novo review on any appeal. (Section 386-87, HRS). The administrative rules until now have been consistent with this intent by barring discovery procedures typically associated at the appeals board level and civil litigation and only allowing the discovery with approval by the Director upon showing of good cause. (Sections 12-10-65 to 12-10-67, HAR). The Administration seeks formal discovery and hearing procedures that impose waivers of statutory rights if the claimant fails to comply with the procedures. (*See* proposed changes to sections 12-10-65 and 12-10-72.1, HAR). Such procedural requirements necessitate that the claimant seek legal representation in any dispute with the employer that requires a hearing. These proposed changes which seek to establish contested hearing type cases at the DCD level are in conflict with the legislative intent of an informal process at the DCD level;
- (5) The Legislature requires the Director to conduct a hearing on any dispute between the claimant and the employer. (Section 386-86, HRS, decisions to be rendered after a hearing). The Administration proposes the use of summary judgment which would deny the parties a right to a hearing. (*See* proposed changes to section 12-10-72.1, HAR). The proposed use of alternative dispute resolution (ADR) or mediation could also preclude a hearing, and would impose waivers of statutory rights if the claimant enters into some form of ADR or mediation. (*See* proposed changes to section 12-10-66, HAR). The proposed rule also increases the cost to the claimant and employer who must share the cost of the arbitrator or mediator in conflict with the intent of the statute;
- (6) The Legislature provided presumptions in the law to minimize challenges to benefits while providing provisions elsewhere in the statute to minimize the employer’s exposure to liability. (Compare section 386-85 with sections 386-5 and 386-8, HRS). The Legislature did not intend to create any other presumptions through arbitrarily shifting the burden of proof to one party or the other. The party or parties who must bear the burden of proof are to be determined by law consistent with the purpose of the statute. The amendments to the administrative rules as sent to the Governor propose to arbitrarily assign the burden to the party requesting the hearing. (*See* proposed change to section 12-10-72.1, HAR). Because the employer can withhold or deny benefits, the claimant will always be the party requesting a hearing and, therefore, will always be required to carry the burden of proof at a hearing. This improperly shifts the balance created by the Legislature between the interests of the different parties to a workers’ compensation claim; and
- (7) The Legislature provided for employers to become self-insured if they satisfied certain safeguards under the law. (*See* section 386-121, HRS). The Legislature finds the changes proposed by the Director (*see* proposed changes to section 12-10-94, HAR), are overly restrictive and will deter otherwise solvent, adequately financed employers from qualifying for self-insurance. It is the intent of the Legislature to give employers options in how they secure compensation to their employees for workers’ compensation injuries. The proposed changes restrictively limit those options.

Initially the Administration also proposed changes to the HAR on vocational rehabilitation services. Those changes would have dramatically changed the services provided to injured workers seeking return to work or new employment depending on the extent of the disability from the injury. While the Department of Labor and Industrial Relations has withdrawn the proposed amendments to the vocational rehabilitation rules in the amended rules sent to the Governor, it intends to hold hearings later in 2005 on proposed amendments to the HAR on vocational rehabilitation. The Legislature remains concerned that the existing procedures that balance the interest of all parties could still be dramatically changed before the next session.

Where the Administration exceeds the boundaries of executive powers and encroaches upon legislative prerogatives, the Legislature must protect its constitutional charge to create the laws, pursuant to the “separation of powers” doctrine and its assignment of this function by the Constitution of the State of Hawaii. This measure guards the Legislature’s authority in making the law and setting the policies by:

- (1) Codifying the existing administrative rules that reflect the purpose and intent of the Legislature in enacting chapter 386, HRS; and
- (2) Assuring that the Administration does not usurp the authority of the Legislature to create laws, by limiting the Director's rulemaking authority.

Your Committee on Conference finds that this bill, by incorporating into chapter 386, HRS, the substantive definitions, standards, criteria, and policies in effect on January 1, 2005, under currently existing rules, policies, and case law in the relevant substantive areas, will preserve and protect the prerogative of the Legislative Branch of government and prevent the abuse of power.

However, your Committee on Conference further finds that flexibility is required to allow the Director to adjust the amount medical providers can charge for their treatment. Therefore, your Committee on Conference has amended this measure to allow the Director limited power to annually update in the medical fee schedules the amount paid to medical providers as provided in section 386-21(c), HRS.

As affirmed by the record of votes of the managers 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. 1808, 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. 1808, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Menor, Taniguchi, Tsutsui.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Menor).

Representatives Caldwell, Takamine, Shimabukuro.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 131 on H.B. No. 390

The purpose of this bill is to permanently exempt lessors who lease vehicles to lessees whose own vehicles are under repair from the rental motor vehicle surcharge tax.

Your Committee on Conference has amended this measure by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 390, 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. 390, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Espero, Tsutsui, Hogue.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Tsutsui).

Representatives Souki, Hiraki, Kawakami, Lee, Moses.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 132 on H.B. No. 168

The purpose of this bill is to promote Hawaii's agricultural industry by appropriating an unspecified amount of funds for the Hawaii Farm Bureau Federation to conduct agricultural research and market development.

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

- (1) Inserting an appropriation of \$500,000 for fiscal year 2005-2006;
- (2) Deleting the appropriation for fiscal year 2006-2007;
- (3) Changing the effective date of this measure to July 1, 2005; 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. 168, 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. 168, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Taniguchi, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Abinsay, Tsuji, Halford.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Halford).

Conf. Com. Rep. No. 133 on H.B. No. 1641

The purpose of this bill is to establish the Non-Agricultural Park Lands Special Fund to defray the costs incurred in managing, administering, and overseeing non-agricultural park lands that are transferred, or in the process of being transferred, to the Department of Agriculture.

Your Committee on Conference has amended this measure by changing its effective date 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. 1641, 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. 1641, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Taniguchi, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Abinsay, Kanoho, Herkes, Tsuji, Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Herkes).

Conf. Com. Rep. No. 134 on H.B. No. 1614

The purpose of this bill is to protect the employment rights of public employees by ensuring that civil service employees of the newly established Department of Education Civil Service Personnel System shall have the same benefits and rights of civil service employees employed by other executive agencies.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that transfer of benefits and rights:
 - (a) Does not apply to exempt civil service employees; and
 - (b) Include benefits and rights relating to promotions.
- (2) Inserting language that clarifies that if a collective bargaining agreement does not cover pay adjustments and other adjustments necessary to effectuate the movement of personnel between the two jurisdictions, then these adjustments shall be subject to rules, policies, and procedures established by each respective director.
- (3) Changing the effective date to upon its approval;
- (4) Adding a sunset date of June 30, 2009; 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. 1614, 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. 1614, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Caldwell, Takumi, Nakasone, Berg, Pine.

Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Pine).

Conf. Com. Rep. No. 135 on H.B. No. 109

The purpose of this bill is to support efforts to create more rural districts by:

- (1) Allowing the counties to work with the Land Use Commission to develop policy and recommend boundary amendments to expand and enhance the use of rural districts;
- (2) Authorizing the convening of an advisory group to redefine rural districts; and
- (3) Appropriating an unspecified sum to accomplish these purposes.

Upon further consideration, your Committee on Conference has amended this bill by creating a new Part that clarifies the permitted uses in the agricultural and rural land use districts. Specifically, this Part amends the land use law by:

- (1) Including golf courses, golf driving ranges, and golf-related facilities as allowable activities within the rural district; and
- (2) Prohibiting golf courses and golf driving ranges within the agricultural district; provided that golf courses and golf driving ranges approved by a county before July 1, 2005, for development within the agricultural district shall be permitted uses within the agricultural district.

Your Committee on Conference has further amended this bill by:

- (1) Inserting the sum of \$50,000 for fiscal year 2005-2006 for a study relating to enhancing the use of rural districts; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

Finally, it is the intent of your Committee on Conference that section 205-4.5(d), Hawaii Revised Statutes, also applies to golf-related facilities as a permitted use within the agricultural district if approved by a county before 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. 109, 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. 109, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kokubun, Hanabusa, Taniguchi, Hemmings.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Taniguchi).

Representatives Kanoho, Abinsay, Herkes, Takamine, Yamashita, Meyer.
Managers on the part of the House.
Ayes, 6. Noes, none. Excused, none.

Conf. Com. Rep. No. 136 on H.B. No. 841

The purpose of this bill is to make various amendments and appropriations to improve public education in the State. Among other things, this bill:

- (1) Assists the continued implementation of Act 51, Session Laws of Hawaii 2004, the Reinventing Education Act of 2004, by:
 - (a) Requiring the Department of Education (DOE) to take immediate steps to convert principal positions to 12-month status; and
 - (b) Appropriating funds, including funds to support information systems, additional personnel;
- (2) Establishes and appropriates funds for a grant program to encourage civic responsibility education in public schools;
- (3) Appropriates funds to purchase social studies and science textbooks;
- (4) Appropriates funds for a new research-based curriculum throughout the public school system to develop the critical and creative thinking skills of students;
- (5) Improves the composition of the Workforce Development Council;
- (6) Appropriates funds for job training and education programs at DOE;
- (7) Allows DOE volunteers to participate in the Employer-Union Health Benefits Trust Fund; and

- (8) Appropriates funds for a volunteer coordinator position in DOE.

Your Committee on Conference has amended this bill by:

- (1) Removing the requirement that DOE take immediate steps to convert principal positions to 12-month status;
- (2) Appropriating \$1,000,000 for fiscal years 2005-2006 and 2006-2007, to:
 - (a) Subsidize information systems projects;
 - (b) Provide for additional support personnel and training and additional data processing systems analysts; and
 - (c) Continue the implementation of Act 51;
- (3) Deleting the provisions relating to the establishment of a grant program to encourage civic responsibility education in public schools;
- (4) Deleting the appropriation of funds for the purchase of social studies and science textbooks;
- (5) Deleting the provisions relating to the establishment of a new research-based curriculum throughout the public school system;
- (6) Deleting the appropriation of funds for job training and education programs at DOE;
- (7) Deleting the provisions allowing DOE volunteers to participate in the Employer-Union Health Benefits Trust Fund;
- (8) Deleting the appropriation of funds for a volunteer coordinator position in DOE; and
- (9) 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. 841, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 841, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Kanno, Taniguchi, Tsutsui, Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Kanno, Tsutsui).

Representatives Takumi, Caldwell, Chong, Karamatsu, Ching.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Karamatsu).

Conf. Com. Rep. No. 137 on H.B. No. 1556

The purpose of this bill is to support business in the state by authorizing the issuance of special purpose revenue bonds (SPRB) to assist PLK Air Services Group LLC, in planning, designing, constructing, equipping, and furnishing a Kona coffee and macadamia manufacturing facility and air cargo logistics and fulfillment center at Kona International Airport.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the Department of Budget and Finance is authorized to issue, in one or more series, SPRBs in a total amount not to exceed \$25,000,000; and
- (2) Changing the effective date 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. 1556, 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. 1556, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Souki, Abinsay, Evans, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Moses).

Conf. Com. Rep. No. 138 on H.B. No. 631

The purpose of this bill is to clarify and correct the language of various Employees' Retirement System (ERS) statutes and conform ERS statutes to current practices. Among other things, this bill:

- (1) Requires the ERS to comply with federal income tax limits on compensation in determining ordinary death benefits;
- (2) Specifies which appointed county positions qualify for contributory plan membership;
- (3) Allows death benefits to be paid consistent with the employee's actual eligibility for those benefits;
- (4) Allows the ERS to calculate a retiree's pension based on the benefit formula at the time of retirement rather than at the time of separation from service;
- (5) Prohibits investigators of the prosecuting attorney and corrections officers not making an election to become a class C member from electing to become a class H member;
- (6) Requires the counties to remit employer contributions to the ERS on a monthly basis rather than semiannually;
- (7) Specifies that the cost to convert noncontributory plan service to hybrid plan service will be based on the member's age in full years and the member's basic rate of pay as of June 30, 2006; and
- (8) Eliminates the deadline for claiming and purchasing hybrid plan membership service credit and allows the acquisition of qualifying service credit at any time prior to retirement to be consistent with current contributory plan procedures.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 631, 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. 631, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Slom.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Caldwell, Nakasone, Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 139 on H.B. No. 1528

The purpose of this bill is to adjust the salaries of the following positions:

- (1) Chief Election Officer;
- (2) Auditor;
- (3) First Assistant or First Deputy of the Auditor;
- (4) Director of the Legislative Reference Bureau (LRB);
- (5) First Assistant to the Director of LRB;
- (6) Executive Director of the State Ethics Commission;
- (7) Chairperson of the Hawaii Labor Relations Board;
- (8) Ombudsman;
- (9) First Assistant to the Ombudsman;
- (10) Administrator of the State Procurement Office;
- (11) Manager and Deputy Manager of the Stadium Authority;
- (12) Vice-Director of Civil Defense;
- (13) First Deputy to the Chairperson of the Commission on Water Resource Management;

- (14) Executive Director and Executive Assistant of the Housing and Community Development Corporation of Hawaii;
- (15) Chairperson of the Public Utilities Commission;
- (16) Recycling Coordinator of the Office of Solid Waste Management;
- (17) Director of the Executive Office on Aging;
- (18) Chairperson of the Hawaii Paroling Authority;
- (19) Director of the Office of Veterans' Services;
- (20) Chairperson of the Labor and Industrial Relations Appeal Board;
- (21) Executive Director of the Office of Community Services;
- (22) Commissioner of Financial Institutions; and
- (23) The State Public Defender.

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

- (1) Deleting the salary adjustments for all positions except for the following:
 - (A) Auditor;
 - (B) First Assistant or First Deputy of the Auditor;
 - (C) Director of the LRB;
 - (D) First Assistant to the Director of LRB;
 - (E) Executive Director of the State Ethics Commission;
 - (F) Ombudsman; and
 - (G) The First Assistant to the Ombudsman;
- (2) Changing the salary adjustment for the:
 - (A) Auditor by making the Auditor's salary the same as the salary of the Director of Health;
 - (B) First Assistant or First Deputy to the Auditor by limiting the salary of the First Assistant or First Deputy to 87 percent of the Auditor's salary;
 - (C) Director of LRB by making the Director's salary the same as the salary of the Director of Health;
 - (D) First Assistant to the Director of LRB by limiting the salary of the First Assistant to 87 percent of the salary of the Director of LRB;
 - (E) Executive Director of the State Ethics Commission by making the Executive Director's salary the same as the salary of the Director of Health;
 - (F) Ombudsman by making the Ombudsman's salary the same as the salary of the Director of Health; and
 - (G) First Assistant to the Ombudsman by limiting the salary of the First Assistant to 87 percent of the salary of the Ombudsman;
- (3) Deleting the severability clause;
- (4) Appropriating funds for salary increases and other cost adjustments attributable to collective bargaining for officers and employees of legislative agencies excluded from collective bargaining for fiscal year 2005-2006, as follows:
 - (A) State Ethics Commission, \$25,087;
 - (B) Office of the Auditor, \$61,035;
 - (C) Office of the LRB, \$74,749; and
 - (D) Office of the Ombudsman, \$25,802;

and

- (5) 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. 1528, 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. 1528, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Inouye, Slom.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Caldwell, Nakasone, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 140 on H.B. No. 1608

The purpose of this bill is to authorize teachers and other Department of Education personnel belonging to collective bargaining unit (5) to provide health benefits to its members through a three-year pilot program allowing for the establishment of Voluntary Employees Beneficiary Association (VEBA) Trust instead of through the Employer-Union Health Benefits Trust Fund (EUTF).

Your Committee on Conference has amended this measure by:

- (1) Allowing any collective bargaining unit to establish its own VEBA Trust by deleting the provisions limiting the establishment of VEBA Trusts to collective bargaining unit (5);
- (2) Inserting language clarifying fiduciary and various other responsibilities of VEBA Trusts created by this Act, specifically to address concerns raised with regards to requirements of the Employee Retirement Income Security Act of 1974;
- (3) Changing the effective date to upon its approval; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1608, 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. 1608, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, Caldwell, Takamine, Ching.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 141 on H.B. No. 260

The purpose of this bill is to fund all collective bargaining cost items negotiated for state employees in collective bargaining unit (11), and salary increases and other cost adjustments for their excluded counterparts.

On March 24, 2005, pursuant to section 89-11(g), Hawaii Revised Statutes, the Governor transmitted proposed legislation to the Legislature containing all items requiring moneys for implementation, which are subject to appropriation.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 260, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 260, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Tsutsui, Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Caldwell, Takamine, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 142 on H.B. No. 263

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 April 21, 2005, pursuant to section 89-11(g), Hawaii Revised Statutes, the Governor transmitted proposed legislation to the Legislature containing all items requiring moneys for implementation, which are subject to appropriation.

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

- (1) Removing references to collective bargaining unit (9);
- (2) 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 and their excluded counterparts for fiscal biennium 2005-2007; 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. 263, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 263, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Tsutsui, Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Caldwell, Takamine, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 143 on H.B. No. 1597

The purpose of this bill is to fund collective bargaining cost items relating to contributions to the Employer-Union Health Benefits Trust Fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (9) and their excluded counterparts.

On March 24, 2005, pursuant to section 89-11(g), Hawaii Revised Statutes, the Governor transmitted proposed legislation to the Legislature containing all items requiring moneys for implementation, which are subject to appropriation.

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

- (1) Including all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (9), including salary increases and other cost adjustments;
- (2) Adding cost items for officers and employees assigned to the Hawaii Health Systems Corporation who are excluded from collective bargaining; 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. 1597, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1597, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Tsutsui, Slom.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Caldwell, Takamine, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 144 on H.B. No. 1599

The purpose of this bill is to fund collective bargaining cost items relating to contributions to the Employer-Union Health Benefits Trust Fund (EUTF) in the agreement negotiated with the exclusive bargaining representative of collective bargaining units (2), (3), (4), (6), (8), and (13) and salary increases and other cost adjustments for their excluded counterparts.

On April 21, 2005, pursuant to section 89-11(g), HRS, the Governor transmitted proposed legislation to the Legislature containing all items requiring moneys for implementation that are subject to appropriation.

Along with this proposed legislation, the Governor transmitted a memorandum stating that the parties have not yet reached an agreement with respect to the amounts of contributions to the EUTF and that it appeared unlikely that the parties would reach an agreement in accordance with the timetable established pursuant to section 89-11(g), HRS. In accordance with section 89-11(g), HRS, the Governor submitted recommendations for action to fund the costs of the EUTF based on providing the same matching provisions to Hawaii Government Employees Association as provided in tentative agreements with the Hawaii State Teachers Association and the United Public Workers.

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

- (1) Inserting a reference to collective bargaining unit (9);
- (2) Inserting specific appropriation amounts to fund cost items relating to contributions to the EUTF for collective bargaining units (2), (3), (4), (6), (8), (9), and (13) and their excluded counterparts; 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. 1599, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1599, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Tsutsui, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Tsutsui).

Representatives Caldwell, Takamine, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 145 on H.B. No. 19

The purpose of this bill is to enhance the University of Hawaii's (UH) ability to address students' critical housing needs in a tight rental market by:

- (1) Allowing UH to use sources other than revenues generated through the bond system; and
- (2) Authorizing the UH Board of Regents to issue \$25,000,000 in revenue bonds to finance the maintenance of any university project or the cost of construction of new housing units at the University of Hawaii at Manoa campus on sites currently used for student housing,

to finance the construction and repair of student housing units.

Your Committee has amended this bill by:

- (1) Increasing the authorization of the issuance of revenue bonds to \$100,000,000 from \$25,000,000;
- (2) Removing the section referencing H.B. No. 1, since H.B. No. 1 did not pass the Legislature this session; 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. 19, 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. 19, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Taniguchi, Tsutsui, Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Tsutsui).

Representatives Waters, Chong, Finnegan.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 146 on H.B. No. 1308

The purpose of this bill is to protect and conserve Hawaii's natural beauty and resources for current and future generations by establishing permanent adequate funding for land conservation by increasing the conveyance tax on a sliding scale and dedicating ten percent of the annual proceeds from the conveyance tax for land conservation.

Among other things, this measure:

- (1) Establishes the Land Conservation Fund (Conservation Fund), section 173A-5, Hawaii Revised Statutes (HRS);
- (2) Requires that ten percent of all conveyance taxes be deposited in or credited to the Conservation Fund annually;
- (3) Exempts the Conservation Fund from the central service expenses assessment for special funds;
- (4) Places the Conservation Fund under the administration and management of the Department of Land and Natural Resources (DLNR);
- (5) Amends the definition of "land having value as a resource to the State" to include land with cultural value;
- (6) Specifies that the acquisition of interests or rights in land having value as a resource to the State for the preservation of:
 - (A) Watershed protection;
 - (B) Coastal areas, beaches, and ocean access;
 - (C) Habitat protection;
 - (D) Cultural and historical sites;
 - (E) Recreational and public hunting areas;
 - (F) Parks;
 - (G) Natural areas;
 - (H) Agricultural production; or
 - (I) Open spaces and scenic resources,constitutes a public purpose for which public funds may be expended or advanced;
- (7) Directs that the Conservation Fund be used for:
 - (A) The acquisition of interests or rights in land having value as a resource to the State, whether in fee title or through the establishment of permanent conservation easements under chapter 198, HRS; and
 - (B) Annual administration costs for Conservation Fund, which must not exceed five percent of annual fund revenues of the previous year;
- (8) Creating an application process whereby DLNR, with the approval of the Board of Land and Natural Resources (BLNR), grants moneys from the Conservation Fund to state or county agencies and nonprofit land conservation organizations;
- (9) Provides for the manner in which lands acquired by grant moneys from the Conservation Fund may be sold, leased, or otherwise disposed of;
- (10) Modifies the amount of the conveyance tax; and
- (11) Specifies that with respect to the conveyance tax, ten percent must be allocated to the Conservation Fund;

Your Committee on Conference finds that a clear nexus exists between the source of the conveyance tax and providing funding for the preservation and conservation of valuable natural resources. A nexus also exists between the conveyance tax and the growing need for affordable housing. The conveyance tax is currently at the rate of 10 cents per \$100 of the price of the property. Statistics indicate that 92% of the properties sold in 2004 would not have been affected by the new tax rate structure in this bill.

Upon careful consideration, your Committee on Conference has amended this bill by, among other things:

- (1) Requiring BLNR to track amounts disbursed from the Conservation Fund, rather than to the Conservation Fund;

- (2) Clarifying that state agencies, counties, and nonprofit land conservation organizations may acquire interests or rights in land having value as a resource to the State, whether in fee title or through the purchase of permanent conservation easements under Chapter 198, HRS;
- (3) Specifying that any permanent conservation easement established through grants from the Conservation Fund that includes partnership with a federal land conservation program may be transferred only as provided by rules of the federal program;
- (4) Adjusts the conveyance tax in the following manner:
 - (A) Except as provided in paragraph (B):
 - (i) Ten cents per \$100 for properties with a value of less than \$600,000;
 - (ii) Twenty cents per \$100 for properties with a value of at least \$600,000, but less than \$1,000,000; and
 - (iii) Thirty cents per \$100 for properties with a value of \$1,000,000 or greater;

and
 - (B) For the sale of a single-family residence or an individual unit in a multifamily dwelling for which the purchaser is ineligible for a county homeowner's exemption on property tax:
 - (i) Fifteen cents per \$100 for properties with a value of less than \$600,000;
 - (ii) Twenty-five cents per \$100 for properties with a value of at least \$600,000, but less than \$1,000,000; and
 - (iii) Thirty-five cents per \$100 for properties with a value of \$1,000,000 or greater;
- (5) Increases the allocation of the conveyance tax to the Rental Housing Trust Fund from 25 percent to 30 percent;
- (6) Appropriating \$1,100,000 from the Conservation Fund for fiscal year 2005-2006 for the purchase of agriculture easements to protect farm and ranch lands throughout the state;
- (7) Requiring the Director of Finance to transfer to the credit of the Conservation Fund on July 1, 2005, all unexpended or unencumbered balances remaining in the Fund for the Environment, which will be repealed on the same date; and
- (8) 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. 1308, 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. 1308, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Kanoho, Karamatsu, Carroll, Magaoay, Schatz, Wakai, Thielen.
Managers on the part of the House.
Ayes, 6. Noes, none. Excused, 1 (Schatz).

Conf. Com. Rep. No. 147 on H.B. No. 1554

The purpose of this measure is to provide fee owners of single family and multi-family residential leasehold property with an exclusion from their taxable income of fifty per cent of any proceeds from the sale of the leased fee interest to the lessee.

Your Committee on Conference finds that mandatory leasehold reform for single family residences has successfully reduced the number of single family leasehold residences, allowing homeowners to own the fee interest in their residential lots. Your Committee on Conference further notes that similar efforts to allow the mandatory leasehold conversion of multi-family residences has met with much resistance from the fee owners who were not inclined to part with their fee interest. This resistance has led to the acrimonious repeal of a mandatory leasehold conversion law for multi-family residences in the City and County of Honolulu.

Your Committee on Conference believes that, rather than perpetuating a process that polarizes members of the community, an incentive-based approach to the issue should be pursued. Accordingly, this measure would provide that incentive by allowing a fee owner of residential leasehold properties to exclude, from the fee owner's taxable income, up to fifty per cent of the proceeds the fee owner receives from the sale of the leased fee interest to the lessee.

Your Committee on Conference has amended this measure by:

- (1) Limiting the total amount of income excluded by this measure to a maximum of \$75,000 in the aggregate for all taxpayers in the State in any tax year; and
- (2) Allowing this exclusion to be taken in the tax year beginning after December 31, 2005 and ending prior to January 1, 2007.

As affirmed by the record of votes of the managers 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. 1554, 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. 1554, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Espero, Tsutsui, Hogue.

Managers on the part of the Senate.

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

Representatives Kanoho, Kahikina, Hiraki, Nishimoto, Fox.

Managers on the part of the House.

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

Conf. Com. Rep. No. 148 on H.B. No. 1462

The purpose of this measure is to allow the Attorney General to administer programs for the prevention of sexual violence and clarifies and strengthens the Voluntary Response Program.

Your Committee has amended the measure by substituting the amendments to the Voluntary Response Program with S.B. No. 788, S.D.1, H.D.1., relating to the Voluntary Response Program.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1462, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1462, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Baker, English, Hanabusa, Trimble.

Managers on the part of the Senate.

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

Representatives Kawakami, B. Oshiro, Moses.

Managers on the part of the House.

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

Conf. Com. Rep. No. 149 on H.B. No. 1224

The purpose of this bill is to improve the administration of the general excise and use taxes by:

- (1) Requiring the Department of Taxation (DOTAX), no later than November 1, 2005, and with unspecified designees selected by the President of the Senate and the Speaker of the House of Representatives (Speaker), to:
 - (A) Identify issues that need to be resolved to effectuate the orderly enactment and operation of a streamlined sales and use tax that is based on the Streamlined Sales Tax Project's Model Agreement and Act (Model Agreement and Act);
 - (B) Draft policy recommendations to resolve these issues for the Legislature; and
 - (C) Conduct for the Legislature, informational briefings on its policy recommendations and its efforts to comply with this bill;
- (2) Requiring DOTAX to submit proposed legislation to the Legislature prior to the Regular Session of 2006 that provides for the implementation of a streamlined sales and use tax in accordance with the Model Agreement and Act;
- (3) Appropriating an unspecified amount of funds, to be expended by DOTAX, to carry out the provisions established in this bill; and
- (4) Repealing the statutory requirement that requires DOTAX to consult with an advisory council with respect to multistate discussions relating to the Streamlined Sales and Use Tax Agreement.

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

- (1) Establishing requirements, procedures, standards, and guidelines for compliance with the Streamlined Sales and Use Tax Agreement;

- (2) Specifying that DOTAX may enter into the Streamlined Sales and Use Tax Agreement with one or more states with the concurrence of the Legislature;
- (3) Deleting the requirement that DOTAX draft policy recommendations to resolve the issues involved in the enactment and operation of a streamlined sales and use tax that is based on the Model Agreement and Act;
- (4) Establishing that DOTAX execute its duties to identify issues that need to be resolved for the enactment and operation of a streamlined sales and use tax that is based on the Model Agreement and Act no later than August 1, 2005, instead of November 1, 2005;
- (5) Specifying that DOTAX work with three designees selected by the President of the Senate and three designees selected by the Speaker;
- (6) Revising the requirement for DOTAX to submit proposed legislation to the Legislature by:
 - (A) Specifying that the proposed legislation is to be submitted to the Legislature prior to January 1, 2007; and
 - (B) Changing the contents of the proposed legislation by:
 - (i) Deleting the requirement for implementation of a streamlined sales and use tax in accordance with the Model Agreement and Act; and
 - (ii) Specifying that the proposed legislation provide any further amendments requested by the Streamlined Sales Tax Project to address issues such as sourcing and rounding and to enhance the operation of a streamlined sales and use tax;
- (7) Declaring that the general excise and use tax law under chapters 237 and 238, Hawaii Revised Statutes, substantially comply with the requirements set forth under the Streamlined Sales and Use Tax Agreement;
- (8) Inserting an appropriation amount of \$50,000, and specifying that the funds are to be used for technical assistance and briefings to enable the Legislature to carry out its responsibilities;
- (9) Establishing certain specific authorized uses of the appropriation;
- (10) Changing the expending agency from DOTAX to the Auditor and establishing that the Auditor shall secure the necessary services to support the project without regard to the Public Procurement Code;
- (11) Allowing contractors contracted by the Auditor to support the project to inspect tax returns and receive abstracts of tax returns and other information contained in the tax returns only for the purpose of conforming the State's general excise and use taxes to the Model Agreement and Act; and
- (12) 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. 1224, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1224, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Fukunaga, Ige, Tsutsui, Trimble.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Ige).

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

Conf. Com. Rep. No. 150 on H.B. No. 1672

The purpose of this bill is to enhance accountability in government by requiring:

- (1) The Director of Finance to conduct a public hearing pursuant to chapter 92, Hawaii Revised Statutes (HRS), prior to restricting or withholding any funds lawfully budgeted and appropriated by the Legislature;
- (2) The Governor to notify recipients of grants under chapter 42F, HRS, on the status of unreleased grants; and
- (3) Budget allotment estimates to include all funds lawfully budgeted and appropriated by the Legislature.

Your Committee on Conference, upon careful consideration, has amended the bill by:

- (1) Deleting the requirement that the Director of Finance conduct a public hearing pursuant to chapter 92, HRS, prior to implementing a restriction or withholding any funds appropriated by the Legislature;
- (2) Deleting the requirement that budget allotment estimates include all funds lawfully budgeted and appropriated by the Legislature; and
- (3) 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. 1672, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1672, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kokubun, Tsutsui.

Managers on the part of the Senate.

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

Representatives Takamine, Kawakami, Marumoto.

Managers on the part of the House.

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

Conf. Com. Rep. No. 151 on S.B. No. 55

The purpose of this bill is to ensure that employees who work for five or more continuous hours are provided a rest or meal break, except in certain cases.

Pursuant to Act 172, Session Laws of Hawaii (SLH) 1999, the Legislature provided for the right of employees to express breastmilk during a meal period or other break. Specifically, Act 172, SLH 1999, provided that an employee could not be prohibited from expressing breastmilk during any meal or other break required by law. However, neither federal nor state wage and hour laws currently require an employer to provide employees over the age of sixteen a meal period, irrespective of the number of consecutive hours employees may work. Therefore, although it is common business practice for employers to provide their employees with meal breaks, employees in Hawaii have no statutory right to meal breaks.

Therefore, employees who work more than five consecutive hours should be provided at least a thirty-minute meal break, which will safeguard the health and safety of employees, promote work efficiency and productivity, and permit employees to express breastmilk during any meal break. Furthermore, employers should retain control over the utilization of meal breaks in order to provide for continued service and operations throughout the work day and to ensure the welfare of their businesses.

Upon further consideration, your Committee has amended this measure by:

- (1) Clarifying that an employer may choose the time for the rest or meal break during the employee's work day;
- (2) Clarifying that if an employee waives a rest or meal break, the employee's work day may only be shortened upon the employer's consent;
- (3) Changing the effective date of the Act from July 1, 2010 to effective upon its approval; and
- (4) Making a technical, nonsubstantive amendment 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. 55, 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. 55, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Tsutsui, Taniguchi.

Managers on the part of the Senate.

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

Representatives Caldwell, Takamine, Karamatsu, Nakasone, Yamashita, Pine.

Managers on the part of the House.

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

Conf. Com. Rep. No. 152 on S.B. No. 294

The purpose of this bill is to assist low-income workers in Hawaii by raising the minimum wage to \$6.75 per hour beginning January 1, 2006, and \$7.25 per hour beginning January 1, 2007.

Although the minimum wage amount was recently increased, effective in 2003, the increase has failed to keep pace with the rate of inflation. As a result, a worker's purchasing power has continued to diminish over time. Prior to the most recent increase, no previous

adjustment had been made to the minimum wage amount since 1993. In Hawaii, the cost of living is higher than that of much of the rest of the nation, which compels many individuals to work two jobs just to make ends meet. As it appears that we have now turned the corner, heading towards improved economic times, your Committee on Conference believes that it is necessary to assist entry-level workers to allow them to share in this period of economic growth and prosperity.

Upon further consideration, your Committee on Conference has amended the measure by making a technical, nonsubstantive amendment 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. 294, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 294, S.D. 3, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Inouye.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Caldwell, Takamine, Karamatsu, Shimabukuro, Fox.
Managers on the part of the House.
Ayes, 4. Noes, 1 (Fox). Excused, none.

Conf. Com. Rep. No. 153 on S.B. No. 738

The purpose of this measure is to allow the Employees' Retirement System (ERS) to compromise or settle claims for benefits, including those claims arising out of detrimental reliance by ERS members on erroneous information provided by the ERS, as approved by the Attorney General.

Specifically, the ERS Board, under this measure, may compromise or settle claims for benefits to which a member or former member of the ERS would not otherwise be entitled if:

- (1) The claim resulted from an erroneous written representation made by an authorized employee of the ERS;
- (2) The member, in good faith reliance on the representation, decided to retire or terminate the member's employment or membership in the ERS; and
- (3) Settlement is approved by the Attorney General.

The Attorney General has opined that, under the current law, the ERS is not authorized to compromise or settle claims in which an ERS member has detrimentally relied on erroneous information provided by the ERS if the settlement or compromise would result in the member receiving benefits that the member is not entitled to receive by statute. This inability to compromise or settle claims may result in severely adverse consequences to the member. Additionally, compromise or settlement is, therefore, also not authorized in other situations that have potentially adverse consequences to a member, such as a case where a member is mistakenly or incorrectly credited with service to which the member is not entitled as a matter of law.

Because a court may determine that manifest injustice has or will result from a member's detrimental reliance on information obtained from the ERS, and in order to promote the fair and efficient disposition of cases, the ERS should be authorized to compromise or settle cases instead of having to participate in full-blown litigation to achieve the same result.

Upon further consideration, your Committee on Conference has amended this measure by:

- (1) Changing the effective date of the Act from July 1, 2010, to be effective upon its approval; and
- (2) Requiring the Act to apply to claims existing on and arising on or after the effective date of the Act.

As affirmed by the record of votes of the managers 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. 738, 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. 738, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Caldwell, Luke, Nakasone, Meyer.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Meyer).

Conf. Com. Rep. No. 154 on S.B. No. 817

The purpose of this bill is to establish standards and procedures regarding the assignment of unemployment insurance contribution rates and the transfer of unemployment insurance experience when a change in employing unit occurs.

Pursuant to the State Unemployment Taxes Act (SUTA) Dumping Prevention Act of 2004, P.L. 108-295, the Social Security Act was amended with respect to the administration of unemployment taxes and benefits. The Act requires, as a condition of state eligibility for grants for unemployment compensation administration, changes to state unemployment compensation laws to prevent SUTA dumping. SUTA dumping involves employers and financial advisors using acquisitions or restructuring schemes, including shifting of workforce and payroll, in order to pay lower state unemployment taxes than their unemployment experience would normally allow. Therefore, in order to maintain federal certification and to continue to enjoy the benefits of the Federal Unemployment Tax Act tax offset credit and federal administrative grants for the state unemployment insurance program, changes in the current law must be made.

Upon further consideration, your Committee on Conference has 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 record of votes of the managers 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. 817, 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. 817, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Caldwell, Luke, Takamine, Shimabukuro, Pine.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Takamine, Pine).

Conf. Com. Rep. No. 155 on S.B. No. 944

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, and collective bargaining unit (10), institutional, health, and correctional workers.

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 and institutional, health, and correctional workers 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 units (1) and (10) and excluded counterparts;
- (2) Changing the effective date from July 1, 2006, to July 1, 2005; 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. 944, 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. 944, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Caldwell, Takamine, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 156 on S.B. No. 945

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 twenty hours a week who are equal to 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 twenty hours a week who are equal to 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 general funds;
- (2) Changing the effective date from July 1, 2006, to July 1, 2005; 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. 945, 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. 945, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Caldwell, Takamine, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 157 on S.B. No. 1194

The purpose of this measure is to provide for the election of the public employee members of the Board of Trustees (Board) of the Deferred Compensation Plan by the members.

Under the current law, the Board is comprised of seven members. Aside from the two ex officio members of the Board, the remaining five members are appointed by the Governor, with confirmation by the Senate. However, to better represent the interests of the members of the Deferred Compensation Plan, the remaining Board members should instead be elected by the plan members themselves. This method of election provides a more democratic process which will allow the decision making of the Board to be brought closer to its own constituency.

Additionally, in order to preserve institutional knowledge, promote continuity, and ensure smooth transition between membership terms within the Board, staggered terms should be utilized.

Upon further consideration, your Committee on Conference has amended this measure by:

- (1) Requiring all elected members of the Board to serve staggered terms of four years each;
- (2) Providing that the initial and subsequent elections of replacements to fill each elected board position will be conducted prior to the expiration of the staggered terms of each position; and
- (3) Changing the effective date of the Act from July 1, 2010 to be effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1194, 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. 1194, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Caldwell, Nakasone, Chong, Shimabukuro, Halford.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Chong).

Conf. Com. Rep. No. 158 on S.B. No. 1579

The purpose of this measure is to fund collective bargaining cost items relating to contributions to the Hawaii Employer-Union Health Benefits Trust Fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining units (1), nonsupervisory employees in blue collar positions, and collective bargaining unit (10), institutional, health, and correctional workers, and their excluded counterparts.

Upon further consideration, your Committee on Conference has amended this measure by:

- (1) Inserting specific amounts to be appropriated to cover the Hawaii Employer-Union Health Benefits Trust Fund costs negotiated for collective bargaining units (1) and (10) and excluded counterparts from general funds;
- (2) Changing the effective date from July 1, 2006, to July 1, 2005; 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. 1579, 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. 1579, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Caldwell, Takamine, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 159 on S.B. No. 1580

The purpose of this measure is to fund collective bargaining cost items relating to contributions to the Hawaii Employer-Union Health Benefits Trust Fund 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 twenty hours a week who are equal to one-half of a full-time equivalent, and their excluded counterparts.

Upon further consideration, your Committee on Conference has amended this measure by:

- (1) Inserting specific amounts to be appropriated to cover the Hawaii Employer-Union Health Benefits Trust Fund costs negotiated for collective bargaining unit (5) and excluded counterparts from general funds;
- (2) Changing the effective date from July 1, 2006, to July 1, 2005; 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. 1580, 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. 1580, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Trimble.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Caldwell, Takamine, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 160 on S.B. No. 1889

The purpose of this bill is to ensure that all future apprenticeship agreements approved by the State will safeguard the welfare of apprentices. This bill amends the existing statute to reflect federal and state rules and the practices and procedures already in place within the Department of Labor and Industrial Relations (DLIR). Furthermore, this measure shifts final decision-making on apprenticeship matters to the body with expertise.

Section 1 of this bill adds to the standards that a program applicant must satisfy to submit a valid apprenticeship program to include standards reflected in the federal law. (See 29 C.F.R. §29.5(b)(1), (7), and (14)).

Section 1 of this bill also requires that where an application is received in a trade where an apprenticeship agreement already exists, the new applicant must show that a continuing need exists in the trade or group of trades and must show a compliance with the "equal to or better than" requirement that is already recognized by the department. Requiring a parallel program to be equal to or better than the existing program is designed to provide meaningful employment for the apprentices who must achieve competitive standards in their trade.

Section 2 of this bill expands the existing role of the apprenticeship council from a purely advisory body under section 372-4, Hawaii Revised Statutes (HRS), to one that is responsible for promoting and approving apprenticeship programs consistent with the standards for agreements. Under existing law, the Director of DLIR already relies on the views and opinions of the apprenticeship council, which has the requisite expertise and experience in the field and represents a cross-section of the community that is most

directly involved in apprenticeship and education. We believe the apprenticeship council is better qualified to uphold the standards established by chapter 372, HRS. Empowering the apprenticeship council will not alter the standards each apprenticeship program must satisfy to gain approval. The federal law already recognizes that the apprenticeship council can have the authority to register and/or approve the local apprenticeship programs and agreements. (See 29 C.F.R. §29.2(o)).

Upon further consideration, your Committee on Conference has amended this measure by:

- (1) Including a new section within chapter 372, HRS, as a savings clause in the event any provision of the chapter jeopardizes the receipt by the State of any federal grant-in-aid or other federal allotment under chapter 372, HRS; and
- (2) Deleting language that provided for assurances in the requirements for standards for apprenticeship agreements that a continuing need exists in the trade or group of trades when there are parallel programs.

As affirmed by the record of votes of the managers 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. 1889, 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. 1889, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Hee, Menor.

Managers on the part of the Senate.

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

Representatives Caldwell, Takamine, Halford.

Managers on the part of the House.

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

Conf. Com. Rep. No. 161 on H.B. No. 278

The purpose of this bill is to assist victims of crimes by:

- (1) Increasing crime victim compensation fees by \$10; and
- (2) Establishing an order of priority for a defendant to make payments in addition to the compensation fee.

Your Committee on Conference has amended this bill by increasing crime victim compensation fees by \$5 instead of \$10.

As affirmed by the record of votes of the managers 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. 278, 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. 278, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Chun Oakland, Whalen.

Managers on the part of the Senate.

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

Representatives Luke, Nishimoto, Pine.

Managers on the part of the House.

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

Conf. Com. Rep. No. 162 on H.B. No. 460

The purpose of this bill is to clarify that the Chief Election Officer and Campaign Spending Commission may hire employees who are exempt from civil service and excluded from collective bargaining, at their discretion.

Your Committee on Conference, upon careful consideration, has amended this bill by:

- (1) Removing the provision allowing the Campaign Spending Commission to hire employees who are exempt from civil service and excluded from collective bargaining;
- (2) Changing the effective date to upon approval; and
- (3) 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. 460, 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. 460, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Kanno, Taniguchi, Hee, Whalen.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Luke, Caldwell, Lee, Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 163 on H.B. No. 1393

The purpose of this bill is to transfer the State Commission on the Status of Women from the Office of the Lieutenant Governor to the Department of Human Services for administrative purposes.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to upon approval; and
- (2) Making technical, nonsubstantive changes 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. 1393, 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. 1393, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Luke, Lee, Thielen.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Thielen).

Conf. Com. Rep. No. 164 on H.B. No. 1763

The purpose of this bill is to ensure the continued effectiveness of the Hawaii Penal Code (Code) by:

- (1) Requiring the Judicial Council (Council), with assistance from an advisory committee appointed by the Council, to conduct a comprehensive review of the Code; and
- (2) Appropriating an unspecified amount of funds for the review.

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

- (1) Inserting an appropriation amount of \$75,000;
- (2) Changing the effective date of the appropriation to July 1, 2005; and
- (3) 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. 1763, 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. 1763, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Hee, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Luke, Lee, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 165 on H.B. No. 1745

The purpose of this bill is to improve the Judiciary's efficiency by eliminating reporting requirements that are outdated or perfunctory. This measure also repeals the reporting requirement regarding the activities and expenses of the State Council for Interstate Adult Offender Supervision.

Your Committee on Conference finds that many of the reporting requirements addressed by this bill should be eliminated because they frequently offer minimal or no new information. However, your Committee on Conference also finds that several of these reporting requirements relating to family court matters serve an important purpose and should be continued.

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

- (1) Restoring the Judiciary's mandatory reports relating to:
 - (A) Parental preferences in government contracts, programs, and services that affect parental roles in children's health, welfare, and education;
 - (B) Receipts of and expenditures from the Spouse and Child Abuse Special Account; and
 - (C) All deposits and expenditures from the Parent Education Special Fund;

and
- (2) Changing the effective date 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. 1745, 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. 1745, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Hee, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Luke, Magaoay, Thielen.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Thielen).

Conf. Com. Rep. No. 166 on H.B. No. 844

The purpose of this bill is to implement various strategies to promote teacher retention and recruitment. Specifically, this bill:

- (1) Establishes and appropriates funds for the Hawaii Teacher Cadet Program Fund as a separate fund of the Hawaii Alliance for Future Teachers;
- (2) Appropriates funds to Leeward Community College for additional teacher education faculty positions to establish the associate of arts in teaching program;
- (3) Requires the University of Hawaii (UH) to review its admission policies for the College of Education;
- (4) Appropriates funds to UH for additional teacher education faculty positions;
- (5) Appropriates funds to the University of Hawaii College of Education for additional teacher education faculty positions;
- (6) Establishes and appropriates funds for the Hawaii Educator Loan Forgiveness Program to reduce the financial hardships faced by potential student teachers;
- (7) Sets procedures for new hires with respect to job offers, pay, and orientation;
- (8) Appropriates funds for equipment, supplies, and transportation for DOE;
- (9) Establishes and appropriates funds for a Statewide Teacher Induction Program to ensure that a certain new teacher-to-mentor ratio and that all mentors are qualified to work with newly hired teachers;
- (10) Facilitates the licensing of teachers entering DOE by:
 - (A) Expanding the means by which a license may be obtained;
 - (B) Requiring the Hawaii Teacher Standards Board (HTSB) to clearly state requirements needed for Hawaii certification of out-of-state licensed teachers; and
 - (C) Requiring and appropriating funds for HTSB to conduct a study of its various licensing policies;
- (11) Supports the continuing professional development of in-service teachers by appropriating funds for various initiatives;

- (12) Establishes various tax and other financial incentives to improve teacher recruitment and retention, including the preparation of an action plan that seeks to improve teacher compensation over the next 10 years; and
- (13) Establishes and appropriates funds for the Master Teachers Training Program to assist teachers to increase the quality of their teaching skills and to serve as a resource to other teachers.

Your Committee on Conference finds that the State is experiencing a teacher shortage. While effective teaching is of high importance in a successful education system, it is crucial that consideration is given to implementing programs that improve the teacher licensing procedures and the hiring process to encourage teacher retention and recruitment. Additionally, new federal mandates require states to achieve certain educational goals and without proper staffing of instructors, the State will certainly fall behind in meeting the national standards. Your Committee on Conference found that many of the proposed initiatives were received with supportive comments.

Your Committee on Conference has amended this bill by:

- (1) Removing the requirement that UH include in its budget requests the amount of \$250,000 per fiscal year for the Hawaii Educator Loan Forgiveness Program;
- (2) Remove the requirement that principals finalize teacher hiring before the end of the preceding fiscal year;
- (3) Clarifying HTSB's licensing standards and policies;
- (4) Deleting the requirement that HTSB conduct a comparability study of teacher tests used in other states;
- (5) Deleting all provisions that establish various tax and other financial incentives to improve teacher recruitment and retention, including the preparation of an action plan that seeks to improve teacher compensation over the next ten years;
- (6) Deleting all provisions relating to the Master Teachers Training Program;
- (7) Deleting all appropriations for funds except for an appropriation of \$50,000 for the operation of HTSB;
- (8) Changing the effective date to upon approval; provided that section 16 shall take effect on July 1, 2005; and
- (9) 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. 844, 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. 844, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Kanno, Taniguchi, Tsutsui, Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Kanno, Tsutsui).

Representatives Takumi, Evans, Berg, Finnegan.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 167 on H.B. No. 1300

The purpose of this bill is to improve early childhood education in the state by:

- (1) Establishing incentives for a quality investment system;
- (2) Establishing and appropriating funds for a temporary Early Childhood Education Task Force (Task Force) to oversee the operational planning to increase access to early learning opportunities, enhance infrastructure, and improve school readiness; and
- (3) Establishing and appropriating funds for a two-year pilot program to provide universal access to early childhood education for families in critical need, as determined by the Department of Human Services (DHS).

Your Committee on Conference has amended this bill by:

- (1) Removing the provisions that require DHS to establish incentives for a quality investment system;
- (2) Removing all the provisions relating to the Task Force and inserting new language for the Task Force as follows:
 - (a) Administratively attaching it to the University of Hawaii (UH);

- (b) Making the Hawaii Educational Policy Center responsible for administering the work of and providing a facilitator for the Task Force and submitting a report to the Legislature of the Task Force's findings and recommendations;
- (c) Specifying that the goals of the Task Force are to:
 - (i) Propose an overall plan to increase access to early childhood education opportunities for families;
 - (ii) Develop plans and identify resources needed to improve the quality and services of early childhood learning programs;
 - (iii) Design proposals to support the professional development of early childhood education staff;
 - (iv) Create an implementation plan to motivate and promote the value of and participation in early childhood learning opportunities;
 - (v) Recommend to the Legislature a conceptual framework to be implemented; and
 - (vi) Provide a plan for assessment and exclusion of the plan once implemented;
- (d) Requiring the Task Force to establish a timeline by which it is to accomplish its goals and tasks;
- (e) Specifying the 20 members of the Task Force;
- (f) Authorizing the Task Force to form workgroups and subcommittees as needed;
- (g) Specifying that its members are to serve without compensation but shall be reimbursed for expenses necessary for the performance of their duties;
- (h) Exempting the Task Force from chapter 92, Hawaii Revised Statutes (HRS); provided that it make a good faith effort to operate in a manner consistent with the intent of the chapter;
- (i) Exempting expenditures for the purpose of the Task Force from the Hawaii Public Procurement Code, chapter 103D, HRS; and
- (j) Repealing the Task Force on June 30, 2006;
- (3) Appropriating \$50,000 to UH to support the operations of the Task Force;
- (4) Removing the provisions that establish and appropriate funds for the early childhood education pilot program;
- (5) Requiring the Department of Education to:
 - (a) Inventory suitable empty public school classrooms for use by early childhood education programs; and
 - (b) Assist in the identification of possible construction sites for private providers to build early childhood education facilities;
- (6) Changing the exceptions to the effective date to reflect the changes made to the bill; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1300, 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. 1300, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Chun Oakland, Taniguchi, Fukunaga, Tsutsui, Hemmings.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 2 (Fukunaga, Hemmings).

Representatives Takumi, Sonson, Kawakami, Berg, Karamatsu, Yamashita, Finnegan.

Managers on the part of the House.

Ayes, 7. Noes, none. Excused, none.

Conf. Com. Rep. No. 168 on H.B. No. 1304

The purpose Part I of this bill is to establish a temporary health care task force to develop a plan to implement health care for all Hawaii residents.

The purpose of part II is to authorize non-civil service marriage license agents to collect and retain a \$5 surcharge to correct the insufficient compensation currently collected to meet the operating costs of an agent.

Your Committee on Conference has amended Part I of this bill by:

- (1) Placing the task force in the insurance division of the Department of Commerce and Consumer Affairs (DCCA) for administrative purposes;
- (2) Deleting the Director of Health and the Hawaii Uninsured Project as sources of recommendations of prospective appointees for the task force;
- (3) Adding the Insurance Commissioner as a source of prospective appointees for the task force;
- (4) Requiring that a minimum of seven of the members of the task force be selected by the Governor from a list submitted by the Senate President and the Speaker of the House of Representatives;
- (5) Mandating that the Hawaii Uninsured Project facilitate contracting of expert testimony for the task force;
- (6) Appropriating \$200,000 to fund the task force in carrying out its duties, including contracting for services and studies as necessary;
- (7) Designating DCCA as the expending agency for the funds appropriated; and
- (8) 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. 1304, 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. 1304, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Menor, Taniguchi, Chun Oakland, Tsutsui.

Managers on the part of the Senate.

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

Representatives Arakaki, Sonson, Hiraki, Nishimoto, Green, Finnegan.

Managers on the part of the House.

Ayes, 6. Noes, none. Excused, none.

Conf. Com. Rep. No. 169 on H.B. No. 1051

The purpose of this bill is to facilitate access for Medicaid patients to receive prescribed psychotropic medication, as well as medication for human immunodeficiency virus (HIV), acquired immune deficiency syndrome (AIDS), hepatitis C, and transplant immunosuppressives by:

- (1) Prohibiting the Department of Human Services (DHS) from restricting or limiting payment for psychotropic medication that has been prescribed by a medical professional licensed in Hawaii;
- (2) Directing DHS to presume eligibility for Medicaid assistance for individuals in need of emergency psychiatric or psychological services, and to reimburse costs during the period of presumptive eligibility;
- (3) Providing a pre-authorization exemption for psychotropic medication prescribed to an individual who is Medicaid eligible, or presumed to be so;
- (4) Providing an appropriation to facilitate the fulfillment of the intent of this bill; and
- (5) Providing preauthorization exemption for medication prescribed to an individual who is Medicaid eligible, and diagnosed as suffering from HIV, AIDS, hepatitis C, or who is a patient in need of transplant immunosuppressives.

Your Committee on Conference has amended this measure by:

- (1) Removing all reference to psychotropic medication and presumptive eligibility;
- (2) Limiting its scope to Medicaid recipient patients suffering from HIV, AIDS, hepatitis C, or who patients in need of transplant immunosuppressives;
- (3) Specifying that medication prescribed under the preauthorization exemption must be eligible for the Omnibus Budget Reconciliation Rebates Act in addition to being approved by the United States Food and Drug Administration;
- (4) Excluding the application of the preauthorization exemption QUEST medical plans;

- (5) Removing the appropriation;
- (6) Changing the effective date to upon its approval; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1051, 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. 1051, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Menor, Tsutsui, Chun Oakland, Taniguchi, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Menor, Whalen).

Representatives Arakaki, Hiraki, Karamatsu, Green, Finnegan.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. No. 170 on H.B. No. 115

The purpose of this bill is to recognize and honor the members of the armed forces and their families. Thousands of military service members and their families have been faced with the unexpected news of deployment overseas to protect the freedom and liberty of our state and nation. Not only have active military members stationed in Hawaii been deployed but over 80 percent of Hawaii's own National Guard and reserve components have been sent to Iraq or Afghanistan. These brave men and women of the National Guard and reserve units are citizen-soldiers and have left families, small businesses, jobs, and their homes to protect our freedom.

This bill expresses the appreciation that our state has for our military members by assisting them as follows:

- (1) Providing an appropriation for casket liners and to address the soil problems at the Hawaii State Veterans Cemetery in Kaneohe;
- (2) Authorizing the right of returning members of the military to retain admission to programs of the University of Hawaii system; and
- (3) Allowing enlisted personnel of the army or air national guard who receive a uniform maintenance allowance from the state Department of Defense to designate a financial institution account into which to deposit the member's uniform maintenance allowance.

The purpose of Part II is to appropriate moneys to provide for casket liners to avoid sinking graves and rehabilitate the Hawaii State Veterans' Cemetery. Your Committee on Conference finds that the high moisture content and composition of the soil at the cemetery has caused graves and headstones to sink into unsightly holes that desecrate the sanctity of the cemetery. Accordingly, this bill allows the state Office of Veterans' Services to repair the cemetery and maintain the caskets, urns, and headstones that have sunk into the soil.

The State has a solemn obligation to preserve the final resting place of our departed veterans in a manner befitting the supreme sacrifices that they made for this country. This bill is necessary to preserve the peace and tranquility of the final resting place where family and friends may visit departed veterans.

The purpose of Part III is to require the University of Hawaii to establish a program to allow for the readmission of returning military personnel into programs to which they have been previously admitted.

Part III of this bill is intended to facilitate the return of military personnel and their families to their former lives prior to the disruptions caused by an overseas deployment. Your Committee on Conference understands that some University of Hawaii campuses have already established such programs and are currently studying the feasibility of implementing the process at all campuses.

This measure is important to demonstrate our support and respect for our service members and their families.

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

- (1) Removing the provision related to the military dependent tax credit;
- (2) Removing the provision quantifying the amount of income tax exemption and the provision regarding tax exemption for active military members stationed out-of-state;
- (3) Removing the appropriation for a temporary position to coordinate Joint Venture in Education Forum activities;
- (4) Inserting an appropriation to the section regarding the Hawaii State Veterans' Cemetery;
- (5) Requiring the University of Hawaii to establish a readmission policy for military students;

- (6) Allowing members of the enlisted personnel of the army or air national guard the option to elect direct deposit for their uniform maintenance allowance; and
- (7) Amending the effective date as applicable.

Due to the lack of available funding, provisions related to income tax credits and tax exemptions were unable to be included. Nonetheless, the sections that remain illustrate the appreciation that the people of our state have for our uniformed men and women who have dedicated their lives to defending the freedom and liberty of our nation.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 115, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 115, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Taniguchi, Tsutsui, Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Tsutsui).

Representatives Ito, Chong, Moses.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Moses).

Conf. Com. Rep. No. 171 on H.B. No. 160

The purpose of this bill is to increase transparency, accountability, and fairness in state assessments of insurers and in the use of those funds by:

- (1) Establishing a formula for establishing the amount of assessments due from all lines of insurance;
- (2) Providing that total assessments are to be calculated based on the Insurance Commissioner's proposed fiscal year budget, less Insurance Division funds left over in the Compliance Resolution Fund (CRF) from the preceding fiscal year, and anticipated revenues;
- (3) Specifying that insurers must be provided with at least 60 days notice of when their assessments are due;
- (4) Setting a ceiling of \$4,000,000 on total assessments of all lines of insurance;
- (5) Requiring the Auditor to conduct an annual financial and management audit of the insurance regulation sub-account of the CRF, to be submitted to the Legislature prior to each regular session;
- (6) Eliminating the Captive Insurance Administrative Fund (Captive Fund) as a source of transfer funds for the CRF; and
- (7) Requiring moneys in the Captive Fund to be used to defray Captive Insurance Branch administrative costs, and specifying the kinds of personnel costs that may be funded.

Your Committee on Conference has amended this bill by:

- (1) Increasing the cap on insurer assessments to \$5,000,000;
- (2) Instead of annual audits, providing for a single financial and management audit of the insurance regulation sub-account of the CRF, to be submitted to the Legislature in 2008;
- (3) Appropriating \$1,500,000 for each of fiscal years 2005-2006 and 2006-2007 for the operating expenses of the Captive Insurance Branch and for development of the captive insurance industry in Hawaii;
- (4) Changing the effective date of the bill from July 1, 2010, to July 1, 2005; and
- (5) Making a technical, nonsubstantive amendment for clarity and consistency.

Your Committee on Conference finds that implementation of the insurer assessment formula, in combination with the financial and management audit of the insurance regulation sub-account, will provide information allowing insurer assessments to be evaluated and set at fair and justifiable levels. Your Committee on Conference believes that a similar increase in transparency and accountability will result from making the Captive Fund and the Captive Insurance Branch independent of the CRF.

As affirmed by the record of votes of the managers 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. 160, 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. 160, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Espero, Tsutsui, Hogue.
Managers on the part of the Senate.
Ayes, 3. Noes, 1 (Hogue). Excused, 1 (Tsutsui).

Representatives Hiraki, Takamine, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 172 on H.B. No. 393

The purpose of this bill is to preserve the counties' ability to collect unpaid fines while protecting commercial lenders' security interests in mortgaged property by providing, among other things, that:

- (1) Unpaid civil fines, if added by the county by ordinance to taxes, fees, or charges:
 - (A) Shall not become a part of those taxes, fees, or charges; and
 - (B) Shall become a lien on the debtor's real property and against land registered in Land Court only upon recordation of the notice of the unpaid fines in the Bureau of Conveyances;
- (2) The lien in favor of the county shall be subordinate to previously recorded or registered liens but senior to those recorded or registered thereafter;
- (3) The recorded notice of unpaid civil fines must state the amount of the fine as of the date of the notice and the maximum permissible daily increase in the fine;
- (4) The lien continues until the unpaid civil fines are paid in full or until a certificate of release or partial release, prepared by the county at the owner's expense, is recorded; and
- (5) The counties may also recover unpaid civil fines by requiring payment of the fines before issuing or renewing a license, approval, or permit for which a fee is assessed, except for water for residential use, and sewer charges.

Your Committee on Conference finds that this bill is an outgrowth of concerns raised by commercial lending institutions that a county can attach unpaid fines, plus interest, to real property taxes. A lender would have no notice of these unrecorded fines, which, as attached to the real property taxes, would have a lien priority over mortgage liens. The bill reflects a compromise between lending institutions and the City and County of Honolulu Department of Planning and Permitting, that allows both the lending institutions and the counties to protect their interests in this matter.

Your Committee on Conference has amended this bill by changing the effective date from July 1, 2010, 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. 393, 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. 393, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Hanabusa, Taniguchi, Kim, Slom.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Kim).

Representatives Hiraki, Luke, Tanaka, Stonebraker.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Stonebraker).

Conf. Com. Rep. No. 173 on H.B. No. 1017

The purpose of this bill is to encourage the wide-spread use of renewable energy resources by requiring homeowner associations to adopt rules by December 31, 2006, to provide for the placement of registered solar energy devices and to establish requirements for the installation of solar energy devices in single-family homes and townhouses.

Your Committee on Conference has amended this bill by:

- (1) Requiring a homeowner installing a solar energy device on a roof that is a common element or limited common element and subject to a labor or material roof warranty to obtain confirmation from the company that issued the warranty, that installation of the solar energy device will not void the warranty;
- (2) Making the owner and any successive owner responsible for removing any solar energy devices installed on a common element or limited common element, if removal is reasonably necessary or convenient for the repair, maintenance, or replacement of the common elements or limited common elements;
- (3) Changing the effective date to September 1, 2005; 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. 1017, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1017, H.D. 3, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Menor, Taniguchi, Espero, Hanabusa, Hemmings.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Menor, Espero).

Representatives Morita, Hiraki, Luke, Yamashita, Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Yamashita).

Conf. Com. Rep. No. 174 on H.B. No. 1548

The purpose of this bill is to amend the composition, selection, and term of the Board of Trustees of the Employer-Union Health Benefits Trust Fund (Board), as well as the quorum and voting requirements of the Board.

Among other things, this bill:

- (1) Increases the number of trustees from 10 to 14, with seven trustees each representing public employers and employee-beneficiaries, respectively;
- (2) Changes the entity appointing the employee-beneficiary trustees from the Governor to the six exclusive bargaining unit representatives, each of whom will select one trustee, and all of whom will select the retiree employee-beneficiary trustee by two-thirds majority vote;
- (3) Changes the trustee term from four years to serving at the pleasure of the appointing entity; and
- (4) Changes the quorum, vote, and dispute resolution requirements of the Board to account for the increase in the number of trustees.

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

- (1) Reducing the number of trustees from 14 to ten, with five trustees each representing public employee-beneficiaries and employers, respectively;
- (2) Reinstating the Governor's appointment authority for members of the Board;
- (3) Changing the appointment process by creating a selection procedure for Board members as follows:
 - (A) Each of the three exclusive employee representative organizations with the largest number of employee-beneficiaries shall be entitled to submit a list of two nominees, from which the Governor shall appoint a trustee
 - (B) The remaining exclusive employee representative organizations shall be entitled to submit a mutually agreed-upon list of two nominees, from which one trustee shall be appointed; and
 - (C) A trustee representing retirees shall be appointed from a list of two nominees submitted by mutual agreement of all of the eligible exclusive representatives;
- (4) Inserting a provision to address the issue of the ability for employee-representative organizations to establish voluntary employees' beneficiary association and the impact this may have on Board membership by prohibiting an exclusive employee representative organization from submitting nominees to be appointed to or from being represented on the Board;
- (5) Creating a method for replacing employee-beneficiary representatives and retiree representatives on the Board;
- (6) Eliminating the provisions changing the trustee term from four years to serving at the pleasure of the appointing entity;
- (7) Deleting language changing the quorum, vote, and dispute resolution requirements of the Board to account for the increase in the number of trustees; and
- (8) 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. 1548, 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. 1548, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Caldwell, Nakasone, Moses.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 175 on H.B. No. 1640

The purpose of this measure is to establish policies and procedures for identifying important agricultural lands (IALs) and for developing state and county incentives to promote IAL viability.

Specifically, this measure establishes:

- (1) A new part in chapter 205, Hawaii Revised Statutes (HRS), that sets forth policies and procedures for the identification of IALs, including:
 - (a) Policies and objectives to assure the conservation and availability of IALs for long-term agricultural use;
 - (b) Standards and criteria for the identification of IALs;
 - (c) Procedures for the identification, designation, and retention of IALs;
 - (d) Standards and criteria for reclassification and rezoning of lands identified as IALs; and
 - (e) Policies for incentives for the long-term retention of IALs to be used for agriculture; and
- (2) A process to develop proposals for state and county incentives to promote agricultural viability, sustained growth of the agriculture industry, and the long-term use and protection of IALs for agricultural use.

Your Committee on Conference notes that incompatible uses neighboring each other cause conflicts that impair agricultural activities. Often agricultural, rural, and conservation lands serve as buffers between lands that may be deemed IALs and urban or other incompatible uses. However, your Committee on Conference believes that buffer requirements should be examined further for future legislation and should be included as standards for districting and classifying agriculture lands under section 205-2, HRS. Thus, your Committee on Conference has amended this measure by deleting the provision that requires agricultural lands not designated as IALs or any appropriate rural or conservation district lands to be used as buffers.

Your Committee on Conference has further amended this measure by:

- (1) Clarifying the farmer or landowner petition process for designating land as IALs;
- (2) Requiring that petitions for designating land as IALs include verification and authorization from the applicable landowners;
- (3) Clarifying what the Land Use Commission will consider when it is identifying and designating IALs;
- (4) Clarifying when the Land Use Commission may designate lands as IALs and adopt maps for IAL designations;
- (5) Providing that the counties will adopt ordinances for IAL standards rather than for IAL leasehold or fee simple subdivisions requirements;
- (6) Clarifying that the subdivided lots should not be used solely for residential occupancy in counties without ordinances;
- (7) Changing the expending agency from the Department of Agriculture to the Department of Business, Economic Development, and Tourism to be disbursed by the Land Use Commission;
- (8) Clarifying that the Land Use Commission rather than the Department of Agriculture will submit their annual reports to the Legislature;
- (9) Inserting an amount of \$75,000 into the appropriation for grants-in-aid to the counties for the identification and mapping of IALs;
- (10) Inserting an amount of \$75,000 into the appropriation for the development of proposals for incentives and other programs for agricultural development and agricultural land protection; and
- (11) Making technical, nonsubstantive changes 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. 1640, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1640, H.D. 3, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Kanohe, Abinsay, Herkes, Takamine, Nakasone, Yamashita, Halford.
Managers on the part of the House.
Ayes, 7. Noes, none. Excused, none.

Conf. Com. Rep. No. 176 on S.B. No. 1352

The purpose of this measure is permit a state or county employee to take seven days of paid leave per year to serve as a bone marrow donor and thirty days of paid leave per year to serve as an organ donor.

This measure also clarifies the rights of public employees to engage in collective bargaining under chapter 89, Hawaii Revised Statutes, in light of recent court decisions, Hoopai v. Civil Service Comm'n, 106 Hawai'i 205 (2004) and United Public Workers, AFSCME, Local 646, AFL-CIO v. Hanneman, 106 Hawai'i 359 (2005), and to avoid the invalidation of provisions of collective bargaining agreements in effect on and after July 1, 2005.

Your Committee on Conference finds that the negotiations over procedures and criteria of promotions, transfers, assignments, demotions, layoffs, suspension, terminations, discharges, or other disciplinary actions, and negotiations over the impact of transfers, assignments, and layoffs, are consistent with the underlying purpose of chapter 89, Hawaii Revised Statutes. Exclusive representatives and public employees have negotiated over these subject matters since 1970. Provisions in collective bargaining agreements in effect on and after July 1, 2005 should not be subject to invalidation by reason of section 89-9(d), Hawaii Revised Statutes.

Therefore, upon further consideration, your Committee on Conference has amended this measure by:

- (1) Deleting the provision regarding leaves of absences for serving as a bone marrow or organ donor for state and county employees;
- (2) Restoring the enumerated provisions (1)–(8) within section 89-9(d), Hawaii Revised Statutes;
- (3) Clarifying that no provision contained in a collective bargaining agreement in effect on July 1, 2005 is invalidated;
- (4) Providing that negotiations over the procedures and criteria on promotions, transfers, assignments, demotions, layoffs, suspensions, terminations, discharges, or other disciplinary actions of public employees shall not be precluded;
- (5) Mandating negotiations over the impact of transfers, assignments, and layoffs of public employees;
- (6) Clarifying that violations of procedures and criteria negotiated may be subject to the grievance procedure in the collective bargaining agreement; and
- (7) Changing the effective date of the Act from July 1, 2010 to effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1352, 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. 1352, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kanno, Taniguchi, Hanabusa, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Whalen).

Representatives Caldwell, Takamine, Nakasone, Pine.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 177 on S.B. No. 1729

The purpose of this measure is to redistribute the transient accommodations tax (TAT) to facilitate the Hawaii Tourism Authority (HTA) with existing and expanded programs, repeal the TAT trust fund, place the convention center enterprise special fund and the tourism special fund outside the state treasury and allow them to be placed in interest-bearing accounts and invested, and clarify the administrative authority of the HTA.

Your Committee on Conference finds that the State's investment in tourism is critical to ensure that Hawaii maintains a successful and sustainable tourism industry. It is imperative that the HTA be given additional resources to effectively and efficiently implement its programs, which will contribute to an increased focus in areas such as safety and security, workforce development, communications, and state parks and trails.

Your Committee on Conference has amended this measure by:

- (1) Deleting the limitations on the Governor's and executive agencies' oversight authority over the HTA's hiring of personnel, and deleting reference to general fund limitations, but allowing the HTA to appoint officers, agents, and employees subject to the approval of the HTA board if there is no anticipated revenue shortfall in the tourism special fund and funds have been appropriated by the Legislature and allotted as provided by law;
- (2) Requiring excess revenues from the TAT, after distribution, be deposited into the general fund;
- (3) Deleting changes to the 17.3 per cent distribution of revenues into the convention center enterprise special fund;
- (4) Effective July 1, 2007, changing the 32.6 per cent to 34.2 per cent to be deposited into the tourism special fund; repealing the \$62,292,000 cap; restoring the deposits into the state parks special fund and special land and development fund, but taking those deposits from the first \$1,000,000 in TAT revenues deposited into the tourism special fund; requiring that of the 34.2 per cent, 0.5 per cent be transferred to a sub-account to fund safety and security programs; and deleting reference to deposits into the state parks special fund and special land and development fund taken from TAT;
- (5) Deleting reference to an aloha aina patrol;
- (6) Making the repeal of the TAT trust fund effective July 1, 2007;
- (7) Changing the effective date to July 1, 2005;
- (8) Making all ex officio members of the HTA board nonvoting; and
- (9) Making technical, nonsubstantive amendments.

The H.D. 2 of this measure would have limited the power of the Governor and the executive agencies to interfere with the personnel appointment authority of the HTA Board. This measure deletes that provision and clarifies that the HTA has independent appointment authority subject to the availability of state funds. For example, if the Legislature creates a new administrative position in statute and provides an appropriation thereto, the Administration is prohibited from interfering with the filling of that position.

As affirmed by the record of votes of the managers 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. 1729, 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. 1729, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. No. 178 on S.B. No. 1137

The purpose of this measure is to enable a condominium association to invest association funds in certificates of deposit (CDs) through a Hawaii-based securities broker and to purchase investment products from outside of the State.

Act 164, Session Laws of Hawaii 2004 (Act 164), recodified certain sections of the condominium property regimes law, including section 514A-97, Hawaii Revised Statutes, relating to the handling and disbursement of condominium association funds. However, in recodifying the law, Act 164 prohibited condominium associations from purchasing certificates of deposit through a securities broker and authorized the purchase only of investment products offered by in-state institutions, restrictions not present in the current law.

This measure allows condominium associations greater options in investing owners' funds by repealing the prohibition against the purchase of CDs through a securities broker and the requirement that investments be made only in financial products from institutions located in the State. It is the intent of your Committee on Conference that condominium associations not be limited in the investment of owners funds to the purchase of products offered only in the State or by in-state institutions.

Your Committee on Conference has amended this measure by inserting the contents of the Senate Draft 1, which substantially reflects the existing statutory language contained in section 514A-97, Hawaii Revised Statutes, and which contains an effective date of 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. 1137, 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. 1137, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Hiraki, Takamine, Wakai, Fox.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Fox).

Conf. Com. Rep. No. 179 on S.B. No. 1132

The purpose of this measure is to complete the recodification of the condominium property regimes law begun under Act 164, Session Laws of Hawaii 2004 (Act 164), by establishing provisions relating to:

- (1) The creation, alteration, and termination of condominiums;
- (2) The registration and administration of condominiums; and
- (3) The protection of condominium purchasers.

Additionally, this measure:

- (1) Amends section -149 of the new chapter established in the Hawaii Revised Statutes (HRS) by Act 164 to allow condominium associations to purchase investment products from out-of-state financial institutions and to purchase certificates of deposit through a securities broker; and
- (2) Does not repeal the current condominium property regimes law, chapter 514A, (HRS).

Your Committee on Conference has amended this measure:

- (1) To clarify that the requirement to file an annual update of a developer's public report extends to a developer's successor or assign;
- (2) To clarify that a developer and real estate broker shall keep records of all sales transactions and proceeds in accordance with the requirements of the real estate brokers and salespersons law, chapter 467, Hawaii Revised Statutes, HRS, and the related administrative rules;
- (3) By amending section -149(c) and (d), HRS, in Act 164 to reflect the language of section 514A-97(c), HRS;
- (4) By repealing chapter 514A, HRS;
- (5) By adding a standard savings clause provision;
- (6) To clarify the parameters of the savings clause provision relating to condominium developers and purchasers by providing that this measure shall not affect the parties' rights and obligations under a sales contract for a condominium unit in a project registered under chapter 514A, HRS, prior to the effective date of the new condominium law;
- (7) By deleting the appropriation from the condominium education trust fund;
- (8) By establishing an effective date of July 1, 2005, except for:
 - (a) The provision that amends the effective dates of Act 164, Session Laws of Hawaii 2004, which shall take effect on June 30, 2005; and
 - (b) The savings and elections provisions, the provision repealing chapter 514A, HRS, and the provision that mandates the application of the existing administrative fees rule, pending the adoption of rules under the new condominium law, all of which shall take effect on July 1, 2006; and
- (9) By making technical amendments to correct statutory and other internal references and for the purposes of clarity, consistency, and style.

Finally, with respect to the amendment to section -149, HRS, as set forth in Act 164, it is the intent of this measure to allow condominium associations greater options and flexibility in investing their members' funds, and to not limit these investments to the purchase of products offered only in the State or only by in-state institutions.

As affirmed by the record of votes of the managers 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. 1132, 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. 1132, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Taniguchi, Baker, Espero, Hogue.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Hiraki, Takamine, Wakai, Fox.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Fox).

Conf. Com. Rep. No. 180 on S.B. No. 1257

The purpose of this bill is to improve the governance of the University of Hawaii (UH) by, among other things:

- (1) Modifying the process of appointing the members of the UH Board of Regents (BOR) by establishing a Candidate Advisory Council (Council) to determine the criteria for, screen, and propose qualified candidates from which the Governor can choose;
- (2) Changing the number of BOR members from 12 to 11;
- (3) Removing the prohibition that no more than six members of the BOR may be members of the same political party;
- (4) Specifying the geographic areas that must be represented by a certain number of BOR members;
- (5) Modifying the length of service of each BOR member from four-year terms to no more than two consecutive five-year terms;
- (6) Establishing that at least three months prior to the conclusion of the member's first five-year term, the Senate must consider the question of whether to reconfirm the member's position on the BOR; and
- (7) Clarifying that every BOR member may serve beyond the expiration date of the member's term until the member's successor has been appointed, has qualified, and has been confirmed by the Senate.

Your Committee on Conference has amended this bill by changing the Council as follows:

- (1) Requiring the Council to recommend candidates for each seat on the BOR within 120 days prior to the expiration of a term;
- (2) Requiring the Council, in recommending candidates for the BOR, to require a candidate to disclose any existing or anticipated contracts with UH or any existing or anticipated financial transactions with UH;
- (3) Changing the membership of the Council to seven members, who will be appointed without regard to section 26-34, Hawaii Revised Statutes (HRS), as follows:
 - (a) Removing the members appointed by UH's Native Hawaiian Council, Pu Ko'a; the UH Professional Assembly; Hawaii Government Employees Association; Hawaii State Bar Association; and UH Foundation; and
 - (b) Adding a member to be appointed by the Association of Emeritus Regents;
- (4) Requiring the Council to be selected and to operate in a wholly nonpartisan manner;
- (5) Requiring appointees to the Council to be individuals who are widely viewed as having placed the broad public interest ahead of special interests and have achieved a high level of prominence in their profession and are respected by the community;
- (6) Providing for staggered terms on the Council by requiring that the three members initially appointed to the Council by the Governor, President of the Senate, and Speaker of the House of Representatives, serve for terms of two years;
- (7) In the case of a vacancy on the Council:
 - (a) Requiring a successor to be appointed in the same manner and subject to the same qualifications as the person's predecessor; and
 - (b) Requiring the successor to serve for the remainder of the term of the person's predecessor;
- (8) Prohibiting individuals from running for or holding any other elected office under the United States, the State, or its political subdivisions, while a member of the Council;
- (9) Specifying that a majority of the Council constitutes a quorum to do business, and the concurrence of a majority of all the members to which the Council is entitled is necessary to make any action of the Council valid;

- (10) Requiring the Council to meet annually and at other times as necessary and exempting its meetings from the Sunshine Law, chapter 92, HRS; and
- (11) Specifying that Council members are to serve without compensation but will be reimbursed for expenses necessary for the performance of their duties.

Your Committee on Conference has also amended this bill by changing the BOR as follows:

- (1) Increasing its membership from 12 to 15 members;
- (2) Providing for staggered terms on the BOR by requiring the Governor to reduce the terms of those initially appointed to each seat on the BOR so as to provide, as far as practicable, for the expiration of three terms each year, excluding the student member;
- (3) Providing that at least ten members, except for the student member, shall represent specific geographic areas;
- (4) Clarifying that the term of each BOR member shall be for five years except as provided for the initial appointment in section 26-11, HRS;
- (5) Allowing a BOR member to serve beyond the expiration date of the member's term until the member's successor has been appointed and confirmed by the Senate, rather than until the successor has been appointed, has qualified, and has been confirmed by the Senate; and
- (6) Clarifying that BOR members shall serve no more than two consecutive five-year terms, and if a member is to be appointed to a second term, the Senate must consider the question of whether or not to reconfirm the member at least 120 days prior to the conclusion of the member's first term.

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

- (1) Changing the effective date to July 1, 2007; provided that section 1 shall take effect upon the ratification of the constitutional amendment providing for the creation of the Council; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

The intent of your Committee on Conference is to improve the BOR member selection process by ensuring, as much as practicable, that the candidates for the BOR are well-qualified individuals who will place the health and vitality of UH and its students, faculty, and administration above personal gain and to remove as much political influence or pressure as possible from the process.

As affirmed by the record of votes of the managers 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. 1257, 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. 1257, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Hanabusa, Baker, Hooser, Sakamoto, Whalen.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Whalen).

Representatives Waters, B. Oshiro, Nishimoto, Shimabukuro, Pine.
Managers on the part of the House.
Ayes, 4. Noes, 1 (Pine). Excused, none.

Conf. Com. Rep. No. 181 on S.B. No. 179

The purpose of this measure is to address Hawaii's critical affordable housing and homelessness problem by, among other things:

- (1) Providing flexibility to the counties in their land use density restrictions to allow for the development of low-income housing rentals;
- (2) Establishing a general excise tax exemption for developers of certified housing projects when:
 - (a) At least fifty per cent of the available units are for households with incomes at or below eighty per cent of the median family income; and
 - (b) At least twenty per cent are for households with incomes at or below sixty per cent of the median family income;
- (3) Providing that through June 29, 2010, the Rental Housing Trust Fund (Trust Fund) loans and grants to developers may be provided when fifty per cent or more of the available units are for persons with incomes at or below eighty per cent, instead of sixty per cent, of the median family income and establishing an order of priority in which the loans and grants may be provided;

- (4) Authorizing mixed finance development of public housing units;
- (5) Requiring that the Housing and Community Development Corporation of Hawaii's (Corporation) yearly report describe its efforts to develop rental housing projects for families with incomes less than thirty per cent of the median income, describe the proposals submitted and action taken on them, and the barriers to the development of units for this target group;
- (6) Establishing a sliding scale for the payment of conveyance taxes;
- (7) Exempting, from the conveyance tax, conveyances by nonprofit and for profit organizations certified for low-income housing development;
- (8) Increasing the amount of conveyance taxes transferred into the Trust Fund from twenty-five to fifty per cent;
- (9) Making it a priority for the Corporation to fund rental housing projects that provide:
 - (a) At least five per cent of the total number of units for persons and families with incomes at or below thirty per cent of the median family income; and
 - (b) A maximum number of units for persons or families with incomes at or below eighty per cent of the median family income;
- (10) Increasing the low-income housing tax credit to fifty per cent of the applicable percentage of the qualified basis of each building located in Hawaii;
- (11) Appropriating general revenue funds into the Trust Fund;
- (12) Declaring a moratorium on demolition of decommissioned public housing until it can be determined whether or not to rehabilitate them;
- (13) Offering decommissioned public housing that will not be rehabilitated by the Corporation to nonprofit and for profit entities or government agencies for rehabilitation into emergency transitional shelter facilities or rental units;
- (14) Requiring the organizations and agencies that rehabilitate decommissioned units to set aside at least fifty per cent of the units to persons or families with incomes at or below fifty per cent of the area median family income;
- (15) Appropriating general revenue funds for the expansion of emergency and transitional shelter facilities serving the homeless upon meeting certain conditions;
- (16) Refocusing the Corporation's housing developments on lower cost housing projects serving only persons with incomes one hundred forty per cent or less of the area median income;
- (17) Authorizing funds in the Dwelling Unit Revolving Fund to be used for expenses related to permanent primary or secondary financing and low-income housing tax credits;
- (18) Splitting the Corporation into two entities:
 - (a) The Hawaii Public Housing Administration (Housing Administration) to perform the function of developing and maintaining public housing; and
 - (b) The Hawaii Housing Finance and Development Administration (Development Administration) to perform the function of housing financing and development;
- (19) Repealing the Trust Fund Advisory Commission;
- (20) Establishing a Legislative Affordable Rental Housing and Homeless Task Force; and
- (21) Establishing procedures that allow Corporation funds to be expended by the Department of Budget and Finance in the event of federal action prior to the effective date of the separation of the Corporation;

Understanding the importance this measure has on facilitating the proliferation of much-needed affordable housing in the State, your Committee on Conference diligently deliberated on crafting a workable solution to ameliorate the State's affordable housing crisis. Basing its solutions on the recommendations made by the Affordable Housing Task Force established pursuant to S.C.R. No. 135, S.D. 1, of the 2004 Regular Session, your Committee on Conference also endeavored to find additional solutions to the affordable housing problem.

Your Committee on Conference expressed its support for military personnel, National Guard members, and reservists in their need for affordable housing by considering the establishment of an exemption for military housing allowances in determining eligibility for affordable rental housing. However, because the Corporation already excludes military housing allowances, it was not necessary to include the provision in this measure.

While this measure takes extraordinary steps to ease the burden of Hawaii's affordable housing and homeless crisis, your Committee on Conference recognizes that other measures passed by this Legislature will significantly contribute to helping people face Hawaii's housing shortage:

- H.B. No. 1308 reallocates the distribution of the collected conveyance taxes by increasing the percentage allotted to the Rental Housing Trust Fund from twenty-five to thirty per cent; and
- H.B. No. 100, the General Appropriations Act of 2005-2007, appropriates \$1,650,000 in each year of the 2005-2007 fiscal biennium for the expansion and operation of emergency and transition shelter facilities serving the homeless.

Upon further consideration, your Committee on Conference has amended the measure by:

- (1) Deleting provisions relating to amending the conveyance tax rates and allocations;
- (2) Expediting the splitting of the Corporation into two entities by moving the effective date of the metamorphosis from July 1, 2007, to July 1, 2006;
- (3) Requiring the Corporation to establish an implementation plan, report, and proposed legislation on the reorganization;
- (4) Deleting the requirement that at least three members of the Corporation's board of directors be community advocates for low-income housing and that no more than four members on the board be from the same political party;
- (5) Adding a provision that requires that a representative from the counties' continuum of care systems sit on the Corporation's board of directors until July 1, 2006;
- (6) Reducing the membership of the Joint Legislative Housing and Homeless Task Force from eighteen to eight and expanding its scope;
- (7) Clarifying the procedures that allow Corporation funds to be expended by the Department of Budget and Finance in the event of federal action prior to the effective date of the separation of the Corporation;
- (8) Making numerous clarifying amendments; and
- (9) 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. 179, 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. 179, S.D. 3, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Menor, Ige, Taniguchi, Espero, Hooser, Tsutsui, Hogue.
Managers on the part of the Senate.
Ayes, 6. Noes, none. Excused, 1 (Tsutsui).

Representatives Kahikina, Nakasone, Nishimoto, Meyer.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 182 on H.B. No. 384

The purpose of this bill is to help ensure that indigent criminal defendants are represented by competent counsel by increasing the hourly rates and maximum fees for court-appointed attorneys. Specifically, this bill:

- (1) Raises the hourly rate of compensation for appointed counsel to \$90 for all services;
- (2) Doubles the maximum allowable amounts in the current fee schedule for appointed counsel; and
- (3) Clarifies the types of family court cases that are included in the maximum fee schedule.

Your Committee on Conference finds that the current statutory rates of compensation for court-appointed counsel were last amended in 1987, and that fee increases will assist the courts in attracting competent counsel to represent indigent defendants.

As affirmed by the record of votes of the managers 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. 384, H.D. 2, S.D. 2, C.D. 1, and recommends that it pass Final Reading.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Hee, Whalen.
Managers on the part of the Senate.

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

Representatives Luke, Nishimoto, Thielen.

Managers on the part of the House.

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

Conf. Com. Rep. No. 183 on H.B. No. 1378

The purpose of this bill is to improve the laws governing the issuance of temporary restraining orders (TROs) and protective orders in family court proceedings.

Among other things, this measure:

- (1) Mandates the disclosure of a pending divorce, separation, annulment, maintenance, or any other family court proceeding on a petition for a TRO or protective order;
- (2) Provides that prior to granting a TRO, if the family court judge deems it appropriate, the judge may meet in camera with the petitioner to determine the merit of the petitioner's allegations;
- (3) Permits a court to allow supervised visitation of children shared by the petitioner and respondent even after a TRO petition has been granted, provided that the children are not named in the TRO petition and visitation is in the children's best interests; and
- (4) Mandates that the rendering court forward all subsequent decrees relating to the divorce or child custody proceeding to the court having jurisdiction over the petition for a protective order.

Your Committee on Conference has amended this bill by:

- (1) Deleting the terms "domestic" and "physical" that limit the types of abuse that could justify the issuance of a TRO;
- (2) Deleting the provision that stipulated that prior to granting a TRO, if the family court judge deems it appropriate, the judge may meet in camera with the petitioner to determine the merit of the petitioner's allegations;
- (3) Eliminating the requirement to disclose any impending divorce, separation, annulment, separate maintenance, or any other proceeding involving the custody of a minor child pending between the parties, as well as any prior restraining order issued;
- (4) Removing the provision that allowed supervised visits between a petitioner and respondent who have a child or children who are not named in a TRO;
- (5) Removing the provision that mandated that the rendering court forward all subsequent decrees relating to the divorce or child custody proceeding to the court having jurisdiction over the petition for a TRO;
- (6) Inserting permissive language to allow courts discretion in applying TROs to other proceedings;
- (7) Changing the effective date to upon approval; and
- (8) 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. 1378, 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. 1378, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Chun Oakland, Whalen.

Managers on the part of the Senate.

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

Representatives B. Oshiro, Nishimoto, Pine.

Managers on the part of the House.

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

Conf. Com. Rep. No. 184 on H.B. No. 1733

The purpose of this bill is to enhance law enforcement tools by establishing a statewide deoxyribonucleic acid (DNA) database and data bank identification program for all convicted felons. Among other things, this bill:

- (1) Delineates procedures and duties for the collection, analysis, and storage of DNA samples;
- (2) Specifies the types of offenders subject to the collection of DNA samples;

- (3) Provides for the destruction of DNA samples and expungement of the searchable database profile of a person whose underlying conviction has been reversed;
- (4) Provides confidentiality for DNA information and penalties for violations thereof;
- (5) Authorizes post-conviction DNA testing and provides court procedures in accordance with test results;
- (6) Extends the statute of limitations for felony cases in which DNA evidence from an unknown offender is recovered and tested prior to expiration of the usual limitation period for the felony;
- (7) Establishes an additional penalty of \$1 for every \$10 of any fine or penalty collected by the courts for all criminal and traffic offenses, excluding parking offenses, to help fund the DNA program; and
- (8) Appropriates unspecified funds for fiscal year 2005-2006 to carry out the new DNA testing provisions, including reimbursements to the county police departments and the Department of Public Safety (DPS) for costs incurred in implementing the new provisions.

Your Committee on Conference has amended this measure by reverting to the H.D. 2 draft of this bill, which, among other things:

- (1) Requires DNA testing of all felons;
- (2) Provides procedures and duties for the collection and testing of DNA samples;
- (3) Establishes a procedure for deletion of DNA profiles for a person whose underlying conviction has been reversed;
- (4) Extends the statute of limitations for felony cases where DNA evidence has been recovered;
- (5) Requires retention of evidence that can be used for DNA analysis;
- (6) Establishes procedures for post-conviction requests for analysis of DNA evidence;
- (7) Requires notice to victims of proceedings and outcomes for post-conviction DNA testing;
- (8) Requires notice to probation and parole authorities of outcomes adverse to the defendant after post-conviction DNA testing; and
- (9) Appropriates funds for fiscal year 2005-2006 to implement the new DNA program.

Upon further consideration, your Committee on Conference has also amended this bill by:

- (1) Adding definitions for the terms “autoradiograph,” “buccal swab,” “DNA or forensic identification markers,” and “profile”;
- (2) Deleting the provisions:
 - (A) Governing the requirements for implementation of the new DNA program, including provisions requiring the county police departments and DPS to adopt rules in accordance with chapter 91, Hawaii Revised Statutes;
 - (B) Requiring the DNA program’s methodology and procedures to be made public;
 - (C) Imposing an additional penalty of \$1 for every \$10 of every fine or penalty collected by the courts for all criminal and traffic offenses, excluding parking offenses, to help fund the DNA program; and
 - (D) Appropriating funds to implement the new DNA program; and

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. 1733, 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. 1733, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hanabusa, Taniguchi, Chun Oakland, Hee, Whalen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Hee, Whalen).

Representatives Luke, Lee, Marumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. No. 185 on H.B. No. 1747

The purpose of this bill is to amend the campaign spending laws by, among other things:

- (1) Limiting campaign contributions from banks, corporations, and nonresident individuals and persons;
- (2) Establishing a public funding program for the Office of the Prosecuting Attorney;
- (3) Clarifying the disposition of campaign contributions; and
- (4) Applying electronic filing requirements to the State Senate, State House of Representatives, and the Office of Hawaiian Affairs.

Your Committee on Conference notes in particular the provisions of this measure establishing new limits on out-of-state contributions. Over the years, Hawaii has been influenced by out-of-state interests. Residents and outside interests have long fought over the development of our land, expansion of our economy, and other social policies. Unrestrained out-of-state contributions to candidates for elective office could continue to influence decisions that adversely affect the people of Hawaii. Restrictions on nonresident contributions will ensure that elected officials are not disproportionately influenced by outside interests.

Your Committee on Conference has amended this measure by, among other things:

- (1) Prohibiting campaign fundraising on certain state or county property;
- (2) Amending the new provision limiting contributions from nonresidents as follows:
 - (A) Clarifying that the contribution limit applies to persons who are nonresidents when contributions are made;
 - (B) Applying the contribution limit to noncandidate committees organized under the laws of another state and whose participants are nonresidents; and
 - (C) Amending the contribution limit, from 30 percent of the total contributions received by a candidate or candidate's committee in an election period, to 20 percent of the total contributions for each reporting period;
- (3) Removing the new limitation on contributions or expenditures by banks or corporations;
- (4) Deleting the provisions and accompanying amendments relating to public funding for elections to the Office of the Prosecuting Attorney;
- (5) Amending the new definitions of "clearly identified", "residual funds", and "separate segregated fund", and restoring the definition of "advertisement", in the campaign spending law;
- (6) Amending the requirements for filing organizational reports;
- (7) Removing the provision that a noncandidate committee's contribution limits to a candidate or candidate's committee shall be the same as for any other person or entity;
- (8) Clarifying that the prohibition on contributions by state and county contractors applies to the specific contracting entity and not to individuals associated with the contractor, such as the individual owners of a contracting entity;
- (9) Including labor organizations among the entities that may establish, administer, or solicit contributions to a separate segregated fund;
- (10) Deleting the provision that any loan, other than a loan from the candidate or immediate family members, that is not repaid within a calendar year must be deemed a contribution;
- (11) Providing that surplus funds may be used after a general or special election for contributions to any community service, educational, youth, recreational, charitable, scientific, or literary organization; provided that no contributions from campaign funds shall be made from the date the candidate files nomination papers to the date of the general election;
- (12) Amending the matching funds paid to publicly funded candidates, to \$1 for each \$1 of qualifying contributions in excess of the minimum amount of qualifying contributions; and
- (13) 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. 1747, 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. 1747, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives B. Oshiro, Kawakami, Karamatsu, Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. No. 186 on H.B. No. 1309

The purpose of this bill is to improve public transportation by allowing the counties to, temporarily, levy a limited county surcharge on state general excise and use taxes to fund operating or capital costs for public transportation systems. Among other things, this measure:

- (1) Requires counties that choose to establish a county surcharge to do so by ordinance adopted after a duly noticed public hearing;
- (2) Requires that, to initiate the surcharge, a county must adopt an enabling ordinance by December 31, 2005;
- (3) Requires that, prior to the state Director of Taxation assessing, levying, and collecting any surcharge adopted by a county, the authorizing county must first notify the Governor, who in turn must direct the state Director of Taxation to begin assessing, levying, and collecting the surcharge;
- (4) Establishes that, in addition to the ordinance adoption and other requirements, no surcharge adopted by a county with a population of greater than five hundred thousand shall become effective unless federal moneys have been committed to the mass transit project to be funded by the surcharge;
- (5) Restricts the use of surcharge proceeds in counties with a population greater than five hundred thousand to only fixed rail rapid transit system projects and expenses associated with Americans with Disabilities Act of 1990 compliance;
- (6) Establishes a county surcharge on state tax credit to offset the tax burden incurred by taxpayers who reside in a county that adopts a surcharge;
- (7) Requires that the county surcharge on state tax credits be paid with a portion of the revenues generated by the surcharge;
- (8) Prohibits the counties from setting the county surcharge at a rate greater than one-half per cent of:
 - (A) The value of property taxable under the use tax;
 - (B) All gross proceeds and gross income taxable under the general excise tax;
- (9) Establishes that no surcharge shall take effect prior to January 1, 2007;
- (10) Requires the proceeds of the surcharge to be paid over to the counties on an annual basis; and
- (11) Allows rental car dealers to pass on the surcharge to lessees.

Your Committee on Conference finds that population growth and increased development have resulted in a substantial increase in the number of vehicles using our roadways which will result in greater traffic congestion over the next decade. With increased traffic congestion comes an expected increase in lost revenues, lost productivity, and lost time spent with families which is currently being experienced.

Although Oahu currently experiences the greatest traffic problems, traffic congestion is no longer a single county issue and is quickly becoming an issue of statewide concern. Hawaii County, Maui County, and Kauai County are all experiencing traffic congestion, the likes of which have never before been seen on these islands. These counties also need to have the ability to address their traffic needs and concerns, which this measure seeks to address.

However, your Committee on Conference is also cognizant of the financial impact the imposition of a county surcharge will have on resident taxpayers. Nevertheless, your Committee on Conference feels that providing the counties with necessary authority to finance their mass transit needs while respecting each county's diverse transportation requirements is a prudent approach to resolving Hawaii's traffic problems.

Your Committee on Conference also notes that the most visited and practical approach to resolving Oahu's current traffic problems is to establish a fixed rail line. It is the intent of your Committee on Conference that the funds realized by a county surcharge on state tax initiated by the City and County of Honolulu be used first for the establishment of a fixed rail mass transit system.

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

- (1) Deleting the requirement that, prior to the state Director of Taxation assessing, levying, and collecting any surcharge adopted by a county, the authorizing county must first notify the Governor, who in turn must direct the state Director of Taxation to begin assessing, levying, and collecting the surcharge;

- (2) Requiring that the authorizing county notify the state Director of Taxation within ten days after adopting a surcharge on state tax ordinance;
- (3) Deleting the provision establishing a county surcharge on state tax credit to offset the tax burden incurred by taxpayers who reside in a county that adopts a surcharge;
- (4) Deleting requirements that the county surcharge on state tax credits be paid with a portion of the revenues generated by the surcharge;
- (5) Clarifying that the use of surcharge proceeds in counties with a population greater than 500,000 shall be restricted to a locally preferred alternative for a mass transit project and expenses associated with Americans with Disabilities Act of 1990 compliance;
- (6) Clarifying that the surcharge on state use tax is applicable to property and services to conform language to the current use tax law;
- (7) Inserting a provision allowing for the deduction of ten percent of the gross proceeds of a respective county's surcharge on state tax to reimburse the State for costs of assessment, collection, and disposition of the county surcharge on state tax incurred by the State;
- (8) Requiring that the proceeds of the surcharge be paid over to the counties on a quarterly rather than an annual basis;
- (9) Changing the effective date to upon its approval;
- (10) Inserting language stipulating that:
 - (A) If none of the counties of the State adopt an ordinance to levy a county surcharge on state tax by December 31, 2005, this Act shall be repealed;
 - (B) If any county does not adopt an ordinance to levy a county surcharge on state tax by December 31, 2005, it shall be prohibited from adopting such an ordinance pursuant to this Act, unless otherwise authorized by the Legislature through a separate legislative act;
 - (C) If an ordinance to levy a county surcharge on state tax is adopted by December 31, 2005:
 - (i) The ordinance shall be repealed on December 31, 2022;
 - (ii) This Act shall be repealed on December 31, 2022; and
 - (iii) Section 437D-8.4, Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day prior to the effective date of this Act.

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. 1309, 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. 1309, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Ige, Inouye, Espero.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Ige).

Representatives Souki, Takamine, Karamatsu, Lee, Yamane, Fox.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, 1 (Fox).

STANDING COMMITTEE REPORTS

SCRep. 1 Ways and Means on S.B. No. 543

The purpose of this measure is to authorize funds for the current session and nonsession expenses of the Legislature through June 30, 2006. The measure also authorizes funds for the expenses of the:

- (1) Office of the Auditor;
- (2) Legislative Reference Bureau;
- (3) Office of the Ombudsman;
- (4) Legislative information system; and
- (3) Legislative broadcast program.

Your Committee finds that this measure is necessary for the work of the Legislature and its service agencies in the legislative branch of government.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 543 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 (Inouye, Kanno, Kim, Nishihara, Sakamoto, Hemmings, Trimble).

SCRep. 2 (Majority) Human Services on S.B. No. 244

The purpose of this short form measure is to amend the law relating to long-term care.

Your Committee has amended this measure by replacing its contents with language that establishes a long-term care resource program initiative at Kapiolani community college to develop an adaptable model for expanding the State's workforce capacity for home- and community-based care to effectively care for Hawaii's aging population.

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. 244, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 244, S.D. 1, and be recommitted to the Committee on Human Services, for further consideration.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Trimble). Excused, 1 (Kokubun).

SCRep. 3 Business and Economic Development on S.B. No. 162

The purpose of this short form measure is to amend the law related to sports.

Your committee has amended this measure by replacing its contents with language that establishes the Hawaii Office of Sports Promotion for marketing, promoting, developing, and coordinating sports-related activities and events.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 162, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 162, S.D. 1, and be recommitted to the Committee on Business and Economic Development, for further consideration.

Signed by the Chair on behalf of the Committee.

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

SCRep. 4 Health on S.B. No. 123

The purpose of this measure is to provide greater flexibility to the Hawaii Health Systems Corporation to purchase and contract for services.

Hawaii Health Systems Corporation, Healthcare Association of Hawaii, the Chamber of Commerce of Hawaii, Hawaii Government Employees Association, and four individuals submitted testimony in support of this measure. Diagnostic Laboratory Services, Inc., submitted testimony in opposition. The State Procurement Office submitted comments.

Your Committee finds that increased flexibility, autonomy, and streamlined procurement processes are fundamental to the effective delivery of quality health care by the Hawaii Health Systems Corporation. The procurement code is not set up to accommodate the rapid, time-sensitive competitive needs of a modern health care 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 S.B. No. 123 and recommends that it pass Second Reading and be referred to the Committee on Transportation and Government Operations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 5 Media, Arts, Science and Technology on S.B. No. 332

The purpose of this short form measure is to amend the law relating to technology.

Your Committee has amended this measure by replacing its contents with language that exempts the High Technology Development Corporation and the Natural Energy Laboratory of Hawaii from the procurement requirements of chapter 103D, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 332, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 332, S.D. 1, and be recommitted to the Committee on Media, Arts, Science, and Technology, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Ihara, Hogue).

SCRep. 6 (Joint) Health and Judiciary and Hawaiian Affairs on S.B. No. 128

The purpose of this measure is to transfer the administration of the State's program for the medicinal use of marijuana from the Department of Public Safety to the Department of Health, and to change certain procedures and definitions to make the program more efficient and more user-friendly to the seriously ill patients who register with the program.

The Drug Policy Action Group, Drug Policy Forum of Hawaii, Life Foundation, Harm Reduction Hawai'i, the League of Women Voters of Hawaii, and four individuals submitted testimony in support of this measure. The Department of Health, the Department of Public Safety, the Kauai Office of the Prosecuting Attorney, the Honolulu Department of the Prosecuting Attorney, and the Honolulu Police Department submitted testimony in opposition.

Your Committees find that the mission of the Department of Health is to provide leadership to monitor, promote, and enhance the health and environmental well-being of all of Hawaii's people. The use of medical marijuana is properly regarded as a health issue, not simply as an exception to the State's laws on controlled substances, so the medical marijuana program would more properly be housed in the Department of Health rather than the Department of Public Safety.

Your Committees note that no other state places its medical marijuana program in its public safety department, and that most are placed in the health department, with a few in the human services and agriculture departments.

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. 128 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, 3 (Hee, Ihara, Tsutsui).

SCRep. 7 Judiciary and Hawaiian Affairs on Gov. Msg. No. 78

Recommending that the Senate consent to the nomination of the following:

CIRCUIT COURT OF THE THIRD CIRCUIT, STATE OF HAWAII

ELIZABETH ANN STRANCE, for a term of ten years

Testimony in support of the nominee was submitted by the Hawaii State Bar Association, West Hawaii Bar Association, the Hawaii County Committee on the Status of Women, fifteen attorneys, and twenty-one 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 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.

Similarly, the West Hawaii Bar Association also found her highly qualified.

Your Committee finds that the nominee received a B.S. degree from Willamette University and earned a J.D. degree from Northwestern School of Law of Lewis & Clark College. The nominee has been licensed to practice law in Hawaii since 1988 and served as an associate attorney and partner in a number of local law firms. Presently, the nominee serves as a Per Diem Judge in the District and Family Courts in the Third Circuit and maintains a private law practice.

Your Committee has reviewed the personal history, resume, and statements submitted by the nominee and find the nominee to have the necessary qualifications and legal experience 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 advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 8 Water, Land, and Agriculture on S.B. No. 50

The purpose of this measure is to appropriate funds to provide Waianae Organic Agriculture Center with half of its operational expenses.

Testimony in support of this measure was submitted by the Department of Agriculture, the Leeward Community College, the University of Hawaii's Office of Sustainability Hawaii Energy House, a Maui County Council member, Hawaiian Alliance for Responsible Technology & Science, Hawaii Farm Bureau, Respiratory & Environmental Disabilities Association of Hawaii, and seventeen individuals.

Your Committee finds that the Waianae region of Oahu suffers from poor food security in Hawaii, making the availability of nutritionally adequate and safe foods limited or uncertain. Thus, this measure will promote and support the improvement of the Waianae community's food security by linking higher education, applied research, and organic food production together for a more secure future.

Your Committee has amended this measure to:

- (1) Require matching federal or private funds to be obtained in order to receive state appropriated money; and
- (2) 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. 50, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 50, 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. 9 (Majority) Human Services on S.B. No. 14

The purpose of this measure is to expand the coverage of QUEST-Net to include non-QUEST eligible persons who are employed but do not qualify for employer-based private health insurance.

Testimony in support of this measure was submitted by the Healthcare Association of Hawaii and the Hawaii Disability Rights Center. Testimony in opposition to this measure was submitted by the Department of Human Services.

Your Committee finds that a significant amount of the one hundred twenty thousand people in Hawaii who lack health insurance work part-time and do not qualify for the statutorily required employer-sponsored prepaid health insurance coverage. The expansion of the program would cover an eligible enrollee and his or her children.

Your Committee has amended this measure by adding an appropriation for the 2006-2007 fiscal year and 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 14, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 14, 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, 1 (Kokubun).

SCRep. 10 (Majority) Human Services on S.B. No. 24

The purpose of this measure is to ensure that Hawaii's medicaid program fairly reimburses providers for providing medical care services to eligible medicaid recipients, both through fee for service and the QUEST program.

Testimony in support of this measure was submitted by the Healthcare Association of Hawaii. Testimony in opposition to this measure was submitted by the Department of Human Services.

Your Committee finds that Hawaii's medicaid and QUEST reimbursement rates for medical care are inadequate to cover the cost of providing medical care services. These reimbursement rates have only marginally increased in the past several years. If the State does not contribute its fair share to cover these costs, providers of medical care will inevitably turn to private payers to make up the difference. In turn, this cost shifting will invariably increase the cost of health care for Hawaii's employers. Thus, your Committee believes that Hawaii's medicaid program fairly reimburses providers for providing medical care services to eligible medicaid recipients.

Your Committee adopted an amendment to appropriate \$34.8 million to pay providers of medical care the current medicaid fee schedule.

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. 24, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 24, 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, 1 (Kokubun).

SCRep. 11 (Majority) Human Services on S.B. No. 112

The purpose of this measure is to appropriate funds to provide basic dental services for covered adults enrolled in MedQUEST programs.

Testimony in support of this measure was received from Hawaii Disability Rights Center, Hawaii Primary Care Association, Kalihi-Palama Health Center, Mental Health Association in Hawaii, National Alliance for the Mentally Ill, Papa Ola Lokahi and two individuals. Testimony in opposition was received from the Department of Human Services.

Your Committee finds that oral health and other health conditions often go hand in hand, including associations between chronic oral infections and diabetes, heart and lung disease, stroke and low-birth-weight births. These conditions are more costly to treat than effective oral health care. In addition, poor oral health and its affect on a person's appearance are linked to reduced school attendance and poorer prospects for getting and maintaining employment. Thus, your Committee believes basic dental services should be provided to adults enrolled in MedQUEST programs.

Your Committee amended the bill by appropriating \$20,272,662 from the state general funds after it was determined that the need for the program was \$48,814,500. The remainder of the funding, \$28,541,838, will be provided by the federal government.

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. 112, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 112, 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, 1 (Kokubun).

SCRep. 12 Human Services on S.B. No. 27

The purpose of this measure is to appropriate funds for the Kapiolani C.A.R.E. program to continue offering forensic health care services to children who are victims or suspected victims of abuse and neglect.

Your Committee received testimony in support of the measure from the Good Beginnings Alliance, Hawaii Family Support Institute, Hawaii Foster Parent Association, Kapiolani Child At-Risk Evaluation (C.A.R.E.) Program and two individuals. Your Committee received testimony in opposition to the measure from the Department of Human Services.

Your Committee finds that over two thousand five hundred children are abused and neglected each year in Hawaii. The Kapiolani C.A.R.E. program provides the sole source of medical expertise in the field of physical abuse on Oahu, and it is the only medical program available to assist child-abuse related health problems. C.A.R.E. offers pre-placement medical evaluations for children entering foster care, and forensic medical evaluations for children who are being investigated for allegations of abuse and neglect. The program also provides information to Child Welfare Services for the purposes of providing evidence in cases of abuse and neglect and lessening the risk of erroneous accusations. In the interests of keiki care, this program provides comprehensive, coordinated, and compassionate forensic care to children who are suspected victims of abuse and neglect.

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. 27 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. 13 Commerce, Consumer Protection and Housing on S.B. No. 742

The purpose of this measure is to extend the Department of Commerce and Consumer Affairs' authority to adjust fees and other nontax revenues to all fees and nontax revenues within its jurisdiction.

The Department of Commerce and Consumer Affairs (DCCA), The Chamber of Commerce of Hawaii, Hawaii Association of Realtors, Retail Merchants of Hawaii, and Building Industry Association of Hawaii testified in support of this measure.

Currently, DCCA has statutory authority to adjust some of its fees and other nontax revenues to maintain a reasonable relationship between the cost of providing services and revenues collected. Pursuant to this authority, the Department implemented savings of between twenty-five and fifty per cent in fees this year for initial business filings and on-line renewals.

This measure proposes to extend that authority to all fees and nontax revenues collected by the Department. Your Committee finds that this measure establishes a more equitable system of regulation, and will enable DCCA to expeditiously adjust fees to respond to changing economic conditions and to better align revenue collections with expenditures.

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. 742 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 (Ige, Sakamoto).

SCRep. 14 Commerce, Consumer Protection and Housing on S.B. No. 1135

The purpose of this measure is to exempt credit card fees from the credit card usury cap and to clarify the definition of "interest" under the usury law.

The Hawaii Financial Services Association, Hawaii Bankers Association, and Hawaii Credit Card League testified in support of this measure.

Ninety per cent of Hawaii's credit card market is controlled by non-state-chartered financial institutions that are not subject to Hawaii's usury laws and which, therefore, operate at an advantage over Hawaii-chartered financial institutions. The latter are subject to state usury laws that limit the annual interest rate on credit cards to eighteen per cent. This limit applies to both the numeric periodic rate, which is the advertised rate, and any fee that is considered a finance charge under the federal Truth in Lending Act, such as a cash advance fee imposed for withdrawing funds on a credit card from an automated teller machine.

Your Committee finds that this measure helps to level the playing field by providing that the eighteen per cent annual interest rate limit on credit cards applies only to the numeric periodic rate and not to finance charges. Presently, most credit card fees are not considered to be finance charges and are already excluded from the usury limit; therefore, this proposed change does not represent a broad departure from current law. However, this measure will allow state-chartered financial institutions to compete more effectively against out-of-state banks that may assess cash advance and other fees against their customers to recoup their costs and cover their risks.

Additionally, this measure clarifies the types of fees that constitute "interest" under Hawaii usury law to facilitate out-of-state credit card lending by state-chartered 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 S.B. No. 1135 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 (Ige, Sakamoto).

SCRep. 15 Health on S.B. No. 792

The purpose of this measure is to appropriate moneys to prevent the reduction or discontinuance of services to patients at Hawaii State Hospital and services for the target population as defined and required by the federal court-ordered community plan for mental health services.

The State Department of Health submitted testimony in support of this measure.

Your Committee finds that although funds were appropriated to the Department of Health for adult mental health services for the fiscal period beginning July 1, 2004 and ending June 30, 2005, a critical funding emergency now exists. The program will expend all appropriated funds before the end of the current fiscal year, and the Department will be unable to meet its fiscal obligation to provide services to certain adults with severe mental illness. An emergency appropriation is needed to fund continued services and activities to patients at Hawaii State Hospital, to continue and implement additional services in the community to comply with the HSH Settlement Agreement and to meet the service needs of an increasing number of persons served by the Adult Mental Health Division. This request is based on projections of actual expenditures rather than a hypothetical model.

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. 792 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 (Hanabusa, Whalen).

SCRep. 16 Water, Land, and Agriculture on S.B. No. 999

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 support of this measure was submitted by Hotel Hana-Maui and one individual. Testimony in opposition of this measure was submitted by the Department of Land and Natural Resources.

Your Committee finds that the wharf and small boat harbor are important to the Hana community because they provide an alternate means of access to the remote area. However, your Committee further finds that the Hana Wharf and Small Boat Harbor are both in serious need of repairs and modifications due to damage incurred during recent storms and high surf. This measure will authorize the funds to make the necessary repairs and modifications.

Your Committee has deleted the dollar amount of the bond authorization 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. 999, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 999, 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. 17 Water, Land, and Agriculture on S.B. No. 1680

The purpose of this measure is to require that at least one member of the Board of Agriculture and the Board of Land and Natural Resources have a background, knowledge, and demonstrated experience in the board's subject area.

The Department of Agriculture and Department of Land and Natural Resources submitted comments on the measure.

Your Committee finds that both the Board of Agriculture and the Board of Land and Natural Resources work with specialized subject areas. However, the member requirements for both boards do not specifically provide that any members have a background in the boards' subject areas.

The Department of Agriculture submitted testimony suggesting that a change of the Board of Agriculture's requirements is unnecessary because the Hawaii Revised Statutes already provide that the "majority of the members of the board shall be from the agricultural community or the agricultural support sector." Your Committee further finds that there is no similar provision for the Board of Land and Natural Resources. Thus, this measure will provide requirements for at least one member of the Board of Land and Natural Resources to have a background in the board's subject area.

Your Committee has amended this measure by adopting the comments of the Department of Agriculture. Specifically, your Committee deleted the new provisions that require at least one of Board of Agriculture members to have a background in agriculture.

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. 1680, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1680, 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. 18 Water, Land, and Agriculture on S.B. No. 895

The purpose of this measure is to preserve and sustain the limu supply by establishing a limu management area for the shoreline in Ewa Beach, Oahu.

Testimony in support of this measure was submitted by the Coordinating Group on Alien Pest Species, the Nature Conservancy, and four individuals. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources and one individual.

Your Committee finds that limu grown in its natural habitat serves as the foundation for healthy Hawaiian reef systems, and in recent years, the Ewa Beach community has seen its natural supply of limu rapidly diminishing. Thus, this measure will allow a portion of the Ewa Beach coastline to preserve and sustain its limu supply.

Your Committee has amended this measure by:

- (1) Including persons with commercial fishing licenses in the restriction from picking limu within the established limu management area;

- (2) Creating an advisory group to assist the department of land and natural resources in establishing best management practices for conservation and restoration of the limu management area; and
- (3) Providing that the Act shall be repealed on June 30, 2010.

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. 895, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 895, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

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

SCRep. 19 Health on S.B. No. 952

The purpose of this measure is to appropriate funds for a full-time dentist for the mobile care vans of the Office of Social Ministry's Mobile Care Health Project.

The East and West Hawaii Developmental Disabilities Committees of the State Council on Developmental Disabilities, the Office for Social Ministry, and two individuals submitted testimony in support of this measure. The Department of Health submitted testimony in opposition.

Your Committee finds that the mobile care dental clinics are a vital component in serving the dental needs of people in Hawaii County. There are no state dental clinics located in that county, and fifty-five percent of the people in the county are underinsured. Moreover, there are very few dentists willing to accept Medicaid patients and those that do change monthly. According to the 2004 Hawaii Oral Health Profile, four hundred and twenty-eight children had to travel inter-island to receive necessary dental services. The mobility of Mobile Care's dental clinic provides people who are otherwise unable to travel with access to dental services and brings needed dental services to communities that have minimal or no dental care services available.

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. 952 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 (Hanabusa, Whalen).

SCRep. 20 Commerce, Consumer Protection and Housing on S.B. No. 179

The purpose of this measure is to amend the law relating to housing.

Your Committee has amended this measure by inserting language that:

- (1) Requires the Housing and Community Development Corporation of Hawaii (HCDCH) to hold a public hearing on a proposed housing project in the community plan area in which the project is to be located;
- (2) Extends the time period for county approval of the proposed project from forty-five days to seventy-five days from submission of the plan by HCDCH; and
- (3) Exempts county decisions on proposed amendments to an approved project from the above seventy-five day deadline.

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. 179, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 179, S.D. 1, and be recommitted to the Committee on Commerce, Consumer Protection, and Housing, for further consideration.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 21 Commerce, Consumer Protection and Housing on S.B. No. 746

The purpose of this measure is to make the annual fee charged against financial institutions discretionary, rather than mandatory, to permit financial services loan companies to charge borrowers a returned check fee, and to repeal an obsolete filing requirement.

The Department of Commerce and Consumer Affairs and Hawaii Financial Services Association testified in support of this measure.

Currently, the Commissioner of Financial Institutions (Commissioner) is required to collect an annual fee from state-chartered financial institutions, notwithstanding the Commissioner's ability to waive other fees and assessments. This measure grants the Commissioner the authority to also waive the annual fee, if warranted, thereby providing the Commissioner with greater flexibility to administer the fee requirement and to align revenues with expenses from year to year.

Additionally, by allowing a financial services loan company to charge a borrower a returned check fee, this measure recognizes that the lender should not be obligated to absorb the costs it incurs when the borrower tenders a check in payment on the borrower's loan that is returned for nonpayment.

Finally, this measure repeals the requirement that a financial institution file an annual statement of assets and liabilities with the Commissioner. With access to this information readily available directly from the institutions and on federal regulatory web sites, the requirement is no longer necessary to provide information to the public and creates an unwarranted regulatory burden on financial institutions.

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. 746, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 746, 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 (Ige, Sakamoto).

SCRep. 22 Commerce, Consumer Protection and Housing on S.B. No. 764

The purpose of this measure is to authorize and establish procedures for the placement of a security freeze on credit reports by consumers who have been the victims of identity theft.

The Department of Commerce and Consumer Affairs, Department of the Prosecuting Attorney for the City and County of Honolulu, and Honolulu Police Department testified in support of this measure. The Consumer Data Industry Association opposed the measure and the Hawaii Bankers Association provided comments.

This measure establishes the Identity Theft Protection Act of 2005, which is intended to address the problem that occurs when a person's identity is stolen and new lines of credit are subsequently established in that person's name by the identity "thief". Your Committee finds that, in the last year, as many as seven million Americans have been the victims of fraudulently established credit accounts, and businesses have been burdened with up to \$119,000,000,000 in related costs.

This measure enables victims of identity theft to place a "freeze" on the release of their credit history by credit reporting agencies to prevent the unauthorized use of this information to establish new lines of credit.

The security freeze prohibits a credit reporting agency from releasing any information without the consumer's express authorization, and until such time as the consumer has lifted the freeze. The consumer may lift the freeze as to specific third parties or for specific time periods to permit the authorized release of information, and the freeze does not apply in certain situations, such as when government agencies are seeking information pursuant to investigations related to child support, Medicaid fraud, or delinquent taxes. Violators are subject to the sanctions for unfair or deceptive trade acts or practices established in section 480-2, Hawaii Revised Statutes.

Your Committee has amended this measure by making technical changes for the purposes of clarity, consistency, and style, and to correct a statutory reference.

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. 764, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 764, 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 (Ige, Sakamoto).

SCRep. 23 Commerce, Consumer Protection and Housing on S.B. No. 744

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

The Department of Commerce and Consumer Affairs testified in support of this measure.

This bill is a general housekeeping measure that is necessary to clarify ambiguities and correct errors that have occurred as a result of changes in the Business Registration Division's policies and procedures, and drafting errors. Among other things, this measure:

- (1) Adds a provision on personal liability and penalty that was inadvertently omitted from the limited partnership law;
- (2) Repeals potentially conflicting provisions relating to the effect of a merger and articles of merger;
- (3) Clarifies that service of process may be effected by certified or registered mail if a named agent for service of process is not found within the State;
- (4) Clarifies that the requirement of an entity designation in a registered name does not apply to foreign entities;

- (5) Conforms requirements for administrative dissolution and reinstatement; and
- (6) Corrects the definition of "individual".

Your Committee finds that by updating, clarifying, and establishing greater consistency and uniformity in Hawaii's business registration laws, this measure will facilitate the operation of business entities in this State.

Your Committee has amended this measure by making technical amendments for the purposes of clarity, consistency, and 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 S.B. No. 744, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 744, 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 (Ige, Sakamoto).

SCRep. 24 Health on S.B. No. 568

The purpose of this measure is to authorize the licensure of dental specialists who are already licensed in another state that has licensing standards at least equivalent to Hawaii's standards.

The Board of Dental Examiners and thirty-nine individuals submitted testimony in support of this measure. Eight individuals submitted testimony in opposition.

Your Committee finds that a national dental licensure examination is expected to be implemented in the next year or so. Such an examination will enable dental school graduates to practice in participating states without taking additional state or regional examinations. However, currently licensed out-of-state dental specialists would be required to retake an examination for licensure in Hawaii. This is time-consuming, costly, and prevents experienced, qualified dental specialists from moving their practices to Hawaii.

Your Committee notes that approximately forty-five states have some form of licensing by credential, and that it is appropriate for Hawaii to join their ranks.

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. 568 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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 25 Health on S.B. No. 1229

The purpose of this measure is to authorize the Board of Dental Examiners to grant licenses without examination to dental hygienists who are already licensed in other states with at least equivalent licensing requirements as Hawaii.

The Board of Dental Examiners and twenty-eight individuals submitted testimony in support of this measure.

Your Committee finds that there is a shortage of dental hygienists in Hawaii, with the shortage being critical on neighbor islands. Only twenty or so hygienists graduate from the University of Hawaii, Manoa each year and the majority of the graduates stay on Oahu. Most dental offices are presently in need of a hygienist. This shortage will adversely affect the public because it will take longer for patients to receive routine dental care. In some areas of Hawaii, patients wait up to six months for a regular dental cleaning. The time and cost of the state board examination deter qualified, experienced, out-of-state dental hygienists from moving to Hawaii.

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. 1229 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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 26 Health on S.B. No. 118

The purpose of this measure is to allow the Board of Dental Examiners to accept a national uniform dental and dental hygiene examination for licensure when implemented, and in the interim accept the results of a regional examination for dentists and a regional or state examination for dental hygienists.

The Board of Dental Examiners, Hawaii Dental Hygienists' Association, Hawaii Dental Association, Hawaii Medical Service Association, and four individuals submitted testimony in support of this measure. One individual submitted comments.

Your Committee finds that the future of the dental profession lies in the adoption of more widely accepted regional examinations and ultimately a national examination. This will assure the people of Hawaii that their dentists and dental hygienists are of equal or greater qualification to their counterparts on the mainland and provides portability of this qualification. Hawaii dentists would be able to move their practices to the mainland with less administrative difficulty and expense. It would also be easier for dentists and hygienists to move to Hawaii from other states. This measure assists the Board of Dental Examiners to make a smooth transition from the state examination to the national uniform examination.

Upon further consideration, your Committee has amended this measure by providing a retroactive effective date of February 1, 2004.

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. 118, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 118, 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 (Hanabusa, Whalen).

SCRep. 27 Health on S.B. No. 1263

The purpose of this measure is to make an appropriation to the Waianae Coast Comprehensive Health Center for emergency medical services.

The Department of Health, Hawaii Primary Care Association, and the Waianae Coast Comprehensive Health Center submitted testimony in support of this measure.

Your Committee finds that the need for twenty-four hour emergency room service for the increasing Waianae population of forty-two thousand continues to accelerate. The Waianae Coast Comprehensive Health Center is the only medical facility in the area that is available and equipped to handle emergencies and stabilization of victims of serious trauma. Its emergency room is one of the most heavily utilized on Oahu. Without funding, the Center will be forced to consider options such as eliminating overnight emergency services or laboratory and radiology services for Waianae Coast.

Upon further consideration, your Committee has amended this measure to appropriate different sums for each fiscal year given the Waianae Coast Comprehensive Health Center's specific appropriation request.

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. 1263, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1263, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 28 Health on S.B. No. 459

The purpose of this measure is to amend the definition of project agreement to include leases, subleases, conditional sale agreements or other financing agreements and to issue special purpose revenue bonds in a total amount not to exceed \$30,000,000 to assist Hawaii Pacific Health.

The Department of Budget and Finance and Hawaii Pacific Health submitted testimony in support of this measure. The Hawaii Coalition for Health and one individual submitted testimony in opposition.

Your Committee finds that Hawaii Pacific Health is a nonprofit corporation seeking assistance with costs related to the acquisition, or the acquisition and installment, of information technology, equipment, software, and other related projects. The issuance of special purpose revenue bonds for this reason is in the public interest and for the public health, safety, and general welfare, as the measure will provide health care facilities with the additional flexibility of financing medical equipment purchases.

Your Committee has amended the bill by changing the lapsing date to April 30, 2010.

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. 459, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 459, 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 (Hanabusa, Whalen).

SCRep. 29 Energy, Environment, and International Affairs on S.B. No. 212

The purpose of this measure is to amend the law relating to the environment.

Your Committee has amended this measure by replacing its contents with language that appropriates moneys for a hydrologist IV position to assist the instream use protection section of the Commission on Water Resource Management, and appropriates moneys for a geologist I position in the survey branch of the Commission on Water Resource Management.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 212, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 212, S.D. 1, and be recommitted to the Committee on Energy, Environment, and International Affairs, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hanabusa).

SCRep. 30 Commerce, Consumer Protection and Housing on S.B. No. 758

The purpose of this measure is to expand the scope of the repeat offenders sentencing guidelines to include its application to persons who commit felony insurance fraud.

The Attorney General testified in support of this measure. The Office of the Public Defender submitted comments on the measure.

According to the National Insurance Crime Bureau, insurance fraud is generally perceived by white-collar criminals as a victimless, low-risk, and high-reward crime, making it attractive to organized crime as a means of raising money to fund other criminal activities.

This measure proposes to strengthen the penalties for felony insurance fraud by including the offense among the types of felony offenses subject to the repeat offender sentencing guidelines. Your Committee finds that this measure will help the State to combat the problem of insurance fraud, which results in higher costs for insurers and higher premiums 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 S.B. No. 758 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 (Ige, Sakamoto).

SCRep. 31 Commerce, Consumer Protection and Housing on S.B. No. 751

The purpose of this measure is to update and streamline the State's insurance laws.

The Department of Commerce and Consumer Affairs and Hawaii Independent Insurance Agents Association testified in support of this measure. The American Council of Life Insurers presented comments on the measure.

This measure makes numerous housekeeping amendments to the insurance code to effect greater consistency within the insurance code, bring state law into compliance with federal laws and national standards, and, generally, to improve the efficiency of the Insurance Division's operations. Among other things, this measure:

- (1) Conforms provisions relating to personnel that may be employed by the Insurance Commissioner (Commissioner);
- (2) Defines "gross premiums" within the context of the laws relating to unauthorized insurers;
- (3) Makes discretionary, rather than mandatory, the penalty for failure of a surplus lines broker to file an annual statement or remit premium taxes;
- (4) Organizes into one section the definitions relevant to the laws regulating adjusters and bill reviewers;
- (5) Establishes additional reporting requirements for adjusters and independent bill reviewers;
- (6) Repeals the requirement that a limited lines credit insurer provide a program of instruction to persons selling, soliciting, or negotiating this type of insurance;
- (7) Authorizes reciprocal licensure for nonresident surplus lines brokers;
- (8) Reduces the time period for the electronic submission of certificates of completion to the Division by continuing education course providers;
- (9) Clarifies that for license renewal purposes, no credit shall be accepted for a continuing education course that was conducted by a course provider who did not hold a valid provider certificate at the time of the course offering; and
- (10) Clarifies that surplus lines brokers are subject to Hawaii law, rather than the law of the broker's state of domicile.

Your Committee finds that this measure will facilitate the administration of the insurance code by the Division and compliance with the laws by licensees.

Your Committee has amended this measure by making technical changes for purposes of clarity and consistency, to reflect preferred drafting style, and 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. 751, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 751, 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 (Ige, Sakamoto).

SCRep. 32 Water, Land, and Agriculture on S.B. No. 386

The purpose of this measure is to amend the law relating to water.

Your Committee has amended this measure by replacing its contents with language that authorizes the issuance of general obligation bonds for the exploration of potential water sources and to establish an exploratory and production well in the Ocean View area on the island of 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 is in accord with the intent and purpose of S.B. No. 386, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 386, 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, 3. Noes, none. Excused, 2 (English, Fukunaga).

SCRep. 33 Water, Land, and Agriculture on S.B. No. 361

The purpose of this measure is to amend the law relating to agriculture.

Your Committee has amended this measure by replacing its contents with language that appropriates funds for three positions, two irrigation service worker II positions and one supervisor position, and the necessary equipment to service the lower Hamakua ditch 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. 361, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 361, S.D. 1, and be recommitted to the Committee on Water, Land, and Agriculture, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Fukunaga).

SCRep. 34 Energy, Environment, and International Affairs on S.B. No. 1428

The purpose of this measure is to require state departments and agencies to switch to the use of at least sixty per cent post-consumer waste content paper that is also processed without the use of chlorine.

Testimony in support of the measure was received from the Life of the Land and the Rocky Mountain Institute. The State Procurement Office provided written comments on the measure.

Your Committee finds that it is important for state government to lead its citizens in practicing environmentally sustainable actions through responsible procurement policies. Your Committee further finds that this measure will assist in the creation of a market for recycled goods, which is essential in decreasing the State's waste stream and slowing the rate of growth of landfills in the State.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1428 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. 35 Energy, Environment, and International Affairs on S.B. No. 1298

The purpose of this measure is to include in an environmental impact statement a determination of whether any racial, ethnic, socioeconomic, or other group will bear a disproportionate burden of any negative environmental impacts of a proposed action.

Testimony in support of the bill was provided by the Office of Hawaiian Affairs, Life of the Land, and one individual. A representative of the Office of Environmental Quality Control provided comments. An associate specialist from the University of Hawaii Environmental Center, speaking in an individual capacity, testified in opposition to the measure.

Your Committee finds that information on whether development activities negatively and disproportionately impact any racial, ethnic, or socioeconomic group is necessary to guide policymakers and the executive branch in providing environmental equality to all citizens.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1298 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 36 Labor on S.B. No. 290

The purpose of this measure is to amend the law relating to collective bargaining.

Your Committee finds that certain issues should be available for negotiations between an employer and the exclusive representative for a collective bargaining unit. Accordingly, your Committee has amended this measure by deleting its contents and replacing it with the following amendments:

- (1) An amendment to section 89-9, Hawaii Revised Statutes, that:
 - (A) Deletes language regarding those issues over which an employer and exclusive representative may not negotiate;
 - (B) Includes a new subsection that provides for the ability to negotiate over discretionary issues of collective bargaining; and
 - (C) Includes a new subsection which provides that nothing in the section shall be construed as inconsistent with the right of public employees to engage in collective bargaining; and
- (2) An amendment to section 89-19, Hawaii Revised Statutes, that clarifies that chapter 89 shall supercede all other laws to the contrary.

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. 290, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 290, S.D. 1, and be recommitted to the Committee on Labor, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 37 Water, Land, and Agriculture on S.B. No. 1150

The purpose of this measure is to permit the sale of raw milk, raw colostrum, and raw-milk and raw-colostrum products.

Testimony in support of this measure was submitted by Burford Civil Engineering Company, Koa'e Community Association, and one hundred individuals. Testimony in opposition of this measure was submitted by the Department of Agriculture.

Your Committee finds that currently, unpasteurized raw milk, raw colostrum, raw-milk and raw-colostrum products cannot be purchased by consumers in Hawaii. These products are available to consumers through sales or cow-share programs in over half the fifty states, including California, Connecticut, Illinois, Kansas, Maine, New Hampshire, and New York. For a variety of reasons ranging from taste to health, many people in Hawaii wish to consume unpasteurized milk and colostrum products. Thus, this measure will allow the sales of these raw-milk and raw-colostrum products in Hawaii to individual consumers and businesses.

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. 1150 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 38 Water, Land, and Agriculture on S.B. No. 1878

The purpose of this measure is to appropriate moneys for the purchase of critical lands in the south Kona-Ka'u area.

Testimony in support of this measure was submitted by a Hawaii County Council member, the Nature Conservancy, Pahala Plantation Cottages, the Sierra Club, Trust for Public Land, and forty-two individuals. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources.

Your Committee finds that the south Kona-Ka'u area on the island of Hawaii is a well-preserved cultural and recreational resource. However, the break-up and sale of large landholdings along the south Kona-Ka'u coastline provides the State a unique opportunity to protect important environmental, agricultural, and cultural resources in this area. Thus, this measure will appropriate the necessary funds to purchase vital lands in the Kona-Ka'u area.

Your Committee has amended this measure to include private contributions as a source of funding that may be used to match the State's appropriation.

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. 1878, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1878, 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. 39 Judiciary and Hawaiian Affairs on S.B. No. 1796

The purpose of this measure is to allow a person sentenced for a first-time drug offense prior to July 1, 2002 and who has a satisfactory record of drug treatment and drug abstinence to apply for resentencing under Act 161, Session Laws of Hawaii 2002, as well as apply for expungement of related arrest and conviction records.

Testimony in support of the measure as submitted by the Office of the Public Defender, the Community Alliance on Prisons, and one individual. The Office of the Prosecuting Attorney for the County of Kauai, the Department of the Prosecuting Attorney for the City and County of Honolulu, and the Honolulu Police Department testified in opposition to the measure.

Your Committee finds that this measure is designed to afford offenders who were not eligible for sentencing under Act 161, Session Laws of Hawaii 2002, an opportunity for resentencing under that Act, provided that the offender is able to demonstrate a satisfactory record of drug treatment and drug abstinence. It is your Committee's hope that these provisions will provide incentives for first-time offenders to comply with treatment and remain drug free.

Your Committee has amended this measure by requiring that an individual applying for resentencing under Act 161, in addition to demonstrating a satisfactory record of drug treatment and drug abstinence, also have no criminal convictions between the date of the person's sentencing for the first-time drug offense and the date of the application for resentencing.

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. 1796, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1796, 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, none.

SCRep. 40 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on S.B. No. 522

The purpose of this measure is to repeal the law on permitted uses in residential areas of drug rehabilitation homes, and to require that a public informational meeting be held in the affected community before a county permit is issued.

Your Committees received testimony in support of this measure from the Department of Health, Honolulu Department of Planning and Permitting, the Hawaii Association of Realtors, and the Kailua Neighborhood Board. Testimony in support of repeal of the law and opposition to the remainder of the measure was submitted by the Honolulu Police Department and the State Drug Control Liaison. Testimony in opposition was received from the Hawaii Disability Rights Center and Oxford House, Inc.

Your Committees recognize the service provided by drug rehabilitation homes such as Oxford House, Inc. Drug rehabilitation homes facilitate the development of community-based residential supportive living options for persons in recovery from substance abuse. According to testimony of Oxford House, Inc., the demand for these homes and beds far exceed the available supply, particularly in view of the current ice epidemic.

Although Oxford House, Inc. testified that it has received very few complaints from neighbors of drug rehabilitation homes, the testimony was also that neighborhood boards routinely object to plans to situate a drug rehabilitation home in their neighborhood. The testimony of the Kailua Neighborhood Board aptly stated, "The neighbors were not opposed to the use of the home for drug rehabilitation, but were very concerned about the impacts associated with 10 adults living together. The impacts identified by the various neighbors included the large numbers of vehicles, noise, multiple work schedules, crowded lots, additions to homes, additional rubbish, etc. In each case the neighbors said the home was trying to be a good neighbor but the large number of residents made it nearly impossible."

Your Committees believe that drug rehabilitation homes should be given more time to expand their numbers and establish themselves, given the need for and shortage of their services.

Your Committees have amended this measure by:

- (1) Changing the effective date from upon approval to December 31, 2007; and
- (2) Deleting references to drug rehabilitation homes and informational meetings.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 522, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 522, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 1 (Inouye).

SCRep. 41 Judiciary and Hawaiian Affairs on Gov. Msg. No. 77

Recommending that the Senate consent to the nomination of the following:

CIRCUIT COURT OF THE SECOND CIRCUIT, STATE OF HAWAII

RICHARD THOMAS BISSEN, JR., for a term of ten years

Upon review of the resume, application for judicial office, and testimony, your Committee finds that the nominee received a B.S. from the University of Santa Clara and a J.D. from the William S. Richardson School of Law. The nominee has been licensed to practice law in Hawaii since 1986. The nominee worked both as a Deputy Prosecuting Attorney and the Prosecuting Attorney for the County of Maui for fifteen years and was also briefly engaged in private practice. The nominee has also served as the First Deputy Attorney General for the Department of the Attorney General for the State of Hawaii for two years and currently serves as the interim Director of the Department of Public Safety for the State of Hawaii.

Testimony in support of the nominee was submitted by the Attorney General, the Department of Commerce and Consumer Affairs, the Hawaii Paroling Authority, the Office of Youth Services for the State of Hawaii, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Office of the Prosecuting Attorney for the County of Kauai, the Maui County Bar Association, Mililani Neighborhood Board No. 25, the Chief of Police of the Maui County Police Department, the Vice-Chair of the Maui County Council, the Prosecuting Attorney for the County of Hawaii, the former Mayor of Maui County, the Royal Order of Kamehameha I for East Hawaii, the Hawaii Building and Construction Trades Council, Na'a'ahuhiwa, Hale Lokomaika'i, the Office of Hawaiian Affairs, the United Public Workers, and the Maui Economic Opportunity Inc., thirty five attorneys, and sixty five individuals. Your Committee received testimony in opposition to the nominee from two attorneys. Your Committee received comments on the nominee from one attorney.

The Board of Directors of the Hawaii State Bar Association (HSBA) found the nominee to be qualified to serve as a judge for the Circuit Court in the Second 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 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 during the course of the confirmation hearings, issues arose regarding the thoroughness and accuracy of the judicial candidate evaluation process performed by the HSBA on the nominee as the HSBA, by its own admission, was unaware of the case State v. Sanchez, 82 Hawai'i 517 (1996). In Sanchez, the nominee, acting as the Deputy Prosecuting Attorney for the County of Maui, prosecuted the defendant for commission of various criminal offenses. On appeal, the defendant claimed, among other things, that the comments of the nominee deprived him of a fair trial. The Intermediate Court of Appeals reversed the defendant's conviction, citing, as one of the grounds for the reversal, what it viewed as various instances of prosecutorial misconduct committed by the nominee. The Intermediate Court of Appeals concluded that, "the cumulative effect of the prosecutor's misconduct was to deny Defendant a fair trial." 82 Hawai'i at 534.

The Sanchez case was also the subject of an investigation by the Office of Disciplinary Counsel (ODC). In a letter dated April 21, 1997, the ODC concluded that there was insufficient evidence to clearly support a finding of a disciplinary violation by the nominee. However the ODC cautioned the nominee to conform his conduct in accordance with the ethical requirements embodied in the rules of professional responsibility.

When informed about the Sanchez case, the President of the HSBA informed your Committee that at the time the Board of Directors interviewed the nominee and voted to find the nominee qualified to serve as a circuit court judge for the Second Judicial Circuit, the Board of Directors of the HSBA was not aware of the Sanchez case. As a practice, your Committee postpones confirmation hearings as much as possible to accommodate the HSBA's judicial evaluation process. In keeping with this practice, your Committee postponed the confirmation hearing to allow the HSBA to conduct further investigation and, at the HSBA's discretion, to reevaluate the nominee. Upon further evaluation of the nominee, the HSBA reaffirmed its original finding that the nominee is qualified to serve as a circuit court judge. The HSBA also found that the nominee provided the HSBA Board of Governors with sufficient disclosure of all relevant issues.

The lack of information or knowledge on the part of the HSBA regarding the Sanchez case appears to be based upon answers contained in the nominee's 2004 Judicial Selection Commission application form which was forwarded to the HSBA as part of its review process. On this form, the nominee answered in the negative in response to two questions.

Question one, on page sixteen, asked if the nominee had been admonished or disciplined for a breach of the code of professional responsibility, professional misconduct, or professional negligence. The nominee answered in the negative based upon an ODC ruling dated July 30, 1998 that did not find a disciplinary violation against the nominee. The ODC investigation stemmed from the case of State v. Abraham Aki where the Hawaii Supreme Court issued an "Order to Show Cause" against the nominee, then the Acting Prosecuting Attorney for the County of Maui. The Order was based upon a failure of the Office of the Prosecuting Attorney for the County of Maui to file an Answering Brief with the Hawaii Supreme Court in the Aki case. The ODC investigation ultimately led the ODC to dismiss the matter "albeit with caution" and further "cautioned" the nominee, as Prosecuting Attorney, to act in conformity with the Hawaii Rules of Professional Conduct. The nominee's Judicial Selection Commission application, however, did not mention the Sanchez case or the ODC opinion issued in reference to the Sanchez case.

The second question asked the nominee if the nominee's behavior or conduct had been criticized or admonished in a written decision by any court. The nominee answered, "I do not recall."

The nominee submitted his application to the Judicial Selection Commission on October 15, 2004 without disclosing the Sanchez case to the Commission. When the nominee was interviewed by the Judicial Selection Commission on December 6, 2004 the nominee disclosed and discussed the Sanchez case with the Judicial Selection Commission, as evidenced by a letter dated February 10, 2005 from the Commission.

The issue confronting your Committee with respect to this nominee centers upon the lack of disclosure by the nominee with regard to the Sanchez case. The nominee's belief that disclosure was not required is premised upon the nominee's belief that the decision of the ODC dated April 21, 1997 not to discipline the nominee effectively ended the matter and did not require future disclosure. However, the ODC opinion in the Sanchez case "cautioned" the nominee to act in conformance with the rules of professional conduct.

The nominee agreed that the term "admonish" as used in question one on page sixteen of the Judicial Selection Commission application refers to a warning or caution issued to an individual. At the confirmation hearings, your Committee discussed the facts and ruling of Sanchez with the nominee to address concerns raised by your Committee. Nonetheless, your Committee remains concerned regarding the reasons the nominee failed to disclose the Sanchez case when the ODC appeared to "admonish" the nominee in its April 21, 1997 letter.

Your Committee is also troubled by the lack of disclosure by the nominee with respect to question five on page 16 of the Judicial Selection Commission on whether the nominee's behavior has been criticized in a written decision by any court. The Intermediate Court of Appeals reversed the conviction of the defendant in Sanchez based, in part, upon the prosecutorial misconduct committed by the nominee acting as the Deputy Prosecuting Attorney in the case. This reversal and the appellate court's accompanying comments regarding the nominee's "improper" conduct would appear to be criticisms by the court regarding the nominee's behavior.

Your Committee considered the number of Maui and outer island testifiers that were present in support of the nominee from attorneys, community leaders, community organizations, and individual residents who expressed strong sentiments in favor of the nominee. These testifiers spoke highly of the nominee's integrity and fairness and expressed confidence in the nominee's ability to transition from advocate to judge. Your Committee also received anonymous testimony about the nominee that was negative.

From all the testimony, questions and answers, and a review of the personal history, resume, and statements submitted by the nominee, your Committee 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 advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 42 Education and Military Affairs on S.B. No. 1249

The purpose of this measure is to repeal the Hawaii school-to-work executive council.

Testimony in support of the measure was submitted by the Department of Education.

Your Committee finds that all remaining funds allocated to the Hawaii school-to-work program had been expended as of September 30, 2003 as federal funding had ended in the year 2000. Therefore, the need for the statute no longer exists. Due to its valuable initiatives, the program's components are established with other public and private entities including the Department of Education, the Workforce Development Council, and the Hawaii P-20 Initiative.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1249 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, 1 (Tsutsui).

SCRep. 43 Education and Military Affairs on S.B. No. 1661

The purpose of this measure is to appropriate funds to assist in the further implementation of Act 51, Session Laws of Hawaii 2004 and allow the Department of Education to carry over unencumbered appropriations.

Testimony in support of the measure was submitted by the Department of Education, Department of Human Resources Development, Hawaii Government Employees Association, and Hawaii Business Roundtable.

Your Committee finds that to continue to successfully implement Act 51, Session Laws of Hawaii 2004, appropriations are needed to subsidize the Department of Education information systems projects and provide additional support personnel and training. In comparing other public school districts spending on information technology infrastructure, your Committee found Seattle spending \$304 per student and Wisconsin \$309 per student, while Hawaii's projected technology budget is merely \$157 per student. The

additional funding along with the added personnel is sorely needed to implement and operationally support the new applications of Act 51.

Upon further consideration, your Committee has amended this measure to specify the additional personnel needed.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1661, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1661, 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. 44 Education and Military Affairs on S.B. No. 451

The purpose of this measure is to establish a content oriented language arts program in the Department of Education.

Testimony in support of the measure was submitted by the Hawaii Automobile Dealers Association. The Department of Education and Hawaii State Teachers Association submitted comments.

Your Committee finds that new and innovative avenues for educational instruction are being developed daily. In order to progress with current educational innovations and keep our students competitive among their international peers, the Department of Education must be flexible in providing relevant curriculum that reflects changes in the increasingly globalized society.

Upon further consideration, your Committee has amended this measure by deleting the language enacting the content oriented language arts program to allow the department more freedom to develop its own types of research based curriculum.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 451, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 451, 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 (Chun Oakland, Hogue).

SCRep. 45 Education and Military Affairs on S.B. No. 778

The purpose of this measure is to make an emergency appropriation for services to children with autism spectrum disorder and school-based behavioral health services.

Testimony in support of the measure was submitted by the Department of Education, Special Education Advisory Council, Hawaii Families as Allies, the Community Children's Council, and five individuals.

Your Committee finds that the costs and number of students requiring services for autism spectrum disorder has increased since the program responsibility and funding was transferred to the Department of Education from the Department of Health. The number of students identified with the disorder has risen sixty-three per cent in four years. Unfortunately, the funding amount has remained unchanged. Similarly, the number of students requiring school-based behavioral health services has also increased without additional funding. The emergency appropriation in this measure will ensure that these much needed services will continue.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 778 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Hogue).

SCRep. 46 Education and Military Affairs on S.B. No. 874

The purpose of this measure is to appropriate funds to hire fifteen permanent athletic health care trainer positions in the Department of Education.

Testimony in support of the measure was submitted by the Department of Education (DOE), Hawaii State Teachers Association, Hawaii Government Employees Association, the Athletic Directors and Coaches Association, the DOE Athletic Health Care Trainers, and five individuals.

Your Committee finds that additional athletic health care trainer positions will assist the DOE in meeting the National Athletic Trainers Association's recommended ratios for trainers to student-athletes. Currently, the department does not meet the standard, but the additional funds appropriated by this measure would assist in meeting the standard and ensure the safety and well being of student-athletes in our public schools.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 874 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 (Chun Oakland, Hogue).

SCRep. 47 Education and Military Affairs on S.B. No. 1253

The purpose of this measure is to clarify a school community council's authorities and responsibilities.

Testimony in support of the measure was submitted by the Department of Education and the Hawaii Government Employees Association. Opposition testimony was submitted by the Hawaii Laborers-Employers Cooperation Educational Trust.

Your Committee finds establishing that school community councils shall ensure a school's academic and financial plans are consistent, rather than aligned, with the educational accountability system would eliminate confusion as how the schools are to align their plans with the complex statutory requirements of the educational accountability system.

One intent of Act 51, Session Laws of Hawaii 2004, was to place more decision-making capabilities with the individual schools and its leaders rather than at the department level. However, by restricting a school community council's authority to approve a principal's academic and financial plans to merely allowing the council to make recommendations would conflict with the intent of Act 51.

Upon further consideration, your Committee has amended this measure to continue to allow the school community council's approval of a principal's academic and financial plans by deleting the proposed amendments made to section 302A-1103, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1253, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1253, 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. 48 Education and Military Affairs on S.B. No. 1637

The purpose of this measure is to appropriate funds to hire additional secondary teacher positions necessary to implement the Comprehensive School Alienation Program (CSAP).

Testimony in support of the measure was submitted by the Department of Education, Hawaii State Teachers Association, Honolulu District Ko Apopo Ohana Academy, and the High Core Program.

Your Committee finds that CSAP is a valuable program that provides a statewide secondary education prevention and early intervention program for students identified as at-risk of becoming alienated from school or completely dropping out before meeting the high school graduation requirements. CSAP provides appropriate instructional and counseling support services to assist students to overcome academic, social, emotional, and related difficulties. The additional positions that this measure will provide will assist CSAP in effectively delivering services to all students in need of assistance.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1637 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 (Chun Oakland, Hogue).

SCRep. 49 (Majority) Intergovernmental Affairs on S.B. No. 584

The purpose of this measure is to make an appropriation to the City and County of Honolulu for expenses of the 2005 National Association of Counties Annual Conference and Exposition in Honolulu.

Your Committee received testimony in support of this measure from two Honolulu City Council members, one Kauai County Council member, five Maui County Council members, and the Hawaii Association of Counties.

Your Committee is concerned with the apparent lack of a detailed budget and description of expenses by the City and County of Honolulu. Your Committee questions the enormous expense of about \$1 million for bus transportation and dinner for the participants. Your Committee notes that the waiving of event fees would still diminish revenue. This is taxpayer money and spending that money should be done wisely and prudently. Your Committee passes this measure to the Committee on Ways and Means to decide on the amount of the appropriation and the appropriateness of the proposed expenditures. Your Committee urges the City and County of Honolulu to submit a detailed budget expenditure report to the Committee on Ways and Means.

Your Committee has amended this measure by deleting the appropriation amount.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 584, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 584, 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, 2 (Inouye, Nishihara).

SCRep. 50 Intergovernmental Affairs on S.B. No. 637

The purpose of this measure is to make an appropriation as a grant-in-aid to the Honolulu Police Department (HPD) for the development of a non-emergency reporting system, known as 3-1-1.

Your Committee received testimony in support of this measure from the Honolulu Police Department, Verizon Hawaii, and American Heart Association. Verizon Wireless, Cingular Wireless, and T-Mobile USA submitted testimony in opposition to the surcharge.

The HPD operates the 9-1-1 emergency phone system for Oahu, which handles over 1,000,000 calls annually, including calls for police, ambulance, and fire. The 9-1-1 system handles all calls for emergency services, as well as non-emergency calls (estimated at sixty-five to seventy-five per cent of all 9-1-1 calls). Examples of non-emergency calls received by the 9-1-1 system include abandoned vehicles, noise, and animal complaints.

Non-emergency calls frequently overwhelm available 9-1-1 operators, resulting in a backlog of emergency 9-1-1 calls awaiting dispatch to the appropriate emergency personnel.

The HPD is currently developing a non-emergency report system, known as 3-1-1, to relieve the 9-1-1 system of non-emergency phone calls.

This measure is intended to assist the HPD to develop the 3-1-1 system. According to testimony of the HPD, it will use existing personnel to staff the 3-1-1 call center, so no additional personnel costs will be incurred. HPD expects to save up to seventy percent of the cost of sending a patrol officer to the scene of a non-emergency request with each 3-1-1 non-emergency report that can be fully processed over the phone.

Your Committee has amended this measure by deleting the surcharge on the telephone companies, as being unnecessary.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 637, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 637, 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 (Inouye, Nishihara).

SCRep. 51 Intergovernmental Affairs on S.B. No. 1060

The purpose of this measure is to extend the counties' authority to regulate billboards and other outdoor advertising devices to include the airspace or waters beyond the boundaries of a county if the advertising is visible from any public place within the county.

Your Committee received testimony in support of this measure from the Honolulu Corporation Counsel, Na Leo Pohai, Life of the Land, one Maui County Council member, and one individual.

This measure arises from the case of Center for Bio-Ethical Reform, Inc. v. City and County of Honolulu, which is now on appeal before the U.S. Court of Appeals for the Ninth Circuit. This case challenged Honolulu's ordinances prohibiting aerial advertising. The case involved the use of airspace advertising in the form of a plane towing a large sign over near shore waters so as to be visible from the shore, to promote an agenda relating to bio-ethics.

The specific issue addressed by this measure is not on appeal, because the plaintiffs raised the issue after filing the appeal. Therefore, this measure is intended to head off more litigation and thereby avoid costly attorney's fees and further litigation costs. The plaintiff's new argument is that if a plane takes off from Honolulu International Airport or from Molokai Airport and then flies over coastal waters, but not over land, while displaying their banner to beachgoers in Waikiki and other beaches, then the plane would be outside of the jurisdiction of the City and County of Honolulu and Honolulu's ordinances would not be applicable.

Your Committee agrees with the Special Deputy Corporation Counsel who represented the city in the litigation that this measure has been introduced "out of an excess of caution to leave no remaining ambiguity regarding the ability of the counties to regulate aerial (and ship-based) advertising aimed at beachgoers and other individuals in the public places on the island."

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1060 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 (English, Inouye).

SCRep. 52 Intergovernmental Affairs on S.B. No. 1548

The purpose of this measure is to enact an ethics law to govern the process of selecting county ethics commissioners.

Your Committee received testimony in support of this measure from the Hawaii State Ethics Commission (Commission) and the League of Women Voters.

Under this measure, the process of selecting members of county ethics commissions must be in a manner that assures impartiality and independence, including ensuring minimum involvement in the process by persons over which the commission has oversight. A county ethics commissioner must be selected on the basis of integrity, impartiality, and independence.

Your Committee notes that Article XIV of the State Constitution provides that "Ethics commissioners shall be selected in a manner which assures their independence and impartiality." This measure carries out this constitutional mandate.

According to testimony of the Commission, the current process in the four counties of the mayor selecting a board member and confirmation by the county council does not comport with the constitution. In contrast, the selection process for board members of the Commission is independent and impartial. Applicants for a vacancy on the Commission must apply to a state board known as the Judicial Council, which is attached to the Hawaii Supreme Court. After reviewing the applications, the Judicial Council selects two individuals whose names are forwarded to the Governor. The Governor then selects one of the two names to fill the vacancy. There is no Senate confirmation. Your Committee finds that the state process assures independence and impartiality. Your Committee urges the counties to adopt a similar process, perhaps with the advice of the Executive Director and General Counsel of the Commission.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1548 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 (Inouye, Nishihara).

SCRep. 53 (Majority) Transportation and Government Operations on S.B. No. 20

The purpose of this measure is to create a new traffic offense to prohibit the use of a mobile telephone while operating a moving vehicle unless the phone can be operated hands-free.

Your Committee received testimony in support of this measure from one individual. Testimony in opposition was received from Cingular Wireless and Sprint. Comments were received from the Honolulu Prosecuting Attorney, T-Mobile USA, Hawaii Transportation Association, and one individual.

Your Committee finds that there is ample and mounting evidence that the use of cellular phones while driving creates a distraction that contributes to an increasing number of traffic accidents. Although "multi-tasking" may be useful in office work, it definitely has no place while driving and using a cellular phone. When using a cellular phone, only one hand is on the steering wheel and the driver's mind is usually elsewhere than on driving. The situation is worse if the driver dials the number while driving, in which case the driver's eyes are on the phone.

Your Committee has amended this measure on the recommendation of the Honolulu Prosecuting Attorney by providing an affirmative defense for making an emergency call on the cellular phone while driving.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 20, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 20, 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 (Whalen). Excused, 3 (Baker, Hee, Kanno).

SCRep. 54 Transportation and Government Operations on S.B. No. 73

The purpose of this measure is to require inspection and certification of motor carrier vehicles during the month in which the vehicle's certificate of motor vehicle registration is issued.

Your Committee received testimony in support of this measure from the Department of Transportation (DOT) and Hawaii Transportation Association.

Currently, all commercial vehicles have their annual safety inspection expire in the month of June. This necessitates about 100,000 vehicles to be inspected in the same month, resulting in backlogs at inspection stations.

This measure would spread out the inspection deadlines. According to testimony of the DOT, this measure would reduce the current workload of the DOT inspection stations and motor carrier companies.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 73 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. 55 Transportation and Government Operations on S.B. No. 74

The purpose of this measure is to allow persons who are at least eighteen years of age to be licensed as commercial drivers to drive within the State.

Your Committee received testimony in support of this measure from the Department of Human Resources Development, Hawaii Transportation Association (HTA), and SuperStar. Testimony in opposition was received from the Department of Transportation.

The intent of this measure is to address the shortage of commercial drivers in Hawaii. This comes at a time when economic activity is increasing, much of which requires the movement of goods by trucks. However, there are not enough commercial drivers.

The current age required to receive a commercial driver's license is twenty-one. Your Committee finds that this measure would increase the pool of qualified commercial drivers by lowering the age to eighteen. Your Committee is keenly aware that lowering the age may not solve the problem of the shortage of drivers. However, this measure is a step in the right direction. Your Committee notes that federal law permits commercial drivers to be licensed at age eighteen to drive intrastate. According to testimony of the HTA, most states permit eighteen year olds to be licensed as commercial drivers to drive intrastate.

Your Committee believes that increasing the eligible pool of commercial drivers will increase demand for commercial driving schools and other instructional programs to enable the licensing of more commercial drivers. High school seniors would be more inclined to consider commercial driving as a career if the license eligibility age were eighteen.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 74 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, 2 (Kanno, Whalen).

SCRep. 56 Transportation and Government Operations on S.B. No. 76

The purpose of this measure is to clarify the penalties for motor vehicle size and weight violations.

Your Committee received testimony in support of this measure from the Department of Transportation and Hawaii Transportation Association.

This measure distinguishes the penalties for traffic violations from the penalties for exceeding the required size and weight limits. This measure also has the effect of reducing the penalties for size and weight violations so as to be more equitable to truckers who do not have control over the load weight of their freight which is often in a cargo container loaded on the docks, and so out of the trucker's control.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 76 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, 2 (Kanno, Whalen).

SCRep. 57 Transportation and Government Operations on S.B. No. 77

The purpose of this measure is to:

- (1) Require motor carriers to obtain a vehicle identification card from the Department of Transportation (DOT);
- (2) Require motor carrier vehicles to operate with mudguards; and
- (3) Repeal some authority of the Director of Transportation.

Your Committee received testimony in support of this measure from the Hawaii Transportation Association. The DOT supported the provisions relating to the vehicle identification card and mudguards. The DOT submitted testimony in opposition to repealing some of the authority of the Director of Transportation.

According to testimony of the DOT, the vehicle identification card and mudguards are presently required by administrative rules. Therefore, this measure is a codification of that provision.

Your Committee agrees with the DOT that reducing the powers of the Director of Transportation is unnecessary and unwarranted. This is particularly the case with regard to homeland security measures which the Director needs to be able to implement administratively.

Your Committee has amended this measure by deleting the reduction of the powers of the Director of Transportation.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 77, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 77, 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, Whalen).

SCRep. 58 Transportation and Government Operations on S.B. No. 80

The purpose of this measure is to require the markings of motor carrier vehicles to be readily legible during daylight hours from a distance of fifty feet while the motor carrier is stationary.

Testimony in support of this measure was received from the Department of Transportation (DOT) and Hawaii Transportation Association.

According to testimony of the DOT, this measure would more closely conform Hawaii law to the Federal Motor Carrier Safety Regulations, which is more widely considered to be the uniform standard throughout the United States.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 80 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, 2 (Kanno, Whalen).

SCRep. 59 Transportation and Government Operations on S.B. No. 664

The purpose of this measure is to make an emergency appropriation of \$3,000,000 for electricity payments statewide.

Testimony in support of this measure was received from the Department of Accounting and General Services (DAGS). Testimony in opposition was received from Life of the Land and one individual.

This measure is prompted by the steady rise in world oil prices, resulting directly in a budgetary shortfall. Without this measure, the State could not make timely payments to utility companies which would result in late payment fees.

Your Committee finds that all of the DAGS facilities have been retrofitted with energy-efficient lighting and DAGS has shortened air-conditioning hours, thus helping to minimize the shortfall.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 664 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Baker, Hee, Kanno).

SCRep. 60 Transportation and Government Operations on S.B. No. 694

The purpose of this measure is to provide an owner, lien holder, or other person with an interest in a derelict or abandoned vehicle, vessel, or aircraft with notice and the opportunity to request a post-custodial administrative hearing before the final disposition is made of the vehicle, vessel, or aircraft.

Your Committee received testimony in support of this measure from the Department of Transportation, Attorney General, and Board of Land and Natural Resources. Testimony in opposition was received from the Honolulu Department of Customer Services and Windward Ahupua'a Alliance.

In August 2004, the U.S. District Court, District of Hawaii, held that the Hawaii statute governing the disposition of derelict vehicles is unconstitutional on its face. The court found that the statute does not provide adequate procedural due process to owners of derelict vehicles that are ten model years old or older. The court ruled that an identifiable owner of a derelict vehicle is entitled to notice prior to disposition of the vehicle.

Your Committee finds that this measure satisfies procedural due process by requiring the State and county to provide notice and the opportunity for a hearing to known owners, lien holders, and other interested persons. This measure lessens the risk of the State and counties to liability for monetary damages and attorney's fees stemming from a violation of due process rights.

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

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 694, as amended herein, and recommends

that it pass Second Reading in the form attached hereto as S.B. No. 694, 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, Hee, Kanno).

SCRep. 61 Transportation and Government Operations on S.B. No. 843

The purpose of this measure is to create two new traffic offenses of promoting interference with official traffic-control signals in the first and second degrees.

Your Committee received testimony in support of this measure from the Department of Transportation, Honolulu Police Department, and Honolulu Prosecuting Attorney. Testimony in opposition was received from the Public Defender.

The intent of this measure is to protect the functioning of official traffic control devices, such as traffic control signal systems. Emergency vehicles are equipped with traffic signal preemption systems ("mobile infrared transmitters") to override the traffic control signal to let the vehicle proceed through the intersection on a green light while signaling red for the cross street.

Your Committee finds that private individuals have gained access to mobile infrared transmitters and are using them for their own purposes.

Your Committee has amended this measure by making technical, nonsubstantive amendments for clarity and style, and by adding language inadvertently omitted in the printing of the measure.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 843, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 843, 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, Hee, Kanno).

SCRep. 62 Transportation and Government Operations on S.B. No. 845

The purpose of this measure is to conform Hawaii traffic violations law to the requirements of the federal commercial driver licensing laws.

Your Committee received testimony in support of this measure from the Department of Transportation, Department of Human Resources Development, and Hawaii Transportation Association. Comments were received from the Judiciary.

The intent of this measure is to make revisions to certain sections of Act 103, Session Laws of Hawaii 2004, which takes effect September 30, 2005, to correct substantive deficiencies identified subsequent to the enactment of Act 103. This measure also makes additional amendments to conform with the federal law, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act, better known as the USA Patriot Act (Public Law 107-56, 2001). The Federal Motor Carrier Safety Administration has reviewed Hawaii law to ensure consistency with federal law. This measure includes the recommended changes by the federal government.

Your Committee finds that failure to enact this measure may result in the loss of approximately \$4.9 million or five percent of federal-aid highway funds, based upon fiscal year 2004, for the first year of non-compliance, and \$9.8 million or ten percent per year thereafter. Motor Carrier Safety Assistance Program grants may also be at risk as a result of noncompliance.

Your Committee has amended this measure by:

- (1) Changing the effective date to October 1, 2005, to follow the effective date of Act 103 on September 30, 2005; and
- (2) Making technical, nonsubstantive amendments for clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 845, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 845, 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, Hee, Kanno).

SCRep. 63 Transportation and Government Operations on S.B. No. 846

The purpose of this measure is to require the driver of a vehicle to yield the right of way to a pedestrian by stopping for the pedestrian crossing the roadway within a crosswalk when the pedestrian:

- (1) Is on a non-divided highway; or

- (2) Is on a divided highway if the pedestrian is on either half of the roadway upon which the driver is traversing.

Your Committee received testimony in support of this measure from the Department of Transportation (DOT) and Honolulu Police Department.

Your Committee finds that pedestrian fatalities and injuries continue to be a problem in Hawaii. The DOT commissioned a study to conduct market research on senior pedestrian habits, and found that:

- (1) Forty-eight percent of the people in Hawaii do not feel that our roads are pedestrian friendly;
- (2) Seniors age sixty-five and older constitute a significant percent of pedestrian fatalities and make up a large segment of the population; and
- (3) Ninety percent of the population believes that pedestrians should use crosswalks and ninety-three percent believes that drivers should not proceed when pedestrians are in crosswalks.

Your Committee finds that the law on pedestrians' rights in crosswalks needs clarification to prevent confusion over when a driver must stop for a pedestrian. This measure requires a driver to stop when a pedestrian is in a crosswalk. Current law provides for "slowing down" as well as stopping. This measure deletes the slowing down and requires a complete stop.

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

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 846, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 846, 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, Hee, Kanno).

SCRep. 64 (Majority) Transportation and Government Operations on S.B. No. 850

The purpose of this measure is to create a traffic offense with mandatory sentences for a person driving a vehicle at a speed exceeding the posted speed limit by 25 miles per hour or more, or by traveling at 80 miles per hour or more regardless of the speed limit.

Your Committee received testimony in support of this measure from the Department of Transportation, Honolulu Police Department, and Honolulu Prosecuting Attorney. Testimony in opposition was received from the Public Defender.

This measure protects the motoring public from persons who drive at excessive speeds. Current speeding laws and court-imposed fines do not adequately address the severity of the infraction and therefore are not deterrents to driving at high speeds.

Your Committee finds that speeding in excess of the posted speed limit has been identified as a major contributor to severe traffic crashes and fatalities. This measure is intended to enhance the human factors in traffic safety by controlling errant driving behavior.

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

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 850, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 850, 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 (Whalen). Excused, 3 (Baker, Hee, Kanno).

SCRep. 65 Transportation and Government Operations on S.B. No. 851

The purpose of this measure is to clarify that no moneys deposited into the highway development special fund will lapse or be transferred into the general fund.

Your Committee received testimony in support of this measure from the Department of Transportation, Hawaii Transportation Association, and Kona Traffic Safety Committee.

The intent of this measure is to safeguard the highway development special fund to ensure that it is used for its intended purpose by preventing moneys from lapsing or transferring into the general fund.

Your Committee finds that moneys in the highway development special fund need to be maintained in the fund to provide expenditures from the fund for its dedicated purposes, among which are paying for capital costs of qualifying proposed state highway improvements.

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

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 851, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 851, 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, Hee, Kanno).

SCRep. 66 (Joint) Transportation and Government Operations and Higher Education on S.B. No. 1038

The purpose of this measure is to establish the Hawaii procurement institute at the William S. Richardson School, University of Hawaii, and to make an appropriation for its operating expenses.

Your Committees received testimony in support of this measure from the Department of Accounting and General Services; William S. Richardson School of Law, University of Hawaii (UH); The Chamber of Commerce of Hawaii; and two individuals. Comments were submitted by the State Procurement Office.

Act 52, Session Laws of Hawaii 2003, established a Hawaii procurement institute (institute) under the administrator of the procurement office, to work cooperatively with the UH and private entities to promote and develop a professional acquisition workforce to improve and enhance the State's contractor industrial base through education and training. This measure would transfer the institute in its entirety to the William S. Richardson School of Law.

Your Committees find that the William S. Richardson School of Law is the most appropriate entity to house the institute, as modern day procurement practices and procedures of state, local, and federal governments are fraught with complexities of laws, rules, and forms. As aptly stated in testimony of The Chamber of Commerce of Hawaii, a procurement technical assistance center would be of enormous help to small businesses in securing bid contracts. Testimony of the William S. Richardson School of Law indicates that the institute "is a think tank for the development and analysis of Federal, State, and local procurement policies, laws, and regulations."

Your Committees intend that the institute become as independent as possible, and that the involvement of the Board of Regents be limited to approving the selection of the director of the institute.

Your Committees request the institute to gradually become financially self-supporting. The testimony provided by the William S. Richardson School of Law indicates that it anticipates having to receive state appropriations for two fiscal years beyond the next fiscal biennium, in an amount of \$150,000 for fiscal year 2007 and \$100,000 for fiscal year 2008. However, the William S. Richardson School of Law indicated it needed an appropriation of \$200,000 in each year of the next fiscal biennium.

Your Committees have amended this measure by:

- (1) Clarifying that the director is to be appointed by the dean of the William S. Richardson School of Law;
- (2) Adding an appropriation to the UH of \$200,000 for each year of the fiscal biennium for operating expenses of the institute; and
- (3) Making a technical, nonsubstantive amendment for clarity and style.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1038, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1038, 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, Menor).

SCRep. 67 Transportation and Government Operations on S.B. No. 1876

The purpose of this measure is to require the Department of Transportation to use alternative federal guidelines in the repair and reconstruction of scenic highways, provide for the designation of those highways deemed to be scenic, and limit the State's liability in cases involving those highways.

Your Committee received testimony in support of this measure from the Department of Transportation, Verizon Hawaii, and six individuals. Testimony in opposition was received from Hawaiian Electric Company, Inc.

Your Committee finds that repair and reconstruction of state highways should take into account, in addition to safety, durability, and economy of maintenance, factors such as the constructed and natural environment of the area; scenic, aesthetic, historic, cultural, and other impacts of the activity; and access for other modes of transportation. The Governor vetoed a measure passed in 2000 (S.B. No. 3201, H.D. 2) that would have required the Director of Transportation to establish new design guidelines by June 30, 2003, to govern new construction, reconstruction, resurfacing, restoration, or rehabilitation of bridges, principal and minor arterial roads, collector and local roads, and streets, taking into account environmental, scenic, aesthetic, historic, community, and other impacts of the activity.

It is the intent of your Committee to encourage the highest quality design to ensure that road and bridge projects adequately meet the State's transportation needs, exist in harmony with their surroundings, and add value to the communities they serve. However, your Committee finds that the Department of Transportation may be reluctant to use alternative standards in the repair or reconstruction of

scenic highways because of the potential risk of liability, in accordance with a Hawaii Supreme Court holding. This measure provides a limitation on that liability.

Your Committee has amended this measure by providing limited liability to public utilities regulated under chapter 269, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1876, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1876, 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, Hee, Kanno).

SCRep. 68 (Joint) Intergovernmental Affairs and Transportation and Government Operations on S.B. No. 449

The purpose of this measure is to allow the State to enter into an indemnification agreement with a county.

Your Committees received testimony in support of this measure from the Honolulu Corporation Counsel, Hawaii Corporation Counsel, Kauai County Attorney, and the Council Chair of the Kauai County Council.

The intent of this measure is to limit the liability of the counties for liability exposure arising from acts or omissions performed by the State. The situation arises when the State uses a county facility.

Your Committees have amended this measure on the recommendation of the county corporation counsels as follows:

- (1) Clarifying the substance of a discretionary indemnity agreement to defend and indemnify;
- (2) Providing for a mandatory indemnity agreement to defend and indemnify in situations wherein the State receives county assistance, services, or the like;
- (3) Deleting the three conditions for an indemnity; and
- (4) Adding a savings clause to session law material and deleting the savings clause in the statute, as the preferred drafting style.

As affirmed by the records of votes of the members of your Committees on Intergovernmental Affairs and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 449, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 449, 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 (Hee, Kanno, Nishihara, Whalen).

SCRep. 69 (Joint) Intergovernmental Affairs and Transportation and Government Operations on S.B. No. 1478

The purpose of this measure is to require the State Fire Council to administer any federal grants upon receipt of those moneys.

Your Committees received testimony in support of this measure from the State Fire Council (SFO) and Hawaii Fire Fighters Association.

This measure clarifies that the SFO, which is the entity responsible for processing all applications to the federal government for federal grant assistance, should also be the proper entity to administer any of those federal grant monies. This measure would result in allowing the SFO to expend federal grant money for fire fighter training, which is an essential component to prepare fire fighters perform their duties.

Your Committees have amended this measure by changing the effective date to upon its approval.

As affirmed by the records of votes of the members of your Committees on Intergovernmental Affairs and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1478, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1478, 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 (Hee, Kanno, Nishihara, Whalen).

SCRep. 70 (Joint) Intergovernmental Affairs and Judiciary and Hawaiian Affairs on S.B. No. 604

The purpose of this measure is to require police officers who testify pursuant to subpoena to be compensated for overtime if the officer is off-duty at that time.

Your Committees received testimony in support of this measure from the Honolulu Police Department. Comments were received from the Department of Budget and Finance.

The intent of this measure is to compensate the police officer for undue hardship and disruption in personal life in the officer's off-duty hours. The State would be required to reimburse the county for half of the overtime compensation.

Your Committees find that testimony at trial is an integral part of the judicial system. County police officers conduct much of the criminal investigations and are therefore critical witnesses at trial. The overtime compensation is a drain on county budgets. This measure would alleviate some of that burden on the counties.

As affirmed by the records of votes of the members of your Committees on Intergovernmental Affairs 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. 604 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 (Inouye, Nishihara).

SCRep. 71 Transportation and Government Operations on S.B. No. 426

The purpose of this measure is to make an appropriation for plans, design, and construction of a second access road to Leeward Community College.

Your Committee received testimony in support of this measure from the University of Hawaii, Leeward Community College. Testimony in opposition was received from the Department of Transportation.

This measure would provide a much needed secondary access road to the College. Currently there is only one road that leads to the College via Waiawa Road that passes over the H-1, H-2 merge. A second access road is required to reduce the backlog of cars coming into and going off campus. During peak hours, the cars line up so as to create a hazardous traffic situation on Kamehameha Highway.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 426 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, Hee, Kanno).

SCRep. 72 Transportation and Government Operations on S.B. No. 903

The purpose of this measure is to make an appropriation to the Department of Transportation (DOT) for each year of the next fiscal biennium for the operating costs of a permanent contraflow lane on Kahekili Highway during peak traffic hours.

Testimony in opposition to this measure was received from the DOT.

Your Committee finds that this measure will provide residents of the Windward side needed traffic congestion relief. The contraflow lane has proven effective in improving traffic congestion. Your Committee finds that the implementation of a permanent contraflow lane traffic scheme on the Kahelili Highway during peak traffic hours will help to ensure that traffic flows safely, quickly, and efficiently.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 903 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, Hee, Kanno).

SCRep. 73 Transportation and Government Operations on S.B. No. 988

The purpose of this measure is to allow an audible reverse warning system (system) on vehicles to be manually disengaged when reversing the vehicle under certain hours and conditions.

Your Committee received testimony in support of this measure from the Honolulu Police Department and one individual.

This measure would allow the system to be turned off between 10 p.m. and 6 a.m., and within 200 feet of a hospital or hotel or within a residential neighborhood, if certain precautions are taken to avoid accidents in the reversal. The system would turn itself off automatically after not more than three minutes.

The intent of this measure is to offer relief from the noise of a motor vehicle backup warning system while still providing the needed protection for pedestrians walking to the rear of the reversing vehicle.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 988 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, Hee, Kanno).

SCRep. 74 (Joint/Majority) Transportation and Government Operations and Intergovernmental Affairs on S.B. No. 1366

The purpose of this measure is to allow each county to levy a county general excise and use tax surcharge to fund rail transit or other transportation improvements.

Your Committees received testimony in support of this measure from United States Congressman Neil Abercrombie, the Leeward Oahu Transportation Management Association, and one family of testifiers. Testimony in favor of granting the counties taxing authority and opposed to mandating how the counties utilize the funds was received from the Department of Transportation. Testimony in opposition was received from the Department of Taxation, Retail Merchants of Hawaii, National Federation of Independent Business-Hawaii, and Hawaii Association of Realtors. Comments were submitted by the Tax Foundation of Hawaii.

The Honorable Neil Abercrombie, United States Representative for urban Honolulu, urged your Committees to pass a "local funding initiative" to have a "funding mechanism in place" to demonstrate to the Federal Transit Administration that Hawaii is serious about constructing a rail mass transit system. Hawaii is competing with the other states to secure federal monies to subsidize the costs of construction of a mass transit system. There are currently 226 projects nationwide seeking to have their projects accepted for funding. Hawaii may be able to obtain half of the cost of the system paid with federal monies. However, there is a deadline of March 3, 2005, in the U.S. House of Representatives to pass out of the House Transportation and Infrastructure Committee a federal mass transit appropriations bill covering a six-year period, and a deadline of June 1, 2005 for a conference committee to act on the measure. Mr. Abercrombie is confident the Federal Transit Authority stands ready to include Hawaii in its list of favored mass transit projects if this measure is passed. The Honorable Congressman told your Committees, "You're doing something that will shape the future of urban Honolulu for the next 100 years."

The capital costs for a fixed rail system with an initial trunk line extending from Kapolei in West Oahu to Iwilei in the central business district was estimated in 2004 to be in excess of \$2 billion by the Department of Transportation. A portion of the costs is anticipated to be paid with federal funds. Your Committees find that a fixed rail mass transit system is not possible without additional dedicated funding from a county mass transit surcharge.

Your Committees further find that the apparent haphazard development of mass transit development and financing plans over the years is due to the fact that a solution to transportation problems on all islands has eluded the State for many years. Every attempt has fallen short, despite the best efforts of many informed and knowledgeable people, including a multitude of experts. Bigger highways, more buses, and ferries are inadequate over the long term to serve transportation needs, and are unsuitable for many areas of the largest county. In contrast, a fixed light rail system has possibilities but the costs are prohibitive without a heavy investment of revenues. Nevertheless, light rail is not suitable for every county.

Your Committees are reluctant to, in effect, provide for a raise in taxes. However, your Committees believe that there is no alternative if mass transit is to become a reality. The costs are simply prohibitive. The time is now, following fifteen years in the making, to decide to implement light rail or not. Your Committees find that the past unsuccessful attempts by the counties to levy an excise tax surcharge were due not to the lack of adequate planning, but rather to ambivalent attitudes of policymakers at that time. Testimony by the Mayor of the City and County of Honolulu and two Honolulu City Council members indicates that the time is now ripe for the city to pass such a measure.

Your Committees urge the counties to contemplate carefully if an excise tax ordinance is justified for their respective county. This entails adequate planning of a mass transit system suitable for the particular county. Your Committees urge the Department of Transportation to provide advice, insight, and expertise to assist the counties in making the right decisions in planning for mass transit. For example, Hawaii county could probably best be served by an efficient, timely, and integrated bus system within and between towns.

The intent of your Committees is to provide the counties with assistance in mass transit design and planning, and with construction financing ability. The Department of Transportation as well as the Honolulu Department of Transportation Services have assured you Committees that in fact they are working collaboratively to that end.

Your Committees have amended this measure by:

- (1) Adding a purpose section to provide a historic record of the legislative efforts in enacting a county mass transit tax, so that future generations will have information and a perspective of what has transpired in passing this landmark legislation; and
- (2) On the recommendation of the Department of Taxation, adding language that the use tax also applies to imported services and contracting.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1366, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1366, 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, 5 (English, Hee, Kanno, Kim, Menor).

SCRep. 75 Transportation and Government Operations on S.B. No. 1400

The purpose of this measure is to require the Director of Transportation to undertake a traffic capacity study of Castle Junction, on the Windward side of Honolulu, and to make an appropriation.

Testimony in opposition to this measure was received from the Department of Transportation.

This measure arises from the recent landslides along Pali Highway at the Castle Junction. The slopes were recently repaired, but the potential dangers still remain. This measure is intended to inform the public about issues concerning the usage of the Castle Junction.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1400 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, Hee, Kanno).

SCRep. 76 (Joint/Majority) Transportation and Government Operations and Intergovernmental Affairs on S.B. No. 1731

The purpose of this measure is to allow the counties to establish a county surcharge on the state excise and use taxes to fund public transportation in the counties.

Your Committees received testimony in support of this measure from United States Congressman Neil Abercrombie, Honolulu Mayor, two Honolulu City Council members, Leeward Oahu Transportation Management Association, Committee for Balanced Transportation, WESLIN Consulting Services, and four individuals. The Department of Transportation submitted testimony in favor of granting counties taxing authority and against mandating counties to spend those funds on public transit improvements. Testimony in opposition was received from the Department of Taxation, Hawaii Association of Realtors, National Federation of Independent Business-Hawaii, and Retail Merchants of Hawaii. Comments were submitted by the Tax Foundation of Hawaii.

The Honorable Neil Abercrombie, United States Representative for urban Honolulu, urged your Committees to pass a "local funding initiative" to have a "funding mechanism in place" to demonstrate to the Federal Transit Administration that Hawaii is serious about constructing a rail mass transit system. Hawaii is competing with the other states to secure federal monies to subsidize the costs of construction of a mass transit system. There are currently 226 projects nationwide seeking to have their projects accepted for funding. Hawaii may be able to obtain half of the cost of the system paid with federal monies. However, there is a deadline of March 3, 2005, in the U.S. House of Representatives to pass out of the House Transportation and Infrastructure Committee a federal mass transit appropriations bill covering a six-year period, and a deadline of June 1, 2005 for a conference committee to act on the measure. Mr. Abercrombie is confident the Federal Transit Authority stands ready to include Hawaii in its list of favored mass transit projects if this measure is passed. The Honorable Congressman told your Committees, "You're doing something that will shape the future of urban Honolulu for the next 100 years."

The capital costs for a fixed rail system with an initial trunk line extending from Kapolei in West Oahu to Iwilei in the central business district was estimated in 2004 to be in excess of \$2 billion by the Department of Transportation. A portion of the costs is anticipated to be paid with federal funds. Your Committees find that a fixed rail mass transit system is not possible without additional dedicated funding from a county mass transit surcharge.

Your Committees further find that the apparent haphazard development of mass transit development and financing plans over the years is due to the fact that a solution to transportation problems on all islands has eluded the State for many years. Every attempt has fallen short, despite the best efforts of many informed and knowledgeable people, including a multitude of experts. Bigger highways, more buses, and ferries are inadequate over the long term to serve transportation needs, and are unsuitable for many areas of the largest county. In contrast, a fixed light rail system has possibilities but the costs are prohibitive without a heavy investment of revenues. Nevertheless, light rail is not suitable for every county.

Your Committees are reluctant to, in effect, provide for a raise in taxes. However, your Committees believe that there is no alternative if mass transit is to become a reality. The costs are simply prohibitive. The time is now, following fifteen years in the making, to decide to implement light rail or not. Your Committees find that the past unsuccessful attempts by the counties to levy an excise tax surcharge were due not to the lack of adequate planning, but rather to ambivalent attitudes of policymakers at that time. Testimony by the Mayor of the City and County of Honolulu and two Honolulu City Council members indicates that the time is now ripe for the city to pass such a measure.

Your Committees urge the counties to contemplate carefully if an excise tax ordinance is justified for their respective county. This entails adequate planning of a mass transit system suitable for the particular county. Your Committees urge the Department of Transportation to provide advice, insight, and expertise to assist the counties in making the right decisions in planning for mass transit. For example, Hawaii County could probably best be served by an efficient, timely, and integrated bus system within and between towns.

The intent of your Committees is to provide the counties with assistance in mass transit design and planning, and with construction financing ability. The Department of Transportation as well as the Honolulu Department of Transportation Services have assured you Committees that in fact they are working collaboratively to that end.

Your Committees have amended this measure by:

- (1) Adding a purpose section to provide a historic record of the legislative efforts in enacting a county mass transit tax, so that future generations will have information and a perspective of what has transpired in passing this landmark legislation; and
- (2) On the recommendation of the Department of Taxation, adding language that the use tax also applies to imported services and contracting.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1731, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1731, 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, 5 (Baker, English, Hee, Kanno, Kim).

SCRep. 77 Transportation and Government Operations on S.B. No. 1732

The purpose of this measure is to make an appropriation for a local flood warning system for Lake Wilson.

Testimony in opposition to this measure was received from the Department of Land and Natural Resources (DLNR).

The purpose of a flood warning system is to provide officials with advance information that can be translated into response actions to save lives. An adequate local flood warning system is comprised of community volunteers; rainfall, river, and other hydrologic gauges; a communications network; and a local flood coordinator responsible for issuing flood warnings. An adequate flood warning system would also increase public awareness of the threat of floods and improve public response to flood warnings.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1732 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, Hee, Kanno).

SCRep. 78 Transportation and Government Operations on S.B. No. 1887

The purpose of this measure is to make an appropriation for highway access improvement in Puna.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands, Hawaii County Public Works Department, State Council of Hawaiian Homestead Associations, a House of Representative member, and two individuals.

This measure would make improvements to the access road from Keaau-Pahoa Road (Highway 130) to the Maku'u Farmers Market. The farmers market is an excellent grass roots effort that is contributing to the economic sustainability of the Maku'u community and the larger Hilo/Puna area. This appropriation would ensure the safety and well being of vendors and consumers of the Market.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1887 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, Hee, Kanno).

SCRep. 79 (Joint/Majority) Media, Arts, Science and Technology and Tourism on S.B. No. 575

The purpose of this measure is to create a trust fund to be administered by the Hawaii Community Foundation and the King Kamehameha commissioners to fund the King Kamehameha parade and festivities.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs and Kamehameha Schools. Your Committees also received comments from the Department of Accounting and General Services.

Your Committees recognize the importance of preserving and commemorating the memory of King Kamehameha I and the Hawaiian culture. The King Kamehameha parade and festivities are long-standing traditions that are regular reminders of Hawaii's history, culture, and customs. Your Committees find that the King Kamehameha celebration is an important community event that honors the memory of King Kamehameha, and further find that the parade and festivities are revenue-generating events that contribute

significantly to Hawaii's economy. Your Committees believe that this measure will assure the perpetuation of the King Kamehameha celebrations.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 575 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, 1 (Slom). Excused, 4 (English, Espero, Hee, Ige).

SCRep. 80 (Joint) Media, Arts, Science and Technology and Tourism on S.B. No. 967

The purpose of this measure is to establish a Museum of Hawaiian Music and Dance Committee to determine the scope and role of such a museum in the community, the appropriate type of institution that should be established, the location, possible financing mechanisms, and an initial business plan.

Your Committees received testimony in support of this measure from the Hawaii Tourism Authority, the Hawaii State Foundation on Culture and the Arts, and the Waikiki Improvement Association. Your Committees also received comments from the Department of Business, Economic Development, and Tourism, and the Office of Hawaiian Affairs.

Your Committees find that Hawaiian music and dance are unique cultural assets, and that a museum dedicated to their history and memorabilia will preserve, celebrate, and perpetuate the Hawaiian culture. Your Committees further find that the Hawaiian culture and spirit of aloha are vital in distinguishing Hawaii from all other visitor destinations. Your Committees find that this measure will cultivate the information necessary to establish a Museum of Hawaiian Music and Dance.

Your Committees have amended this measure to designate the Executive Director of the Hawaii State Foundation on Culture and the Arts, or the Executive Director's designated representative, as chair of the Museum of Hawaiian Music and Dance Committee, and to include a provision that the Hawaii Tourism Authority shall provide administrative support to the committee.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 967, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 967, 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, Hee, Ige).

SCRep. 81 Commerce, Consumer Protection and Housing on S.B. No. 1132

The purpose of this measure is to recodify the condominium laws governing the creation, alteration, and termination of condominium property regimes, the registration and administration of condominium projects, and protections for the purchasers of condominiums.

Testimony in support of this measure was received from the Real Estate Commission, Hawaii Association of Realtors, Community Associations Institute-Hawaii Chapter, and an individual. The Hawaii Bankers Association opposed the measure. The Hawaii Credit Union League submitted comments on the measure.

This measure represents a completion of the process of recodifying the State's condominium law, as authorized by Act 213, Session Laws of Hawaii 2003, that commenced with the enactment of Act 164, Session Laws of Hawaii 2004 (Act 164). Act 164 recodified the laws pertaining to condominium management and governance, and reserved for future enactment the provisions relating to the creation, alteration, and termination of condominium property regimes, the registration and administration of condominium projects, and protections for purchasers of condominiums. This measure proposes provisions relating to the latter, and among other things:

- (1) Establishes different disclosure requirements for different types of condominium projects, including converted projects and projects built on agricultural lands;
- (2) Simplifies the requirements and procedures relating to the developer's public report;
- (3) Enhances consumer protection for purchasers of condominiums by requiring developers to meet certain requirements before using purchasers' funds, requiring the developer's public report to inform purchasers that their funds may be used to pay for project costs prior to project completion, and by permitting purchasers to cancel a contract if the developer fails to complete construction by the specified completion date;
- (4) Clarifies a purchaser's rights with respect to cancellation and rescission of the sales contract; and
- (5) Clarifies the duties and jurisdiction of the Real Estate Commission.

Additionally, this measure repeals the July 1, 2005 effective date for the provisions relating to condominium management and governance enacted in Act 164, and provides for the new condominium laws, in their entirety, to take effect on July 1, 2006. In order to support informational and educational activities related to the new laws, this measure appropriates moneys from the Condominium Education Trust Fund.

Your Committee has amended this measure:

- (1) By deleting the amendments to section -149, Hawaii Revised Statutes, that would have:
 - (a) Authorized condominium associations to deposit funds into financial institutions that lack a presence in this State; and
 - (b) Required financial institutions holding association funds to maintain certain ratings under the Community Investment Act and Moody's Investors Service; and
- (2) To provide that existing administrative rules establishing fees continue to remain in effect after the repeal of chapter 514A, Hawaii Revised Statutes, pending the adoption of new rules under the new statutory chapter governing condominiums.

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. 1132, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1132, 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 (Hogue).

SCRep. 82 Commerce, Consumer Protection and Housing on S.B. No. 1117

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist electric utilities with the financing of capital improvement projects.

The Department of Commerce and Consumer Affairs, Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc., testified in support of this measure.

This measure authorizes the issuance of special purpose revenue bonds (SPRBs) to assist Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc. with multi-project capital improvement construction programs for the furnishing of electric energy in this State.

Your Committee finds that the use of proceeds from the sale of tax-exempt SPRBs will enable the electric utilities to lower their financing costs, resulting in a savings of approximately \$250,000 for every \$1,000,000 of bonds sold, over the thirty-year life of the bond, or an overall savings of \$40,000,000 for \$160,000,000 of bonds over the thirty-year period. These savings will allow the electric utilities to make necessary upgrades and improvements to facilities and infrastructure while mitigating the financial impact on ratepayers.

Additionally, because the proposed projects cost at least \$2,500,000, the utilities will be required to obtain the approval of the Public Utilities Commission (PUC) to commit funding. This review process, which also involves the Consumer Advocate, will help to ensure that the proceeds from the state-issued bonds are utilized in a manner that furthers the public interest.

Your Committee has amended this measure to:

- (1) Specify the amount of the bond authorization for each electric utility;
- (2) Clarify that PUC approval is required for the projects financed by this bond issuance;
- (3) Reflect the correct lapsing date of the authorization in section 4 relating to refunding SPRBs; and
- (4) Reflect an effective date of July 1, 2005.

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. 1117, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1117, 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 (Hogue).

SCRep. 83 Commerce, Consumer Protection and Housing on S.B. No. 1345

The purpose of this measure is to remove limitations on the types of issues that may be adjudicated in an administrative hearing involving condominium disputes.

The Department of Commerce and Consumer Affairs (DCCA), Hawaii Independent Condominium and Cooperative Owners, and Community Associations Institute-Hawaii Chapter testified in support of this measure.

Act 164, Session Laws of Hawaii 2004 (Act 164), established the Condominium Dispute Resolution Pilot Program, a two-year program that allows certain condominium governance disputes unresolved by mediation to be heard by DCCA's Office of

Administrative Hearings. Based on concerns that the number of requests for an administrative hearing on condominium disputes would tax the resources of DCCA, Act 164 established a thirty hearing-per-fiscal year limit on hearing requests, and restricted the types of governance issues that could be adjudicated at hearing.

Your Committee finds that, to date, there have been no requests for hearings filed with the pilot program; therefore, limits imposed on the types of disputes that may be administratively adjudicated should be removed so as to afford condominium owners and associations greater access to the hearings process. Accordingly, this measure repeals the issue-related limitations and allows an administrative hearings officer in the pilot program to consider any matter that was in dispute in the mediation that preceded the hearing. Your Committee notes that the thirty hearings-per-fiscal year limit continues to be in effect and will preclude the program from becoming overwhelmed with hearing requests.

Your Committee has amended this measure by deleting unnecessary amendments to Act 164 that duplicate the provisions of section 514A-121.5, Hawaii Revised Statutes, and by deleting the conditional effective date provisions.

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. 1345, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1345, 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 (Hogue).

SCRep. 84 Commerce, Consumer Protection and Housing on S.B. No. 1347

The purpose of this measure is to authorize a foreclosure sale by the tax collector on real property for which a lien has existed for eighteen months or on which fines exceeding \$25,000 are owed due to egregious zoning or building code violations involving the real property.

The Department of Planning and Permitting of the City and County of Honolulu testified in support of this measure.

Presently, the law authorizes the tax collector to foreclose upon and sell at public auction to the highest bidder real property upon which any lien has existed for three years. This measure shortens that time period to eighteen months and additionally authorizes a foreclosure sale for real property on which is owed more than \$25,000 in fines for egregious zoning or building code violations. Your Committee finds that this measure further clarifies the counties' authority to foreclose upon real properties encumbered by liens.

Your Committee has amended this measure for the purpose of clarity.

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. 1347, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1347, 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 (Hogue).

SCRep. 85 Commerce, Consumer Protection and Housing on S.B. No. 1778

The purpose of this measure is to require the expeditious investigation of complaints of unlicensed contracting and the issuance of a citation for unlicensed contracting that includes an order of abatement.

The Hawaii Building and Construction Trades Council and Ironworkers Stabilization Fund testified in support of this measure. The Department of Commerce and Consumer Affairs opposed the measure.

Your Committee finds that the expeditious investigation by RICO of unlicensed contracting is necessary to abate the unlicensed activity and to protect consumers and the public. Your Committee received testimony regarding one case in which RICO issued its formal determination in favor of the complainant one year after the filing of the complaint, by which time the work performed by the unlicensed individual had been completed. This measure proposes to address this issue by requiring RICO to conduct an investigation of a complaint of unlicensed contracting within five working days of the complaint's receipt.

Additionally, this measure requires an investigator who determines that a person has engaged in unlicensed contracting to issue that person a citation that includes an order of abatement; currently, the law permits, but does not require these actions. Your Committee further finds that in some instances of unlicensed activity, extenuating circumstances mitigate against the issuance of a citation, as in the case of a formerly licensed contractor who has inadvertently fallen out of compliance with the licensing requirements, and therefore, that RICO should continue to retain discretion in these matters.

Accordingly, your Committee has amended this measure by deleting language that would have required RICO investigators to issue citations in all cases in which there was a finding of unlicensed contracting activity and to issue an order of abatement with each citation.

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. 1778, as amended herein, and recommends

that it pass Second Reading in the form attached hereto as S.B. No. 1778, 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 (Ige, Sakamoto).

SCRep. 86 Commerce, Consumer Protection and Housing on S.B. No. 1412

The purpose of this measure is to exempt unclaimed property held by an electric utility cooperative association from the laws governing the disposition of unclaimed property.

The Department of Budget and Finance and Kauai Island Utility Cooperative testified in support of this measure.

Electric utility cooperative associations are nonprofit entities formed to provide essential electric services to their members. Without the need to generate profits and pay shareholder dividends, these cooperatives are able to reinvest "margins" (akin to profits realized by for-profit entities) by allocating them to their members as capital credit contributions, and may also return moneys to its members as patronage capital refunds.

Under current law, unclaimed patronage capital refunds and other unclaimed property held by an electric utility cooperative association are required to be relinquished to the State under the unclaimed property laws, making these moneys unavailable for use by the cooperative for the general welfare of its members.

This measure would enable electric cooperatives to retain and utilize unclaimed funds to further the interests of their members and the larger community by exempting unclaimed property held by the cooperatives from the unclaimed property laws. The cooperative would be required to file an annual report with the Director of Finance listing all unclaimed property in its possession, establish a nonprofit corporation to receive non-escheat patronage refunds (patronage capital refunds unclaimed for five years), and use the moneys held by the nonprofit corporation for charitable and educational purposes.

Your Committee finds that twenty-five states have enacted similar laws and that this measure would enable an electric utility cooperative association to retain the use of its members' moneys for the benefit of the cooperative and the community it serves.

Your Committee has amended this measure:

- (1) To clarify that an electric utility cooperative association shall remain responsible for the payment of all claims for unclaimed property reported to the Director of Finance; and
- (2) By making technical, nonsubstantive amendments for the purposes of clarity and 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 S.B. No. 1412, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1412, 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 (Hogue).

SCRep. 87 Energy, Environment, and International Affairs on S.B. No. 1262

The purpose of this measure is to require that an environmental impact statement be performed for ocean resources and state parks in the area between Kalaeloa and Kaena point on the island of Oahu, and to appropriate funds for that purpose.

Testimony in support of the measure was received from the Waianae Coast Neighborhood Board, the Wild Dolphin Foundation, the Life of the Land, and four individuals. Testimony in opposition to the measure was submitted by the Board of Land and Natural Resources.

Your Committee finds that a comprehensive study and inventory of nearshore and shoreline resources along the Waianae coast is necessary to help determine present and future actions to preserve the environmental and natural integrity of the area while accommodating those who use and enjoy these resources. While your Committee acknowledges current efforts to resolve nearshore user conflicts along the Waianae Coast, it believes a more comprehensive planning tool is needed to address the long-term future of the area.

Your Committee has amended this measure by designating the document to be produced as a baseline study that shall include information that is found in an environmental impact statement (EIS). Thus, the document will not be subject to the steps in an EIS review process under chapter 343, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1262, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1262, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 88 Energy, Environment, and International Affairs on S.B. No. 1003

The purpose of this measure is to remove the limit on allowable customer-generator generating capacity under the net energy metering law, and to incrementally increase the percentage of the total energy generating capacity of an electric utility produced by eligible customer-generators.

Testimony supporting the measure was received from the Hawaii Renewable Energy Alliance and PowerLight Corporation. The Department of Commerce and Consumer Affairs and Hawaiian Electric Company submitted testimony in support of the measure but believed that it would be premature to amend the current net energy metering law at this time. The Public Utilities Commission and the Department of Business, Economic Development, and Tourism submitted comments.

Your Committee finds that the net energy metering program, which provides incentives to those who produce renewable energy fed into the power grid, needs to be further encouraged by making it easier for a customer-generator to participate in the program. In addition, your Committee believes that incremental increases in the percentage of an electric utility's generating capacity produced by customer-generators will provide a fair standard to follow while providing predictability to electric utilities for planning and implementation purposes.

Your Committee has amended this measure by amending the definition of "net energy metering" to change the billing period from a monthly to an annual basis.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1003, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1003, 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, none.

SCRep. 89 Energy, Environment, and International Affairs on S.B. No. 1556

The purpose of this measure is to enable the formation of cooperatives for the purpose of generating electricity from renewable energy resources to be sold to its membership, and to authorize the issuance of revenue bonds to finance the costs associated with electrical generation for cooperatives.

Testimony in support of the measure was received from the Public Utilities Commission, Life of the Land, and PowerLight Corporation. Testimony supporting the intent of the measure and providing comments was received from the Department of Commerce and Consumer Affairs and the Hawaii Renewable Energy Alliance.

Your Committee finds that laws enabling renewable energy cooperatives will provide a vehicle for citizens to help reduce energy dependency and contribute to a cleaner environment while enjoying the economic efficiency that a cooperative would bring.

Your Committee has amended this measure by substituting language to make the nonprofit corporation laws of the State apply to a renewable energy cooperative unless otherwise addressed in the measure. Your Committee believes this will clear up what type of corporation law applies, as the measure classifies the cooperative as a nonprofit corporation. Your Committee has also made a technical, nonsubstantive amendment to provide clarity.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs 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 Commerce, Consumer Protection, and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 90 (Majority) Labor on S.B. No. 294

The purpose of this measure is to amend the law relating to employment.

Your Committee finds that although the minimum wage amount recently increased effective 2003, this increase has failed to keep pace with the escalating rate of inflation. A further increase is necessary in order to provide entry-level workers with adequate wages and increase their purchasing power. Furthermore, automatic annual adjustments are necessary to ensure that the amount remains in line with the current economic situation.

Additionally, your Committee finds that although Hawaii is fortunate to enjoy one of the lowest unemployment rates in the country, unemployment insurance tax relief is long overdue for employers within the State as well. Therefore, your Committee determines that at least temporary tax relief for calendar years 2005, 2006, and 2007 should be provided in order to promote business growth and economic prosperity through the creation of new jobs, the expansion of benefits, and the provision of pay increases to employees.

Accordingly, your Committee has amended this measure by replacing its contents with language that increases the minimum wage amount to \$7 beginning July 1, 2005, providing for an annual automatic increase thereafter, and providing temporary tax relief to employers by lowering the maximum taxable wage base for calendar years 2005 through 2007.

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. 294, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 294, S.D. 1, and be recommitted to the Committee on Labor, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 91 Transportation and Government Operations on S.B. No. 48

The purpose of this measure is to require persons under the age of eighteen years to wear a safety helmet while operating a moped and wear a bicycle helmet while operating a bicycle.

Your Committee received testimony in support of this measure from the Department of Health, Department of Transportation, Honolulu Police Department, Brain Injury Association of Hawaii, Keiki Injury Prevention Coalition, one State Representative, and one individual. Testimony in opposition was received from one individual.

Current law does not require a safety helmet to be worn by persons under age sixteen while operating a moped, or a bicycle helmet while operating a bicycle. This measure raises the age to eighteen.

Your Committee finds that unhelmeted bicycle and moped riders are at risk for head injury, the most common cause of death and serious disability in bicycle and moped crashes. Head injuries can produce effects which are profound, disabling, long-lasting, and extremely costly.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 48 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 (Hee, Kanno, Whalen).

SCRep. 92 Transportation and Government Operations on S.B. No. 427

The purpose of this measure is to require the use of child safety seats or booster seats for children over four years old but less than eight years old, and under certain weight and height minimums.

Your Committee received testimony in support of this measure from the Department of Transportation, Department of Health, Honolulu Police Department (HPD), Maui Police Department, Mothers Against Drunk Driving, Waianae Coast Comprehensive Health Center, Keiki Injury Prevention Center, State Farm Mutual Automobile Insurance Company, and two individuals.

Current law does not require a child under four years of age to be restrained in a child passenger restraint system. This measure raises the age to under eight years of age and adds a booster seat as an alternative. This measure also provides an exemption for children over four feet and nine inches in height, or traveling in a motor vehicle equipped only with lap belts in the rear seat and without shoulder straps, in which case a child over forty pounds is exempt from the booster seat requirement.

The proper use of child passenger restraints is the most important factor in preventing death and disability in a car crash. Although it is currently legal for children over the age of four to be restrained only with seat belts, this practice exposes children to an increased risk of serious or even fatal injury. Seat belts were designed for older children and adults, not for children under eight years old whose size and physical development make seat belts less effective, and in some cases, unsafe.

Your Committee has amended this measure on the recommendation of the HPD by deleting the weight exemption of over eighty pounds.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 427, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 427, 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 (Hee, Kanno, Whalen).

SCRep. 93 Transportation and Government Operations on S.B. No. 428

The purpose of this measure is to establish a three-stage driver's licensing program for persons under the age of eighteen.

Your Committee received testimony in support of this measure from the Department of Transportation (DOT), Department of Health, Honolulu Police Department, Honolulu Prosecuting Attorney, State Farm Mutual Automobile Insurance Company, Mothers

Against Drunk Driving-Hawaii, Keiki Injury Prevention Coalition, Hawaii Insurers Council, Motor Vehicle Crash Reduction Group, and two individuals. Testimony in opposition was received from the Public Defender.

Your Committee finds that teenage drivers are disproportionately involved in crashes, including fatal crashes. There are several reasons for this. They are inexperienced new drivers, and are more likely to engage in risky behaviors such as speeding and racing, particularly in the company of their peers. They are also more likely to become distracted and inattentive while driving.

Your Committee believes that provisional licenses will help to reduce crashes and the resulting injuries and deaths. Teen drivers will be given more driving supervision and driving practice before becoming fully licensed. According to testimony of the Keiki Injury Prevention Coalition, states with a graduated licensing system have reported a significant reduction in fatalities and driving convictions. States that have night time driving restrictions as part of graduated licensing have had reductions in fatalities of up to fifty-three percent (Wisconsin) and in all crashes of up to twenty-five percent (North Carolina) involving teen drivers.

The National Highway Traffic Safety Administration encourages states to implement a graduated driver licensing system. Easing young drivers onto the roadways by controlling their exposure to progressively more difficult driving experiences can reduce the incidence of traffic crashes involving young drivers.

Your Committee has amended this measure by replacing it with S.B. No. 849, a similar measure, on the recommendation of the DOT.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 428, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 428, 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 (Hee, Kanno, Whalen).

SCRep. 94 Transportation and Government Operations on S.B. No. 453

The purpose of this measure is to authorize the Ombudsman or an authorized representative to obtain state tax returns and return information in connection with the official duties of the Ombudsman.

Your Committee received testimony in support of this measure from the Office of the Ombudsman. Comments were received from the Department of Taxation.

The legislature created the Office of the Ombudsman to provide citizens a readily accessible, effective, and knowledgeable “watchdog” of government. In order for the Ombudsman to perform its duties, the law provides that the Ombudsman may make inquiries and obtain relevant information as the Ombudsman deems fit. This measure is in furtherance of those powers.

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

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 453, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 453, 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 (Hee, Kanno, Whalen).

SCRep. 95 Transportation and Government Operations on S.B. No. 614

The purpose of this measure is to limit the period of time for which a prior traffic conviction may be considered for enhancing the penalties for subsequent convictions.

Your Committee received testimony in support of this measure from the Department of Transportation and the Judiciary.

Your Committee finds that the three statutory provisions amended by this measure do not specify a timeline of prior convictions for imposition of increased penalties for later convictions. This is problematic for sentencing purposes. This measure would clear up that uncertainty.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 614 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Whalen).

SCRep. 96 Transportation and Government Operations on S.B. No. 844

The purpose of this measure is to require new vehicles to be safety inspected on or before their initial retail sale or lease from dealer to consumer, and inspected annually two years thereafter.

Your Committee received testimony in support of this measure from the Department of Transportation (DOT), Honolulu Department of Customer Services, and Hawaii Automobile Dealers Association.

According to the DOT, this measure would conform the law to the current practices that were implemented after 2002 when the two-year period for the initial safety inspection was enacted. DOT has worked with county motor vehicle departments and automobile dealers to clarify and simplify the system. This measure is the outgrowth of that administrative effort.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of style and clarity.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 844, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 844, 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 (Hee, Kanno, Whalen).

SCRep. 97 Transportation and Government Operations on S.B. No. 1040

The purpose of this measure is to allow a lessor of rental vehicles the option of registering a new motor vehicle for two years instead of one, and if the vehicle is transferred by the lessor within two years, to take a credit on the registration against future registrations.

Your Committee received testimony in support of this measure from Catrala. Testimony in opposition was received from the Honolulu Department of Customer Services.

Your Committee recognizes that this measure would ease the burden on the motor vehicle rental industry to re-register a new vehicle at the end of the first year of registration when those vehicles remain in service for about two years. However, testimony of the City and County of Honolulu indicates that this measure would require a major rewrite of their current computer system for motor vehicles. The additional costs of equipment would be about \$105,000 and of hiring a consultant would be about \$250,000. Therefore, your Committee is not satisfied at this time that this measure is feasible from a practical and financial standpoint.

Your Committee has amended this measure to insert an effective date of July 1, 2050, to continue discussions and consideration on a feasible plan of implementation.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1040, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1040, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Whalen).

SCRep. 98 Transportation and Government Operations on S.B. No. 1224

The purpose of this measure is to provide immunity from civil liability for trained installers and inspectors of automobile child restraint devices.

Your Committee received testimony in support of this measure from the Department of Transportation (DOT), Department of Health, Maui Police Department, Keiki Injury Prevention Coalition, and State Farm Mutual Automobile Association. Testimony in opposition was received from the Consumer Lawyers of Hawaii.

According to testimony of the DOT, an estimated ninety-five percent of all child safety seats in use today are installed incorrectly. In most cases, parents are not aware that they are installing the seats improperly. Parents and caregivers can benefit from education and direct assistance from trained individuals to install the seats properly. Providing immunity from liability for certified car seat technicians will encourage more individuals to become trained technicians and volunteer at free car seat checkups in the community which is increasingly in demand. This in turn will help a number of parents and caregivers properly meet the requirements of Hawaii's child passenger restraint law.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1224 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 (Hee, Kanno, Whalen).

SCRep. 99 Transportation and Government Operations on S.B. No. 1240

The purpose of this measure is to prohibit persons eighteen years of age or younger from riding in the bed or load carrying area of a pickup truck.

Your Committee received testimony in support of this measure from the Department of Health, Honolulu Police Department, Maui Police Department, Keiki Injury Prevention Coalition, and State Farm Mutual Automobile Insurance Company. Testimony in opposition was received from the Public Defender.

Current law prohibits persons age twelve and under from riding in pickup beds. This measure raises that age to eighteen.

Your Committee believes that all passengers riding in the bed of a pickup truck are at increased risk of death and serious injury. In Hawaii, statistics indicate that in the five year period of 1999 through 2003, minors represented a significant proportion of injuries and fatalities resulting from riding in the bed of a pickup.

Truck beds were designed to carry cargo, not passengers, and there is no safety standard for securing passengers in the bed of pickups. Therefore, the most effective means of preventing injury and death is to prohibit riding in the bed altogether.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1240 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 (Hee, Kanno, Whalen).

SCRep. 100 Transportation and Government Operations on S.B. No. 591

The purpose of this measure is to repeal the penalties provided in section 291C-13, Hawaii Revised Statutes (HRS), relating to accidents involving damage to vehicle or property, because penalties for that chapter are already provided under section 291C-161, HRS.

Your Committee received testimony in support of this measure from the Honolulu Prosecuting Attorney (prosecutor) and Honolulu Police Department.

According to testimony of the prosecutor, two different penalties are provided for violation of section 291C-13, HRS. One penalty is within that section and a different penalty is contained in section 291C-161, HRS. Since the latter section was enacted later it should be controlling, and the former section should have had the penalty provision repealed at that time. This measure corrects that oversight.

Your Committee has amended this measure upon recommendation by the prosecutor, by adding a similar amendment for the same reasons to section 291C-18, HRS, relating to false reporting.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 591, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 591, 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 (Hee, Kanno, Whalen).

SCRep. 101 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on S.B. No. 1587

The purpose of this measure is to make appropriations to the Department of Agriculture as follows:

- (1) \$200,000 for planning and construction of the Honomalino irrigation system in Kona; and
- (2) \$500,000 to the Department of Agriculture to prepare an agricultural water use and development plan (AWUDP).

Your Committees received testimony in support of this measure from the Department of Agriculture, Commission on Water Resource Management, Hawaii Farm Bureau, and Honomalino Irrigation Cooperative.

The funding for the Honomalino irrigation system is intended to complete the development of the system, and the funding for the AWUDP is to complete the AWUDP in order to protect future agricultural water requirements.

The AWUDP is in its third edition, which is valuable, but still does not address the future needs of the growing diversified agricultural community. The AWUDP is intended to be a living document with regulated updates. When completed, the AWUDP will be submitted to the Board of Agriculture for approval by the Commission on Water Resource Management for inclusion in the state water plan.

The Honomalino irrigation system is a federally sponsored project, currently in the planning stage. When combined with federal funds, this appropriation would allow the completion of the watershed plan and environmental impact statement. A completed preliminary study has shown a positive cost-benefit ratio.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1587 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, 3 (Fukunaga, Inouye, Nishihara).

SCRep. 102 Health on S.B. No. 469

The purpose of this measure is to establish an income tax credit to be applied to the repayment of loans to attend medical school granted to a physician who practices after training in medically underserved areas of the State.

The University of Hawai'i System, Hawaii Medical Association, Healthcare Association of Hawaii, American College of Obstetricians and Gynecologists, and Hawai'i Psychological Association submitted testimony in support of this measure. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

Your Committee finds that there is a serious crisis in the provision of medical services in the medically underserved areas of the State, particularly in the rural areas. Incentives need to be extended to medical students to practice after graduation in those areas. Some medical students finance their education with substantial student loans, often amounting to \$90,000. An ideal incentive for these students to practice in the medically underserved areas is for student loans to be repaid from income tax credits allowed to the loan recipient, on the condition that the doctor practices in those areas and serve patients that are Medicaid, QUEST, or SCHIP recipients.

Upon further consideration, your Committee has amended this measure by adding an income tax credit to the repayment of loans to attend dental school granted to a dentist who practices after training in dentally underserved areas of the State, and by increasing the percentage of total income the taxpayer must derive from Medicaid, QUEST, or SCHIP reimbursement.

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. 469, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 469, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 103 Health on S.B. No. 1230

The purpose of this measure is to extend the sunset date to enable the Insurance Commissioner to continue to monitor the solvency of dental service organizations and dental service corporations.

The Insurance Commissioner submitted testimony in support of this measure.

Your Committee finds that this measure will enable the Insurance Commissioner to continue 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 policyholders and providers.

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. 1230 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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 104 Health on S.B. No. 861

The purpose of this measure is to make an appropriation for sexual assault services.

The Honolulu Department of the Prosecuting Attorney, Child & Family Services, The Sex Abuse Treatment Center, the YWCA of Hawaii Island, the YWCA of Kauai, and one individual submitted testimony in support of this measure. The Department of Health submitted testimony in opposition.

Your Committee finds that the state general funds appropriation level for the delivery of sexual assault services has not changed since 1996. Repeated requests have been made to increase the base general fund level in the Department of Health operating budget for sexual assault services. Since 1998, no increase has come through. Therefore, the sexual assault providers have had to seek and receive additional funds to deliver 24/7 crisis, counseling, and prevention/education services. While this funding strategy helped to maintain some services, it has taken its toll on the infrastructure of the sexual assault programs, and a toll on the overall scope of services delivered.

Your Committee notes that support, including counseling and advocacy, not only benefits individual victims, but also their families. Victims receiving appropriate and timely services are more likely to report their assault to the police, thus improving the chances that perpetrators are identified and successfully prosecuted. This in turn provides greater safety for all by increasing the chances that dangerous and repeat sex offenders are adequately controlled through incarceration or intensive probation.

Your Committee finds that it is difficult for agencies such as The Sex Abuse Treatment Center to conduct planning based on year to year funding and that the Department of Health should determine a way to contract for and fund these services on a multi-year basis.

Your Committee requests that the Committee on Ways and Means consider including an annual increase of \$300,000 into the base general fund level for sex assault services.

Your Committee has amended this measure by including language to reflect that the appropriation should be used for sexual assault direct services throughout Hawaii.

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. 861, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 861, 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 (Hanabusa, Whalen).

SCRep. 105 Health on S.B. No. 1227

The purpose of this measure is to appropriate funds to the Department of Health for food, housing, and transportation assistance for HIV/AIDS patients.

Save the FoodBasket, Inc., Life Foundation; Hepatitis Prevention, Education, Treatment, and Support Network of Hawaii; and twelve individuals submitted testimony in support of this measure. The Department of Health submitted testimony in opposition.

Your Committee finds that federal funding through the Ryan White Comprehensive AIDS Resources Emergency (CARE) Act reaches over five hundred thousand individuals each year, making it the federal government's largest program for people living with HIV disease. However, the federal CARE priorities have changed in recent years, leaving many HIV/AIDS patients in Hawaii without adequate food, housing, and transportation services. Programs such as FoodBasket that provide quality, essential nutrition (fresh fruits, produce, dairy, and protein) for people living with HIV, and Gregory House, which provides rent subsidies, are in jeopardy. While people with HIV/AIDS are living longer, many are unable to return to work due to their health and the debilitating side effects of treatment. People living with HIV/AIDS need up to two times the amount of protein and calories in order for them to prevent malnutrition, wasting syndrome, and opportunistic infections. Families and individuals that lose their existing rental subsidies face the risk of homelessness. If homeless, HIV/AIDS patients face additional challenges because many of the related medications need to be refrigerated and taken with food as much as three times a day. An appropriation is needed to ensure that eligible HIV/AIDS patients obtain critical food, housing, and transportation assistance, and that related programs such as FoodBasket and Gregory House will continue.

Upon further consideration, your Committee has amended this measure by changing the findings and purpose section to more accurately reflect a change in the federal CARE priorities and not a decrease in the funding; and by changing the appropriation section to reflect that the funding is for critical food, housing, and transportation assistance to eligible HIV/AIDS patients that is no longer provided for by the CARE Act, and to ensure that related programs such as FoodBasket and Gregory House continue.

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. 1227, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1227, 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 (Hanabusa, Whalen).

SCRep. 106 (Majority) Human Services on S.B. No. 560

The purpose of this measure is to appropriate funds to the Executive Office on Aging to expand kupuna care, sageplus, project reach, and caregiver support services.

Your Committee received testimony in support of the measure from the ILWU Local 142, Kokua Council, Lanakila Rehabilitation Center, Policy Advisory Board for Elder Affairs and two individuals.

Your Committee finds that the rapidly growing elderly population urgently needs more programs and services which requires additional personnel and fiscal resources. Your Committee believes that this measure will provide needed funding for services to and programs for the elderly, particularly home and community-based care for frail, vulnerable older adults.

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. 560 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, 1 (Kokubun).

SCRep. 107 Human Services on S.B. No. 561

The purpose of this measure is to coordinate and develop family caregiver support services statewide by authorizing the executive office on aging to establish a family caregiver services coordinator.

Your Committee received testimony in support of the measure from the American Association of Retired People Hawaii, ILWU Local 142, Kokua Council, Policy Advisory Board for Elder Affairs, and one individual.

Your Committee finds that families, not institutions, are the primary providers of long-term care for older adults in Hawaii. The Executive Office on Aging is responsible for Hawaii's long-term care strategy, and needs to establish a family caregiver services coordinator to coordinate a comprehensive, statewide system of caregiver support services. Your Committee believes that this measure will help ensure that older adults remain at home with their families, both as a matter of values and as a matter of economics to control long-term care costs, particularly for institutional care.

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. 561 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. 108 Human Services on S.B. No. 826

The purpose of this measure is to clarify that the Department of Public Safety deputy sheriffs and narcotics enforcement officers and Department of the Attorney General investigators, in addition to police officers, shall report child abuse cases and be conferred with the authority to take the child victim into protective custody.

Your Committee received testimony in support of the measure from the Department of Human Services and the Department of Public Safety.

Your Committee finds that the Department of Public Safety deputy sheriffs and narcotics enforcement officers and Department of the Attorney General investigators have occasion to witness child abuse in the course of their work. Under current law, these law enforcement officers are not specifically named as mandated reporters, and lack authority to assume protective custody of the child. Thus, your Committee finds that the safety and welfare of the child would be protected if these enforcement officers and investigators were conferred with the same statutory authority as exists for county police officers in child abuse cases.

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. 826 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, 1 (Kokubun).

SCRep. 109 Human Services on S.B. No. 1021

The purpose of this measure is to establish a three-year service credit exchange pilot project within the Executive Office on Aging, and appropriate funds for training programs and operations.

Testimony in support of this measure was submitted by the Policy Advisory Board for Elder Affairs, Project Dana, the Waikiki Community Center, and one individual.

Your Committee finds that with limited funds, government alone cannot meet all the needs of Hawaii's communities and its citizens, especially in a state that faces an increasingly aging population. The State is in need of alternative measures to balance costly social service programs. Under a system of service credit exchange, exchange members provide needed services to other members while earning service credit exchanges at the rate of one credit per hour spent in service, to be used for future purchases of services from fellow exchange members for themselves or donated to others. Thus, your Committee believes that the use of service credit exchanges in Hawaii can facilitate the provision of social services to those in need while minimizing the use of tax dollars, promoting volunteerism, and strengthening and empowering our communities.

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. 1021 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. 110 (Majority) Human Services on S.B. No. 1022

The purpose of this measure is to require medical assistance programs, including Medicaid and QUEST, to provide chiropractic services.

Testimony in support of this measure was submitted by the American Chiropractic Association, the Hawaii State Chiropractic Association, and six individuals. Comments were also received by the Department of Human Services.

Your Committee finds that chiropractic is the largest non-allopathic healthcare provider in the United States, and is part of most other state and federal health plans that serve the medical assistance population group. If chiropractic services are provided to treat patients, the patients must pay for them out-of-pocket. However, patients whose medical coverage is provided through Medicaid or QUEST are often the least able to afford out-of-pocket expenses for their health care. Your Committee believes that reimbursement for chiropractic services will provide an alternative treatment option for patients covered under medical assistance programs.

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. 1022 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, 1 (Kokubun).

SCRep. 111 Human Services on S.B. No. 1103

The purpose of this measure is to appropriate funds for the personal care program at Hale Mahaolu.

Testimony in support of this measure was submitted by Hale Mahaolu and two Maui County Council members. Comments were submitted by the Department of the Attorney General and the Department of Human Services.

Your Committee finds that providing personal care services to Maui County's disabled and/or chronically ill adults enables them to maintain an independent lifestyle in their own homes, and prevents premature or unnecessary institutionalization. While the need for personal care services has increased, program funds have been reduced. Thus, your Committee believes that providing services to these clients to allow them to maintain an independent lifestyle in their own homes reduces costs of long term care for families, communities and government.

Your Committee adopted the amendment suggested by the Department of the Attorney General to refer to the appropriation as a grant rather than a grant-in-aid, consistent with the terminology used in chapter 42F, Hawaii Revised Statutes.

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. 1103, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1103, 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 (Hooser, Kokubun).

SCRep. 112 Human Services on S.B. No. 1202

The purpose of this measure is to make appropriations from emergency budget and reserve fund for senior centers of the Lanakila Multi-Purpose Senior Center, Moiliili Community Center, and Waikiki Community Center.

Testimony in support of this measure was submitted by the Executive Office on Aging, Catholic Charities Hawaii, Hawaii Catholic Conference, Moiliili Community Center, Policy Advisory Board for Elder Affairs, the Waikiki Community Center, and thirty-nine individuals.

Your Committee finds that senior centers are community based focal points where older adults receive recreation, education, and social services that promote wellness and help prevent premature institutionalization. These centers provide activities such as exercise, meals, health promotion, counseling, and clubs, to name a few. Thus, your Committee believes that because many elderly Hawaii residents find these facilities crucial to their overall health and well-being, funding will enable the centers to continue operating and providing a wide range of 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. 1202 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 (Hooser, Kokubun).

SCRep. 113 (Majority) Human Services on S.B. No. 1213

The purpose of this measure is to appropriate funds to increase the level of care payments for types I and II adult residential care homes.

Testimony in support of this measure was submitted by the Department of Human Services and the Hawaii Coalition of Care Home Administrators.

Your Committee finds that the current level of payments by the State to types I and II adult residential care homes has not kept pace with the increase in the cost of living. Your Committee finds that these homes provide an important service, both to individuals served and the community at large, by offering a less expensive long-term care alternative that delays institutional placement for seniors and the disabled. However, relevant federal and state rules and regulations call for strict requirements, which are costly, as well as an

increase in costs related to insurance and personnel without a corresponding increase in payments. Thus, your Committee believes that an increase in the payments to adult residential care homes is essential so that operators can continue to afford to care for the elderly and disabled.

Your Committee recommends that the Department of Human Services continues exploring ways to finance this measure.

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. 1213 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, 1 (Kokubun).

SCRep. 114 (Majority) Human Services on S.B. No. 1208

The purpose of this measure is to establish the At-Home Infant Child Care Program.

Testimony in support of this measure was submitted by the Good Beginnings Alliance, Hawaii Association for the Education of Young Children, and PATCH. Testimony in opposition to this measure was submitted by the Department of Human Services.

Your Committee finds that numerous studies document a shortage of infant child care nationwide and in Hawaii. It is increasingly more difficult for low-income parents to attain affordable child care that meets basic needs and safety standards. Furthermore, the cost of quality child care is steadily increasing, making it more difficult for low-income families to afford infant care. Early childhood is a critical time for parent and child to develop bonds and establish learning patterns. Thus, your Committee believes that the At-Home Infant Child Care Program is an investment in the well-being of Hawaii's keiki.

Your Committee amended this measure by eliminating language that would limit a family's access to this program because of caring for any other children in the family, time in the program, or maximum assistance received.

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. 1208, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1208, 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, 2 (Hooser, Kokubun).

SCRep. 115 (Majority) Human Services on S.B. No. 1519

The purpose of this measure is to increase the rate of payment to foster care home providers.

Testimony in support of this measure was submitted by the Adult Foster Home Association of Hawaii and one individual. Testimony in opposition to this measure was submitted by the Department of Human Services.

Your Committee finds that the cost of operating foster care homes has increased. In addition to the doubling of malpractice and liability insurance costs and escalating rental costs, foster care home providers have been required by new case management policies, instituted by the Department of Human Services, to perform their own billing and accreditation operations. These requirements add to the time and costs already incurred by providers. Thus, your Committee believes that the amount of funding currently allocated to foster care home providers should be increased.

Your Committee notes that additional financing resource options should be investigated in order to increase the rate of payment to foster care providers.

Your Committee has amended this measure by adding language to clarify that the seven percent increase in payments to foster care home providers shall be over its current rate.

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. 1519, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1519, 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, 1 (Kokubun).

SCRep. 116 (Majority) Human Services on S.B. No. 1750

The purpose of this measure is to authorize the standing committees having jurisdiction over fiscal matters in both the Senate and the House of Representatives as joint legislative oversight committees to oversee and evaluate Temporary Assistance for Needy Families (TANF) fund program implementation and expenditures.

Testimony in support of this measure was submitted by the HGEA/AFSCME Local 152 and two individuals. Comments in regard to this measure were submitted by the Department of Human Services.

Your Committee finds that the issue of unspent or misspent TANF funds has become increasingly important as more families find themselves in need of supportive programs and services. Examining the use of unspent and misspent state TANF funds now is critical. Therefore, your Committee believes that legislative oversight is necessary to evaluate TANF program implementation and fund expenditures.

Your Committee has amended this measure by adding the legislative committees having jurisdiction over human services to assist with legislative oversight of the TANF program implementation and fund expenditures, and by requiring one round of oversight hearings on all islands of the State.

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. 1750, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1750, 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, 2 (Hooser, Kokubun).

SCRep. 117 (Joint) Judiciary and Hawaiian Affairs and Energy, Environment, and International Affairs on S.B. No. 1288

The purpose of this measure is to appropriate funds for the implementation of an energy strategy for the island of Kahoolawe that utilizes alternative or sustainable energy resources to provide for the current and future energy needs of Kahoolawe.

Testimony in support of the measure was submitted by the Executive Director of the Kahoolawe Island Reserve Commission.

Your Committees find that the process of restoring and revitalizing the island of Kahoolawe requires the implementation and utilization of innovative alternative energy technologies that do not harm the fragile environment and ecosystems of Kahoolawe. Preliminary studies have concluded that the use of alternative and renewable energy sources to provide for the present and future energy needs of Kahoolawe is not only feasible, but also cost effective and will help promote a sustainable future on Kahoolawe.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Energy, Environment, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1288 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 (Hee, Ihara).

SCRep. 118 Health on S.B. No. 1334

The purpose of this measure is to limit the liability for community health centers that operate a helicopter landing pad for use by Military Assistance to Safety and Traffic helicopters.

The Department of Health, Waianae Coast Comprehensive Health Center, and Consumer Lawyers of Hawaii submitted testimony in support of this measure.

Your Committee finds that the Military Assistance to Safety and Traffic (MAST) helicopter program has been a major life-saving program for medical emergencies on the Waianae Coast as well as other rural areas on Oahu. The potential benefit of limited liability could be expanded to all medical facilities that receive and transfer patients by MAST and other helicopter aeromedical services. However, your Committee recommends moving forward with this measure first and observing its effects before considering whether to include other sites in the future.

Your Committee has amended this measure by making technical, nonsubstantive amendments for 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. 1334, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1334, 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 (Hanabusa, Whalen).

SCRep. 119 Health on S.B. No. 761

The purpose of this measure is to expand the definition of "serious mental illness" to include delusional disorder, major depression, obsessive compulsive disorder, and dissociative disorder.

The Department of Health, Department of Commerce and Consumer Affairs, the Hawaii Medical Association, The Queen's Medical Center, the Hawaii Psychological Association, the Hawaii Disability Rights Center, Kaiser Permanente, the Mental Health Association in Hawaii, the National Alliance for the Mentally Ill, and two individuals submitted testimony in support of this measure. The Chamber of Commerce of Hawaii submitted testimony in opposition. Hawaii Medical Service Association submitted comments.

Your Committee finds that national trends in mental health care are towards expansion of mandated mental health treatment benefits through parity with other physical illnesses. As the Department of Health noted in its testimony, this trend is based on the assumption

that it is discriminatory to restrict or offer less access to health care in the area of mental health relative to other areas of health care. This measure will better enable individuals afflicted with serious mental illness to access necessary treatment by including four additional disorders within the definition of "serious mental illness."

Your Committee has amended this measure by making technical, nonsubstantive amendments for 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. 761, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 761, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 120 Health on S.B. No. 781

The purpose of this measure is to clarify that police officers and sheriffs have the authority and duty to enforce quarantine when required by the Department of Health.

The Department of Health and the Department of Public Safety submitted testimony in support of this measure.

Your Committee finds that the current language specifies a duty to remove other persons in the neighborhood of an infected or possibly infected person when removal of that person would endanger that person's life, but it is not specific enough regarding authority and duty to keep that person quarantined. Adding language specifying the authority to keep an infected person quarantined is appropriate under the State's duty to protect the health and welfare of its citizens.

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. 781 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 (Hanabusa, Whalen).

SCRep. 121 Health on S.B. No. 782

The purpose of this measure is to make an emergency appropriation for additional funds from the Early Intervention Special Fund for the Family Health Services Division for early intervention services for infants and children from birth to three years of age.

The Department of Health, the State Council on Developmental Disabilities, the Hawaii Early Intervention Coordinating Council, Good Beginnings Alliance, and the American Academy of Pediatrics submitted testimony in support of this measure.

Your Committee finds that the Department of Health has the responsibility to ensure that all children age 0 to 3 years with a developmental delay or biological/environmental risk and their families receive early intervention services as mandated under the federal Individuals with Disabilities Education Act, state laws, Hawaii Early Intervention State Plan, and the Stipulation for Step-Down and Termination of the Revised Consent Decree between the State and the plaintiff class. The current fiscal year 2005 appropriation for early intervention services is not sufficient to meet the existing need.

Your Committee has amended this measure by making technical nonsubstantive amendments for 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. 782, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 782, 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 (Hanabusa, Whalen).

SCRep. 122 Commerce, Consumer Protection and Housing on S.B. No. 745

The purpose of this measure is to authorize the use of moneys in the Compliance Resolution Fund to support the provision of public, educational, and governmental (PEG) access programming in underserved areas of the State.

The Department of Commerce and Consumer Affairs (DCCA), Akaku: Maui Community Television, and Olelo Community Television testified in support of this measure.

In public meetings held on Oahu, Maui, Kauai, and the island of Hawaii in 2003, DCCA received comments indicating that there are areas throughout the State that are underserved by the current PEG access system. These areas are usually separated by distance or geography from the PEG access centers located in each county.

To address the above problem, this measure:

- (1) Expressly authorizes use of moneys in the Department's Compliance Resolution Fund to support PEG access facilities, equipment, and operations in the State's underserved areas;

- (2) Requires the Director of DCCA to issue a decision and order establishing standards and conditions for use of the funds; and
- (3) Provides that the expenditure of funds shall not be subject to chapter 42F, Hawaii Revised Statutes, relating to state grants and subsidies.

Your Committee finds that the plan to expand PEG access services to underserved areas appears to contemplate the distribution of additional funding only to the PEG access organizations, and not to other entities that provide access programming. In approving this measure, it is your Committee's intent that DCCA, when determining how funds are to be distributed or expended, consider all appropriate entities that provide access programming, including entities that provide educational access programming.

Additionally, your Committee has concerns regarding the exemption of the expenditure of funds under this measure from the requirements of chapter 42F, Hawaii Revised Statutes, and the legislative oversight provided thereunder. Accordingly, your Committee requests the Committee on Ways and Means to further consider this issue in its deliberations on this measure.

Your Committee has amended this measure:

- (1) To appropriate \$500,000 from the Compliance Resolution Fund to support the provision of expanded PEG access programming in underserved areas; and
- (2) By making technical amendments to correct spelling and 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. 745, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 745, 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 (Hogue).

SCRep. 123 Commerce, Consumer Protection and Housing on S.B. No. 1129

The purpose of this measure is to modify the benefits available to homeowners under the Loss Mitigation Grant Program and to appropriate moneys for the program.

The Department of Defense and an individual testified in support of this measure. The Department of Commerce and Consumer Affairs (DCCA) opposed the measure.

The State's Loss Mitigation Grant Program authorizes the provision of grants of up to \$2,100 per dwelling, to reimburse homeowners who install wind resistive devices in their single or multi-family residential dwellings to mitigate against potential hurricane damage. Currently, the reimbursement amount is equal to fifty per cent of the costs incurred in purchasing and installing a device and for a required inspection of the installation.

This measure reduces the reimbursable portion of the costs from fifty per cent to thirty-five per cent and repeals the authorization for reimbursement of inspection costs. Additionally, this measure appropriates \$1,000,000 in general funds for the program.

Your Committee finds that modification of the parameters of the grant program will allow for the maximization of program funds and enable more homeowners to participate in the program. Your Committee further finds that by assisting homeowners to retrofit their homes to withstand the effects of a hurricane, this measure may help to reduce the number of persons potentially seeking refuge from a hurricane in public shelters, of which there is currently a shortage.

Your Committee has amended this measure to identify DCCA as the expending agency for the moneys appropriated, rather than the Insurance Commissioner, and by making a technical amendment for the purpose of 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. 1129, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1129, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 124 Judiciary and Hawaiian Affairs on S.B. No. 458

The purpose of this measure is to appropriate funds for Hawaii's contribution to the National Conference of Commissioners on Uniform State Laws as well as defray the registration costs and travel expenses of members of the Commission to Promote Uniform Legislation attending the National Conference of Commissioners on Uniform State Laws annual meeting.

Testimony in support of the measure was submitted by the Commission to Promote Uniform Legislation.

Your Committee finds that members of the Commission to Promote Uniform Legislation must be afforded the opportunity to attend the annual national meeting of the National Conference of Commissioners on Uniform State Laws. The attendance of a delegation

from Hawaii will ensure that individuals from Hawaii are actively involved in the drafting and adoption of uniform acts that may be introduced and enacted by the Legislature at a later date.

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. 458 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, none.

SRep. 125 Judiciary and Hawaiian Affairs on S.B. No. 592

The purpose of this measure is to appropriate funds to enable the Office of Elections to meet the five per cent matching fund requirement of the Help America Vote Act of 2002.

Testimony in support of this measure was submitted by the Office of Elections, the Office of the County Clerk for the County of Maui, the Office of the County Clerk for the County of Hawaii, the League of Women Voters of Hawaii, Safe Vote Hawaii, and one individual.

Your Committee finds that under the Help America Vote Act of 2002, the State is eligible to receive federal funding if the State appropriates a certain percentage of matching funds. By providing the matching amount, the State may be eligible to receive more than \$7,000,000, the maximum amount allowable under the Act, to improve the administration of elections, replace punch cards and lever machines, conduct voter education, and comply with the requirements of the Help America Vote 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. 592 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 (Hee, Ihara).

SRep. 126 Judiciary and Hawaiian Affairs on S.B. No. 612

The purpose of this measure is to establish the petty misdemeanor offense of bail jumping in the third degree if an individual knowingly fails to appear for a court proceeding in connection with a petty misdemeanor after being directed by a law enforcement official. This measure also clarifies that the offense of bail jumping in the second degree can be treated as a petty misdemeanor at the court's discretion.

Testimony in support of the measure was submitted by the Judiciary and the Office of the Prosecuting Attorney for Maui. The Honolulu Police Department and the Office of the Public Defender testified in opposition to the measure.

Your Committee finds that under current Hawaii law, the offense of bail jumping only applies when an individual is released pursuant to a court order and fails to appear at a subsequent court hearing. This measure creates the new offense of bail jumping in the third degree which applies to an individual released and directed by a law enforcement official to appear at a subsequent court proceeding in connection with a petty misdemeanor, but the individual fails to do so. This measure also clarifies that the offense of bail jumping in the second degree includes a failure on the part of an individual to appear in court when directed by a designated law enforcement officer, instead of only by a judge.

Your Committee has amended this measure by clarifying that information relating to the time, date, and location of an individual's court appearance shall be provided to an individual by written notice. This written notice shall either be signed by the individual or noted on the same form by the law enforcement official if the individual refuses to sign. This signed or noted written notice form demonstrates that the individual was informed of the relevant details of his or her court appearance. Your Committee has also amended this measure by classifying bail jumping in the second degree as a petty misdemeanor.

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. 612, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 612, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SRep. 127 Judiciary and Hawaiian Affairs on S.B. No. 613

The purpose of this measure is to appropriate funds for the Interagency Council on Intermediate Sanctions to carry out its five-year strategic plan designed to reduce adult offender recidivism and institutionalize enhancements to the Hawaii criminal justice system.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Department of Health, the Department of Public Safety, the Hawaii Paroling Authority, the Judiciary, the Office of the Public Defender, the Community Alliance on Prisons, and one individual.

Your Committee finds that the requested appropriation is necessary to implement the five-year strategic plan of the Interagency Council on Intermediate Sanctions. This strategic plan is part of a collaborative effort among various State agencies with the goal of reducing Hawaii's adult offender recidivism rates by utilizing an "evidence-based practice" approach to achieve a significant recidivism rate reduction in a cost-effective manner.

Your Committee has amended this measure by:

- (1) Authorizing the establishment of an additional research analyst position for the Department of the Attorney General to assist the Department of the Attorney General with its duties and responsibilities as a member of the Interagency Council on Intermediate Sanctions; and
- (2) Making technical, non-substantive amendments for purposes of clarity.

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. 613, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 613, 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, none.

SCRep. 128 Judiciary and Hawaiian Affairs on S.B. No. 615

The purpose of this measure is to amend the exclusive jurisdiction of the small claims division of the district court over security deposit disputes between a landlord and tenant to give concurrent jurisdiction to the regular claims division adjudicating a summary possession action involving the same parties.

Testimony in support of this measure was submitted by the Judiciary and one individual.

Your Committee finds that the claims to resolve security deposit disputes in residential landlord-tenant cases must presently be determined in the small claims division of the district court, while summary possession cases, involving the same parties, must be handled by the regular claims division. This measure would make it clear that the regular claims division of the district court will also be able to resolve security deposit disputes without first referring the matter to the small claims division.

Your Committee has amended this measure by making 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. 615, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 615, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 129 Judiciary and Hawaiian Affairs on S.B. No. 618

The purpose of this measure is to broaden the type of delinquent receivables that the Judiciary is able to write off as uncollectible, including fines, restitution, monetary assessments, fees, surcharges, penalties, sanctions, and court costs.

Testimony in support of this measure was submitted by the Judiciary.

Your Committee finds that the current statute enables the Judiciary to write off uncollectible fines and restitution that have been delinquent for two years. This measure broadens the scope of the type of delinquent receivables that the Judiciary determines to be uncollectible and allows the Judiciary, without seeking prior authorization from the Department of the Attorney General, to write off these moneys as uncollectible.

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. 618 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, none.

SCRep. 130 Judiciary and Hawaiian Affairs on S.B. No. 620

The purpose of this measure is to establish the duties and responsibilities of the State Compact Administrator of the State Council for Interstate Adult Offender Supervision, mandate four-year terms for all Council members, with the exception of the Department of Public Safety member, and require the appointment of certain members to the Council.

Testimony in support of the measure was submitted by the Judiciary and the Hawaii Paroling Authority.

Your Committee finds that this measure is designed to improve the efficiency and facilitate the operations of the State Council for Interstate Adult Offender Supervision. This measure enacts express statutory duties and responsibilities for the State Compact

Administrator, including the appointment of two deputy compact administrators from the Judiciary and Hawaii Paroling Authority. Further, this measure clarifies that certain members are appointed to the Council and that all members are subject to a four-year term limit, with the exception of the Department of Public Safety member.

Your Committee has amended this measure by:

- (1) Authorizing the State Compact Administrator of the State Council for Interstate Adult Offender Supervision to appoint two deputy compact administrators from the Hawaii Paroling Authority and the Judiciary; and
- (2) Making technical, non-substantive amendments for purposes of clarity.

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. 620, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 620, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 131 Judiciary and Hawaiian Affairs on S.B. No. 621

The purpose of this measure is to make clarifying amendments to statutes governing the adjudication of traffic offenses, including extending the time for answering a notice of a traffic infraction.

Testimony in support of the measure was submitted by the Judiciary.

Your Committee finds that this measure is designed to eliminate inconsistencies in the manner by which traffic infraction cases arising under chapter 291D, Hawaii Revised Statutes, are adjudicated. Your Committee further finds that extending the time period by which an answer to a notice of a traffic infraction must be filed from fifteen days to twenty days will provide additional time for the Honolulu Police Department to file notices of traffic infractions with the Traffic Violations Bureau or the District Court.

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. 621 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, none.

SCRep. 132 Judiciary and Hawaiian Affairs on S.B. No. 673

The purpose of this measure is to appropriate funds for the payment of monetary claims against the State, its officers, and employees, including claims for tax refunds, judgments and settlements against the State, and claims for legislative relief.

Testimony in support of the measure was submitted by the Department of the Attorney General.

Your Committee finds that this measure will enable the State to pay its outstanding liabilities in a timely manner.

Your Committee has amended this measure by deleting one of the two identical sums requested for the Harnik case which is listed twice in Part I 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 S.B. No. 673, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 673, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 133 Judiciary and Hawaiian Affairs on S.B. No. 696

The purpose of this measure is to increase the amount of the fee charged for a criminal history record name inquiry and a criminal history record check, as well as expand the fee exemption for criminal history record checks to include volunteers with non-profit charitable organizations who work with the elderly or disabled.

Testimony in support of the measure was submitted by the Department of the Attorney General and the Hawaii Youth Services Network.

Your Committee finds that since 1998, the fees charged for criminal history record checks have remained static. Your Committee finds that a five-dollar increase in that fee is warranted and will equalize the cost of a fingerprint-based criminal record check with a name-based criminal record check. Your Committee has also expanded the criminal history record check fee exemption to include volunteers from non-profit organizations that send volunteers to work with the elderly and disabled. This fee exemption will enable these organizations to perform these checks at no cost, and thereby ensure that only qualified and trained volunteers will be serving Hawaii's elderly and disabled populations.

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. 696 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, none.

SCRep. 134 Judiciary and Hawaiian Affairs on S.B. No. 929

The purpose of this measure is to authorize the Executive Director of the Hawaii Civil Rights Commission to petition the Commission for a declaratory ruling on legal issues that may arise during an investigation of a discrimination complaint.

Testimony in support of the measure was submitted by the Hawaii Civil Rights Commission.

Your Committee finds that the Hawaii Supreme Court held in the case of RGIS Inventory Specialist v. Hawaii Civil Rights Commission, 104 Hawai'i 158, 86 P.3d 449 (2004), that the Executive Director of the Hawaii Civil Rights Commission lacked standing both in statute and administrative rules to petition the Commission for a declaratory ruling and that the Commission did not have any authority to issue such ruling. This measure is designed to provide the statutory authority for the Executive Director of the Hawaii Civil Rights Commission to petition for declaratory relief with the Commission, and for the Commission to issue such rulings.

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. 929 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, none.

SCRep. 135 Judiciary and Hawaiian Affairs on S.B. No. 979

The purpose of this measure is to require the Judiciary to enact a court interpreter certification program as well as require the use of certified court interpreters in all state legal proceedings when requested or required by a non-English speaking person.

Testimony in support of this measure was submitted by the Hawaii Interpreter Action Network, the Hawaii Newspaper Guild, and four individuals. The Judiciary testified in opposition to the measure. The Office of the Public Defender offered comments on the measure.

Your Committee finds that there are no formal or established standards relating to certification or performance of court interpreters in legal proceedings in this State. This situation must be addressed to ensure the accuracy and reliability of interpretive services used by a non-English speaking person in all formal legal proceedings. Your Committee further finds that this measure is designed to address concerns regarding oversight and accountability of court interpreters by establishing a Supreme Court Committee on Certification of Court Interpreters to enact standards for the certification, discipline, and evaluation of court interpreters.

Your Committee has amended this measure by:

- (1) Changing the effective date of the measure to July 1, 2006 to afford the Judiciary the necessary time to establish and implement this certification program; and
- (2) Making technical, non-substantive amendments for purposes of clarity.

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. 979, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 979, 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, none.

SCRep. 136 Judiciary and Hawaiian Affairs on S.B. No. 1317

The purpose of this measure is to increase the amount of the compensation payable to an attorney who is appointed by a court to represent an indigent criminal or juvenile defendant in any judicial or administrative proceeding in the courts.

Testimony in support of this measure was received from the State Attorney General, Public Defender, County of Kauai Prosecuting Attorney, City and County of Honolulu Prosecuting Attorney, the Hawaii State Bar Association, the Hawaii Association of Criminal Defense Lawyers, and three concerned individuals. The Department of Budget and Finance submitted concerns.

Under current law, court-appointed attorneys for indigent criminal and juvenile defendants are paid \$40 per hour for out-of-court services and \$60 per hour for services performed in court. Current law also sets a maximum amount that can be paid to the attorney based on a schedule of cases. For example, the maximum amount for a felony case is currently \$3,000, while the maximum amount for a petty misdemeanor case is \$450.

Your Committee finds that the current rates, which were last increased in 1987, are too low, far below prevailing rates. The courts have found it difficult to find competent attorneys to accept complex cases, and cases on appeal. The difficulty has created serious concerns among those who prosecute and those who defend the indigent defendants citing increased cases on appeal and cases of ineffective assistance of counsel.

Justices of the Hawaii Supreme Court have commented on the inadequacy of the current fee schedule for court appointed attorneys. In In re Attorney's Fees of Reinhardt Mohr, 97 Haw. 1, 32 P.3d 647 (2001), Justice Ramil wrote:

In my view, the patently inadequate hourly rate paid to state court-appointed private counsel is endangering the right of indigent criminal defendants to adequate representation. The current rate does little to encourage private counsel to participate enthusiastically in the defense of indigent criminal defendants.

Justice Acoba wrote:

The hourly rate under HRS Section 802-5 is no longer reasonable. . . . Insofar as compensation is inadequate, those attorneys who represent indigent clients, . . . personally subsidize the financial obligation imposed upon the State by the United States and Hawai'i constitutions' mandate that such defendants be represented by counsel.

Your Committee concurs with the comments of the Justices of the Hawaii Supreme Court and believes that the rates should be increased as provided in the bill.

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. 1317 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, none.

SCRep. 137 Health on S.B. No. 1537

The purpose of this measure is to support the continuing operation of the State's only Level II Trauma Center located at The Queen's Medical Center on Oahu.

Specifically, this bill makes a one-time appropriation of \$6,900,000 in fiscal year 2005-2006 and the same amount in fiscal 2006-2007, to The Queen's Medical Center to pay for the costs it incurs to compensate physicians to be on-call to provide trauma and emergency medical services for the people of Hawaii, including neighbor island patients. The appropriation is contingent upon the immediate and continuing acceptance by The Queen's Medical Center of patients from the neighbor islands needing trauma care, whether or not those patients are transferred from another medical facility on another island and whether or not they are insured.

This bill also requires the Legislative Reference Bureau, in cooperation with The Queen's Medical Center, to complete a study of the on-call crisis and its impact on the Level II Trauma Center's ability to continue delivering emergency medical services to our community.

Your Committee received testimony in support of this bill from the Queens' Medical Center, the Queens' Health Systems, the Healthcare Association of Hawaii, the Vice President of Medical Affairs of The Queen's Medical Center, the Program Director of the University of Hawaii Surgical Residency Program, the Associate Medical Director of Trauma Services of The Queen's Medical Center, the Medical Director of the Neuroscience Institute of the Queens' Medical Center, Molokai General Hospital, the Hawaii Health Systems Corporation, and two individuals. The Department of Health submitted testimony in support of the intent of the bill, provided that it does not adversely impact or replace priorities in the Department's executive 2006-2007 biennium budget. The Legislative Reference Bureau submitted comments.

Your Committee finds that the Queen's Medical Center provides the community with a substantial amount of charitable care, education and training programs for the University of Hawaii's School of Medicine and the School of Nursing, cutting edge technology, mental and behavioral health programs, dental services, and other specialized medical services. Your Committee recognizes that the Center faces many competing priorities and the health services it provides to the community are being challenged by rising operating expenses and significant capital needs. Your Committee further realizes that the high cost of securing a large pool of trauma physician specialists on an on-call basis at the Center has created a financial crisis.

Upon further consideration, your Committee has amended this bill by:

- (1) Replacing the \$6,900,000 appropriation amount with a blank amount for purposes of stimulating further discussion;
- (2) To emphasize the significance of the trauma services provided, by:
 - (A) Adding the words "trauma and" in front of the phrase "emergency care services" on page 1, line 9, page 4, line 4, and page 4, line 7; and
 - (B) Replacing the phrase "emergency medical services or acute" with the word "trauma" on page 3, line 11; and

- (3) Replacing the Legislative Reference Bureau with the Department of Health as the entity to conduct the study, in cooperation with The Queen's Medical Center, because your Committee finds that the Department has the requisite knowledge, experience, and expertise in the matter and can act with impartiality since it does not operate any competing hospital facilities.

Your Committee also deleted the extraneous word "of" on page 5, line 10, and made technical nonsubstantive changes on page 4, lines 5-19 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. 1537, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1537, 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 (Hanabusa, Whalen).

SCRep. 138 Health on S.B. No. 1232

The purpose of this measure is to appropriate funds as a grant-in-aid to the Maui AIDS Foundation to improve the quality of life for those affected by HIV and AIDS through comprehensive, integrative client and case management services.

The Maui AIDS Foundation, one member of the Maui County Council, and eight individuals submitted testimony in support of this measure. The Department of Health submitted testimony in opposition.

Your Committee finds that federal Ryan White CARE Act funds have historically been used for direct emergency financial assistance for individuals and families living with HIV or AIDS for the provision of health care needs. Due to a change in federal funding priorities, the Department of Health has reduced available CARE Act funds to the Hawaii community-based AIDS organizations. Food and housing rental assistance are no longer categories eligible for funding support. This measure is necessary so that programs such as the Maui AIDS Foundation Food Pantry Program will not be eliminated and so that families and individuals that may need emergency financial assistance for rent in order to keep their housing can receive 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. 1232 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 (Whalen).

SCRep. 139 Health on S.B. No. 1446

The purpose of this measure is to appropriate funds to the Hawaii Health Systems Corporation for an air ambulance helipad at Maui Memorial Medical Center.

Healthcare Association of Hawaii, Maui Memorial Medical Center, two members of the Maui County Council, and five individuals submitted testimony in support of this measure.

Your Committee finds that the County of Maui encompasses a vast area with remote areas where access to emergency medical care is problematic. The Legislature established a helicopter critical care emergency aeromedical service for Maui in 2003 to improve access. The funds appropriated by this measure will be used to construct a helipad. As proponents noted, this will help Maui Memorial Medical Center expedite the transfer of patients from the helicopter to its emergency department, and fully and efficiently utilize Maui County's helicopter critical care emergency aeromedical service.

Your Committee has amended this measure by designating an appropriation of \$750,000.

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. 1446, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1446, 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 (Whalen).

SCRep. 140 Health on S.B. No. 1094

The purpose of this measure is to appropriate funds for the Hana Community Health Center.

Hawaii Primary Care Association, Hana Youth Center, Hana Community Health Center, two members of the Maui County Council, the Maui Governor's Advisory Committee, and forty individuals submitted testimony in support of this measure. Two individuals submitted testimony in opposition. The Department of Health submitted comments.

Your Committee finds that the transfer of the Hana Medical Center from the State to the Hana Community Health Center was done with a guarantee to continue to provide needed financial support for the center's essential medical programs. The Hana Community Health Center provides a hybrid of services. Unlike most clinics, it must also coordinate activities with the ambulance services and

provide assistance in stabilizing patients with life-threatening illnesses or traumatic injuries. These services are required twenty-four hours a day because the center is the only health care provider in the district.

The center is located in one of the most geographically isolated areas in the State and is the healthcare lifeline for several thousand residents and the thousands of people who visit every day. As Hawaii Primary Care Association noted in its testimony, because of its size, the Hana Community Health Center will likely never grow to be more cost-effective. However, its unique status in such an isolated community requires the continued subsidy provided by 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. 1094 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 (Whalen).

SCRep. 141 Health on S.B. No. 30

The purpose of this measure is to authorize the issuance of general obligation bonds and appropriate funds as grant-in-aid to Hale Makua to make renovations and improvements to the Wailuku facility.

Two members of the Maui County Council, Healthcare Association of Hawaii, two members of the Hale Makua board, and nine individuals submitted testimony in support of this measure.

Your Committee finds that Hale Makua, which means home of respected elders, is a nonprofit corporation that was formed in 1946 to provide a nursing home for elders in need. The unique, pleasant, intermediate care Wailuku facility was constructed in 1966 and now requires substantial renovation to comply with standards established by the Americans with Disabilities Act.

Your Committee notes that the project is to renovate patient bathrooms to comply with state and federal laws, retille the bathrooms, replace the curtains that presently exist over bathroom doorways with sliding doors, repaint the rooms, replace the original furniture pieces that are over thirty-five years old, retille the patient room floors, and renovate the Lanai Unit Nurses station to allow for more charting space and an air-conditioned room to keep medication at the required temperature.

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. 30 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 (Whalen).

SCRep. 142 Health on S.B. No. 1097

The purpose of this measure is to appropriate funds to Molokai General Hospital for operating costs.

Two Maui County Council members, the Healthcare Association of Hawaii, Molokai Community Health Center, Molokai General Hospital, and one individual submitted testimony in support of this measure. The Department of Health submitted comments.

Your Committee finds that Molokai General Hospital generally receives most of its financial and management support as a subsidiary of Queen's Health Systems. However, as the Maui County Council members noted, the Queen's Health System's recent decrease in revenues has severely affected Molokai General Hospital's financial support and it must now rely on increased financial support from the State, the County of Maui, and federal grants. Maintaining services at Molokai General Hospital is critical to the health and safety of residents and visitors because it is the sole hospital serving the island community of Molokai.

Upon further consideration, your Committee has amended this measure by appropriating \$1,000,000 for fiscal year 2005-2006, and the same sum, or so much thereof as may be necessary, for fiscal year 2006-2007.

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. 1097, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1097, 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 (Whalen).

SCRep. 143 Health on S.B. No. 1708

The purpose of this measure is to appropriate funds for capital improvements of the Molokai General Hospital provided that the funds shall be released as the Office of Hawaiian Affairs provides funding at \$1 for every \$2 of the appropriation.

The Office of Hawaiian Affairs, a Maui County Council member, Molokai General Hospital, Molokai Community Health Center, Healthcare Association of Hawaii, and two individuals submitted testimony in support of this measure. The Department of Health submitted comments.

Your Committee finds that the Molokai General Hospital of the Queen's Health Systems faces a continuing challenge of generating revenue sufficient to support its capital improvements and to meet the health care needs of the population it serves, a large percentage of whom are Native Hawaiians. It remains very difficult to provide for community-focused quality health care in a rural, economically challenged setting. Therefore, support from the State is important to maintain health care services for the island community. Molokai General Hospital is the only hospital on Molokai, providing emergency care, urgent acute, and long-term inpatient care 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. 1708 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 (Whalen).

SCRep. 144 (Joint) Energy, Environment, and International Affairs and Water, Land, and Agriculture on S.B. No. 1087

The purpose of this measure is to authorize the Department of Agriculture to charge user fees for inspection and other services it provides pursuant to chapter 150A, Hawaii Revised Statutes, in addition to fees already authorized for services related to the importation of animals and seeds, and to establish an invasive species special fund into which these fees will be deposited and which will be used to fund services that prevent the importation of invasive alien species.

Testimony in favor of the measure was received from The Nature Conservancy and the Hawaii Agriculture Research Center. The Department of Agriculture and Matson Navigation Company provided testimony supporting the intent of the measure and offered comments. Comments were received from the Land Use Research Foundation.

Your Committees find that the invasion of various plant and animal alien species threatens to upset the ecosystem, native forests, agricultural production, and the health and lifestyle of Hawaii's people, among other things. Effective programs to protect against introduction of invasive species at ports of entry are needed. Additional sources of funding would help in this mission.

Your Committees have amended this measure by clarifying that the moneys to be collected from user fees under this measure do not include moneys from fines assessed for violations of Chapter 150A.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International 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. 1087, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1087, 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, none. Excused, 2 (Fukunaga, Hanabusa).

SCRep. 145 (Joint) Energy, Environment, and International Affairs and Water, Land, and Agriculture on S.B. No. 1430

The purpose of this measure is to increase state funding to eradicate the *Miconia Calvescens* plant.

Testimony in support of this measure was received from a representative of the Mayor of Maui County, the Coordinating Group on Alien Pest Species and the Invasive Species Committees, and the Nature Conservancy. The Department of Agriculture supported the intent of the measure and provided comments.

Your Committees find that the *Miconia Calvescens* plant is a rapidly spreading, noxious weed that, upon introduction into an ecosystem, rapidly spreads and leads to the indiscriminate destruction of native forests and agricultural lands. If aggressive attempts to control the spread of this weed are not continued, much of Hawaii's forests and wetlands will be destroyed. Therefore, your Committees believe that additional funding for *Miconia* eradication is warranted.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International 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. 1430 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, none. Excused, 2 (Fukunaga, Hanabusa).

SCRep. 146 Human Services on S.B. No. 21

The purpose of this measure is to require legislative approval before the Department of Human Services can apply for a medicaid waiver from the federal government.

Testimony in support of this measure was submitted by Aloha Care. The State Council on Developmental Disabilities supported the intent of this measure and provided comments. Testimony in opposition to this measure was submitted by the Department of Human Services.

Your Committee finds that medicaid waiver commitments have a serious financial impact on the State as well as the quality of care received by medicaid beneficiaries. Changes to the medicaid program could take place without legislative knowledge or opportunity to comment. Your Committee believes that there are vast implications for future costs to the State, public health policy, and impact on medicaid recipients so that legislative review is required.

Your Committee has adopted the amendment suggested by the Department of Human Services to allow the legislature to review and submit comments thirty to sixty days prior to the submission of the medicaid waiver.

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. 21, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 21, S.D. 1, and be referred to the Committees on Judiciary and Hawaiian Affairs and Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 147 (Majority) Human Services on S.B. No. 472

The purpose of this measure is to require the Department of Human Services to recognize individuals who have not received a decision on their application for public assistance within the time specified in the administrative rules to be presumptively eligible until an eligibility decision is made.

Testimony in support of this measure was submitted by the Legal Aid Society and two individuals. Testimony in opposition to this measure was submitted by the Department of Human Services.

Your Committee finds that the Department of Human Services is required to meet the deadlines that it sets for itself for making a decision on eligibility for public assistance. Thus, your Committee believes that if the department has not rendered a decision on the application for public assistance, the applicant shall be presumptively eligible until a decision is made.

Your Committee has adopted the amendment suggested by the Legal Aid Society to provide exceptions to the presumptively eligible standard when the applicant causes a delay in the process. Your Committee has also made technical amendments to this measure.

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. 472, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 472, 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, 1 (Kokubun).

SCRep. 148 (Majority) Human Services on S.B. No. 475

The purpose of this measure is to increase the standard of need to an annually updated federal poverty level; include the general assistance as well as the aged, blind, and disabled programs for the calculation; and remove the limitation on making general assistance payments only from total appropriations made for general assistance.

Testimony in support of this measure was submitted by Blueprint for Change, Hawaii State Coalition Against Domestic Violence, Legal Aid Society of Hawaii, National Association of Social Workers – Hawaii Chapter, Parents and Children Together, Welfare Employment Rights Commission, and six individuals. Testimony in opposition to this measure was received from the Department of Human Services.

Your Committee finds that as the cost of living increases each year, the standard of need in Hawaii is still based on the federal poverty level in 1993. It is imperative that the State keep up with the cost of living and adopt a standard of need that allows individuals to maintain a household. Thus, your Committee believes that the State's standard of need should be annually updated to reflect the federal poverty level.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 475, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 475, 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, 1 (Kokubun).

SCRep. 149 Human Services on S.B. No. 556

The purpose of this measure is to create a rebuttable presumption in favor of shared parenting in all custody determinations, and to require a parenting plan to be developed and filed with the court when joint custody is awarded.

Testimony in support of this measure was received from the Children's Rights Council and five individuals. Testimony in opposition to this measure was submitted by the Domestic Violence Clearinghouse, Hawaii State Coalition against Domestic Violence and the Legal Aid Society. Comments on this measure were received from the Judiciary.

This measure creates a rebuttable presumption, affecting the burden of proof, that joint custody is in the best interests of the minor child. A rebuttable presumption is an assumption that is made in the law that will stand as a fact unless someone comes forward to contest it and prove otherwise. Three organizations expressed concern over the rebuttable presumption of joint custody in cases of domestic violence and other forms of abuse; however, your Committee believes that the rebuttable presumption would address this concern in that as soon as allegations are substantiated, the presumption would be triggered.

Your Committee finds that children recover faster from a parent's divorce or separation when there is less emotional trauma associated with the process, and that co-parenting arrangements reduce a child's post-separation distress as well as minimize feelings of alienation and anger. Moreover, parents who do not experience prolonged litigation in their divorce and separation are able to regain financial and emotional security for their families. Thus, your Committee believes that a rebuttable presumption of joint parenting is in the best interests of a child.

Your Committee adopted the amendments suggested by the Children's Rights Coalition to recognize a parenting plan that shall conform to national standards and require a judge to issue a written opinion in cases when joint custody is not awarded.

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. 556, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 556, 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. 150 (Majority) Human Services on S.B. No. 559

The purpose of this measure is to create a senior services trust fund into which is deposited a \$5 income tax check-off from refunds, to be used to fund programs and services of the Executive Office on Aging.

Testimony in support of this measure was received from the Lanakila Rehabilitation Center and the Policy Advisory Board for Elder Affairs. Comments were also submitted by the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that there is an urgent need to provide appropriate services to Hawaii's increasing aging population. The Executive Office on Aging develops, coordinates, and delivers services to adults sixty years and older, providing supportive, nutrition, and other related services to Hawaii's elderly population. This measure offers a source of non-government funding for use by the Executive Office on Aging to assist with their services and programs from those who voluntarily identify the elderly as a priority population.

Your Committee notes that in the future, the Auditor and the Committee should consider reviewing and reprioritizing the current income tax check-off options.

Your Committee has amended this measure by clarifying that the moneys to be provided to the Executive Office on Aging are used for expenses limited to programs and services, and not for the administrative operating expenses of that office.

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. 559, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 559, 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, 1 (Kokubun).

SCRep. 151 Human Services on S.B. No. 1033

The purpose of this measure is to appropriate funds for QUEST and medicaid coverage for aged, blind, and disabled aliens residing in Hawaii pursuant to the Compact of Free Association.

Testimony in support of the measure was submitted by Hawaii Pacific Health, Hawaii Primary Care Association, Na Loio – Immigrant Rights and Public Interest Legal Center, Healthcare Association of Hawaii, Kokua Kalihi Valley, Micronesians United (Big Island), Pacific Islands Primary Care Association, and four individuals. Testimony in opposition to this measure was submitted by the Department of Human Services.

Your Committee finds that Hawaii is home to more than eight thousand people from the Pacific Island nations covered under the Compact of Free Association, double the number since 2000. Many of these people have serious health problems such as tuberculosis, hepatitis, diabetes, and Hansen's disease. Without medicaid coverage for this population, community health centers would find serving this population a tremendous financial burden. Thus, your Committee finds that this measure will assist not only the direct beneficiaries, but the State by reducing exposure to communicable diseases and supporting the challenged health care system.

Your Committee notes, notwithstanding that the Department of Human Services has allocated the funding in their proposed budget to the Legislature, that passage of this measure shows strong support for keeping funding intact in the department's budget for QUEST and Medicaid coverage for the aged, blind, and disabled aliens residing in Hawaii under the Compact of Free Association.

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. 1033 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 (Hooser, Kokubun).

SCRep. 152 Human Services on S.B. No. 1210

The purpose of this measure is to repeal the June 30, 2005, sunset date of the family child care home law.

Testimony in support of this measure was submitted by the Good Beginnings Alliance, Hawaii Council of Associations of Apartment Owners, PATCH, and thirteen individuals.

Your Committee finds that parents of young children are increasingly reliant on child care to enable them to go to work in order to support their families. Parents often use family child care because they can often find these services close to home, and they can be less expensive and more flexible. Thus, your Committee believes that the family child care home law should not be repealed.

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. 1210 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 (Hooser, Kokubun).

SCRep. 153 (Joint) Health and Labor on S.B. No. 793

The purpose of this measure is to make an emergency appropriation for the Department of Health emergency ambulance service contracts collective bargaining costs.

The Department of Health, the Hawaii County Fire Department, the Hawaii Fire Fighters Association, and three individuals submitted testimony in support of this measure.

Your Committees find that this emergency appropriation is necessary for the Department of Health to comply with collective bargaining increases negotiated by ambulance service providers statewide. The State provides emergency ambulance services through contractual arrangements with the City and County of Honolulu, Hawaii County, and a private provider, American Medical Response, for the Counties of Maui and Kauai. A detailed analysis was done to determine each ambulance contract's additional collective bargaining cost. This measure assures that continued emergency ambulance services are available at the current level of service throughout communities statewide.

As affirmed by the records of votes of the members of your Committees on Health and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 793 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 (Hanabusa, Ihara, Whalen).

SCRep. 154 (Joint) Commerce, Consumer Protection and Housing and Intergovernmental Affairs on S.B. No. 959

The purpose of this measure is to equalize the distribution of financial resources for the provision of public, educational, and governmental (PEG) access programming in the County of Maui.

The University of Hawaii, Department of Education-Maui District (DOE-Maui), and numerous individuals testified in support of this measure. The Department of Commerce and Consumer Affairs, Akaku: Maui Community Television (Akaku), Olalo Community Television, Molokai Properties Limited, and ten individuals testified in opposition to the measure.

Your Committees find that over the years, funding received by public and higher education institutions in the County of Maui to provide educational access programming on cable television has declined to the point of being eliminated. While funding for educational access programming averaged twenty-nine per cent of franchise fees during the period 1993 to 1999, allowing Maui Community College (MCC) and DOE-Maui to provide distance education and outreach services, after the establishment of the County's PEG access organization, funding dropped to fifteen per cent and was discontinued by 2000. In 2003, the access organization's board of directors voted to cease providing operating funds for any state agency, including MCC and DOE-Maui.

The cessation of funding for educational access programming has led to a reduction in staff and operations, and in the quality of services and instruction provided to residents throughout the County. MCC has been unable to meet the increasing demand for distance learning services and to upgrade physical plant operations, and plans for studio facilities on Maui's West Side have come to a standstill.

This measure proposes to restore distribution of PEG financial resources for the educational component of PEG programming by providing that the fees collected by the cable provider in Maui County be allocated equally among public, educational, and governmental access programming.

Your Committees note that the measure, as received, purports to allocate the annual administrative fee paid by the cable operator to DCCA, rather than the access operating fee collected by the operator from its subscribers for the support of PEG access programming. Accordingly, your Committees have amended this measure to provide that the moneys distributed by the cable operator for the provision of PEG programming are the access operating fees paid by the operator's subscribers, and not the annual fee paid to DCCA for administration of the cable regulation program. Your Committees have further amended this measure by:

- (1) Deleting language that provides for equal allocation of the fees to the educational, governmental, and access organization entities, and leaving unspecified the percentages of the fees to be received by each entity; and
- (2) Making technical, nonsubstantive amendments for consistency and style.

Finally, your Committees have serious concerns about the continuing unresolved differences between the various entities involved in the provision of PEG programming in Maui County that have necessitated the introduction of this measure. Your Committees strongly encourage DCCA to take an active role in bringing the parties together and to facilitate discussions for the resolution of these differences. Your Committees also encourage the parties involved to continue their dialogue on these unresolved issues as this measure proceeds through the legislative process.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 959, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 959, 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, Inouye, Sakamoto, Hogue).

SCRep. 155 (Joint/Majority) Commerce, Consumer Protection and Housing and Judiciary and Hawaiian Affairs on S.B. No. 913

The purpose of this measure is to prohibit lands comprising the Public Land Trust from being sold, exchanged, or otherwise alienated therefrom by the Board of Land and Natural Resources, without the consent of the Office of Hawaiian Affairs.

The Office of Hawaiian Affairs (OHA) and Association of Hawaiian Civic Clubs testified in support of this measure. The Department of Land and Natural Resources and an individual opposed the measure. The Department of the Attorney General presented comments on the measure.

Current law requires that the State hold and manage in public trust lands given, or ceded, to the United States after the overthrow of the Hawaiian Kingdom, and returned to the State under the Admission Act of 1959. Additionally, proceeds from the disposition of public trust lands may only be used to further specific stated purposes, including the support of public education, the betterment of native Hawaiians, the development of farm and homeownership, the making of public improvements, and the provision of lands for public use.

Your Committees find that since accepting stewardship of the Public Land Trust, the State has allowed the trust corpus to be diminished through the sale or exchange of lands, without accounting for or replacing the value of the demised property, thereby jeopardizing the State's continuing ability to fulfill its responsibilities to the trust's beneficiaries.

This measure proposes to require the Board of Land and Natural Resources to obtain the consent of the OHA Board of Trustees before selling, exchanging, or otherwise alienating public trust lands. Your Committees further find that this requirement will help the State to better manage the public trust lands in a manner that enables it to continue to meet its obligations to its beneficiaries.

Your Committees have amended this measure by making technical amendments for the purposes of 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 that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 913, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 913, 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, 1 (Whalen). Excused, 3 (Hee, Ige, Sakamoto).

SCRep. 156 Intergovernmental Affairs on S.B. No. 411

The purpose of this measure is to limit the eminent domain powers of the counties to specific public purposes.

Your Committee received testimony in opposition to this measure from the Kamehameha Schools and Small Landowners of Oahu and Small Landowners Association of Hawaii.

Your Committee finds that this measure is intended to address the public outrage on a proposal by the Honolulu City Council to condemn certain parcels of privately-owned prime location land in Waikiki, and then selling or leasing the condemned land to a certain hotel for private commercial development. Your Committee believes that any such condemnation is patently unjustified, and would be blatantly illegal as being inconsistent with the exercise of eminent domain for a public purpose.

Your Committee has amended this measure by prohibiting a county from condemning private property and subsequently selling or leasing that same property to a private entity who expressed an interest in purchasing that same property for development purpose or private use before the condemnation, and by deleting the other statutory sections.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 411, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 411, 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, English, Inouye).

SCRep. 157 Intergovernmental Affairs on S.B. No. 602

The purpose of this measure is to require pawnshops and second hand dealers to electronically file daily reports via the Internet or computer disc with the county police department, in a manner as directed by the police using software designated by the police.

Your Committee received testimony in support of this measure from the Honolulu Police Department (HPD), Hawaii Tourism Authority, State Farm Mutual Automobile Insurance Company, Hawaii Pawnbrokers Association, and one individual. Comments were received from an individual.

Your Committee views this measure as being necessary to investigate the growing market of "fencing" stolen goods. A popular avenue for turning the goods into cash is pawnshops and second hand dealers. Electronic filing of pawn shop transactions daily would go a long way to informing police immediately of the transaction, so that police can immediately investigate the merchandise by matching it up with recent burglary reports. This would increase the rate of stolen property recovery and identify the possible culprits.

However, your Committee is concerned that dictating the software to be used could pose unnecessary difficulties to pawnshops and second hand dealers. For example, testimony indicated that some shop owners are elderly and do not have a computer. Your Committee requests the HPD to work collaboratively with interested parties such as the Hawaii Pawnbrokers Association to select the most appropriate computer system and software to carry out the purposes of this Act.

Your Committee has amended this measure by allowing the police to require the electronic transmission of a photo of the property and requiring the police to make that photo available to the public as appropriate.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 602, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 602, 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, English, Inouye).

SCRep. 158 Intergovernmental Affairs on S.B. No. 1272

The purpose of this measure is to prohibit the Governor and Director of Finance from restricting any state agency's ability to expend federal grant moneys if the moneys have been approved by the granting federal agency.

Your Committee received testimony in opposition to this measure from the Department of Budget and Finance.

Notwithstanding the testimony of the Director of Finance that flexibility in determining whether and which federal funds should be expended on state programs, your Committee believes that federal funds should be expended by the State for its intended purpose. If the State does not desire to implement a program with federal funding, then the State should not apply for the federal grant in the first place.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1272 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, English, Inouye).

SCRep. 159 Intergovernmental Affairs on S.B. No. 1476

The purpose of this measure is to clarify fireworks terminology to be consistent with federal law.

In particular, this measure employs common terminology that is consistent with the Bureau of Alcohol, Tobacco, Firearms, and Explosives; deletes all references to the defunct "United States Bureau of Explosives"; includes and defines articles pyrotechnic so as to regulate the importation, storage, transferring, sale, or use of those devices; and includes articles pyrotechnic in the term "display".

Your Committee received testimony in support of this measure from the State Fire Council and Legislative Information Services of Hawaii.

Your Committee finds that this measure is necessary to conform current law with federal laws and regulations regulating fireworks as a matter of safety.

Your Committee has made technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1476, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1476, 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, English, Inouye).

SCRep. 160 Intergovernmental Affairs on S.B. No. 1542

The purpose of this measure is to reduce the incidents of certain types of crimes generally associated with establishments that dispense liquor.

In particular, this measure requires that:

- (1) Managers and employees who are required to register with the county liquor commission prior to employment in an establishment where liquor is served, sold, or consumed be subject to a state criminal conviction record check prior to employment; and
- (2) Liquor license applicants be subject to criminal history record checks conducted in accordance with section 846-2.7, Hawaii Revised Statutes, as a condition of licensing.

Your Committee received testimony in support of this measure from two individuals.

This measure would automatically disqualify an applicant for a manager or employee position if the person has any conviction that (1) would tend to indicate the applicant may be unsuitable for obtaining a license; or (2) involves the use or distribution of any drug, prostitution, or gambling offense.

Your Committee has amended this measure to add that a trustee, officer, or executive of a nonprofit entity may not be required to submit to fingerprinting for purposes of the new law. Your Committee has also made technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1542, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1542, 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, English, Inouye).

SCRep. 161 Intergovernmental Affairs on S.B. No. 1546

The purpose of this measure is to allow the counties to adopt ordinances to manage and regulate the liquor commissions in their jurisdictions and to implement liquor control statutes.

Your Committee received testimony in support of this measure from four individuals. Testimony in opposition was received from the Hawaii Food Industry Association and Anheuser Busch Companies.

Current law regulates liquor sales and consumption through county liquor commissions (commissions) under chapter 281, Hawaii Revised Statutes (HRS). The commissions have the exclusive jurisdiction, power, authority, and discretion in the regulation.

According to testimony, this measure was prompted by the adverse publicity stemming from investigations by law enforcement authorities of employees of a liquor commission. The elected authorities in the county and the State are powerless to effect any remedial action or changes to liquor commission operations because of the current law of practical autonomy granted to liquor commissions. Your Committee finds that there is a need to allow some county council authority over liquor commissions.

Your Committee has accordingly amended this measure to empower county councils to have and exercise oversight authority as appropriate. Your Committee has deliberately drafted the amendment to be somewhat broad, intending that the county council exercise its oversight discretion appropriately. The intent of your Committee is that the liquor commission maintain its autonomy in operations and regulatory activities but have the statutory authority to step in as needed when appropriate, particularly in instances involving possible criminal wrongdoing. This measure does not empower the county council to enact ordinances to supercede the

provisions of chapter 281, HRS. The county council may launch its own investigation, conduct public hearings, and take action on personnel change consistent with law, as examples of the contemplated county council exercise of authority under this measure.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1546, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1546, 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, English, Inouye).

SCRep. 162 Intergovernmental Affairs on S.B. No. 1685

The purpose of this measure is to allow the counties to obtain from the Department of Taxation income tax and transient accommodation tax information on taxpayers.

Your Committee received testimony in support of this measure from the Department of Taxation, Honolulu Department of Budget and Fiscal Services, Maui Department of Finance, and Hawaii County Finance Department.

Your Committee finds that allowing the counties to obtain information about taxpayers within their jurisdiction is an important resource to strengthen county tax collection efforts. The counties are unable to audit their own tax exemptions and credits for residents filing within their own county. With access to state tax information, such as taxpayers filing as residents in a particular county, they would be able to follow up on discrepancies with their property tax exemptions and credits.

Your Committee has amended this measure on the recommendation of the Department of Taxation by:

- (1) Deleting sections 2 and 3, which allow a county access to income tax information and transient accommodation tax information, as unnecessarily removing the authority of the Director of Taxation to determine when, how, and under what circumstances to disclose tax return information; and
- (2) Clarifying the discretionary authority of the Department of Taxation under the income tax law to allow counties to inspect income tax returns for tax purposes only.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1685, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1685, 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, English, Inouye).

SCRep. 163 (Joint) Commerce, Consumer Protection and Housing and Energy, Environment, and International Affairs on S.B. No. 747

The purpose of this measure is to establish a system for the registration of money transmitters.

Testimony in support of this measure was received from the Office of the Lieutenant Governor, Department of Commerce and Consumer Affairs, Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaii Credit Union League, and Hawaii Bankers Association.

Under this measure, a money transmitter is a non-bank entity that provides services relating to the transfer of funds from one party to another, domestically or internationally, and using a variety of methods, including wire and electronic transfers and facsimile.

Your Committees find that money transmitters have been used to further unlawful purposes, such as “laundering” the proceeds of drug distribution, gambling, and prostitution, and funding terrorist operations. While potentially illegal activities involving money transmitters are subject to federal investigation, your Committees further find that supervision and regulation of the money transmitter industry is uneven, and that federal laws are not being enforced as aggressively as state laws; currently, thirty-nine states, in addition to the District of Columbia and Puerto Rico, require the registration of money transmitters.

This measure proposes to require the annual registration of money transmitters with the Commissioner of Financial Institutions (Commissioner) and establishes civil penalties for a failure to register. Your Committees further find that requiring money transmitters to register with the State will discourage and deter money transmitting for unlawful purposes, provide valuable information to financial institutions that provide banking services to money transmitters, and facilitate enforcement of the money laundering laws.

Your Committees have amended this measure:

- (1) By amending the definition of “money transmission”, consistent with the federal Bank Secrecy Act, to clarify that a money transmission includes the receipt of payment instruments and transmission by courier;
- (2) To clarify that the requirement for a business entity to provide information to the Commissioner regarding the entity’s legal formation, standing with the Business Registration Division, and business structure, is in addition to the entity’s obligation to report other information on its registration statement; and

- (3) By making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Energy, Environment, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 747, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 747, 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 (Hanabusa, Hemmings, Hogue).

SCRep. 164 (Joint) Media, Arts, Science and Technology and Business and Economic Development on S.B. No. 713

The purpose of this measure is to establish a Hawaii business-research institute tax credit to promote the formation and funding of research partnerships between business entities and eligible research institutions.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism; the Department of Taxation; University of Hawaii; Kamehameha Schools; and Hawaii Agriculture Research Center. In addition, your Committees received comments from the Tax Foundation of Hawaii.

Your Committees find that the State's economic future increasingly depends on investment in emerging technology-based sectors. Offering tax credits provides incentives for private-sector investments to support research or development conducted by an eligible institution, and is an investment in Hawaii's economic future. Your Committees believe that this measure will result in increased scientific research at Hawaii's universities and post-secondary educational and research institutions, and the growth of new technology-based enterprises.

In response to concerns raised by members, your Committees have amended this measure to clarify procedures for distributing the credits before and after the cap of \$2,000,000 for any one calendar year is reached. Your Committees also have amended this measure by making technical, non-substantive amendments for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 713, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 713, 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, Menor, Trimble).

SCRep. 165 (Joint) Media, Arts, Science and Technology and Business and Economic Development on S.B. No. 1701

The purpose of this measure is to appropriate matching state funds as a grant-in-aid to Enterprise Honolulu to conduct its targeted business development project.

Testimony in support of this measure was submitted by Enterprise Honolulu.

Your Committees find a significant need for new career opportunities, more living wage jobs, and globally competitive industries in the State. The most successful proven models have been public-private partnerships in which direct business-to-business contacts are cultivated and recruitment is targeted toward those industries, such as defense dual use technologies, ocean sciences, film and digital media, information and communications technology, and life sciences, that are most conducive to economic development appropriate to our island culture. Creating an effective public-private partnership will make a substantial difference in closing the current wage gap. For example, life sciences is a multibillion dollar industry that involves research, development, and commercialization of drugs and medical devices. The University of Hawaii medical school is a tangible symbol of the movement to diversify Hawaii's economy through newly-emerging science industries. Your Committees believe that this measure will enable Enterprise Honolulu to achieve its goals of increasing the number of high paying jobs, diversifying Hawaii's economy, creating new investments and new wealth, increasing tax revenues, and benefiting all communities through its targeted business development project.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1701 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, Ihara, Trimble).

SCRep. 166 (Joint) Media, Arts, Science and Technology and Business and Economic Development on S.B. No. 1702

The purpose of this measure is to establish the High Technology Innovation Corporation, an attached nonprofit subsidiary of the High Technology Development Corporation.

Testimony in support of this measure was submitted by the High Technology Development Corporation, and eight individuals, including six members of the High Technology Development Corporation's board of directors. Your Committees received testimony in opposition to the measure from the Department of Business, Economic Development, and Tourism.

Your Committees understand that the board of directors of the High Technology Development Corporation supports this measure and, after months of discussion and investigation, has formally adopted a policy to organize such a nonprofit subsidiary, which the board considers its top priority. Your Committees find that establishing the High Technology Innovation Corporation will:

- (1) Enable the High Technology Development Corporation to seek and receive grants from foundations, endowments, corporations, and governments, both foreign and domestic, that are presently unavailable; and
- (2) Provide a more nimble, efficient, and responsive platform to provide services to and assist in the development of the State's technology sector.

Your Committees believe this measure will further the State's goal of nurturing and supporting its technology sector while reducing the State's cost for doing so.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1702 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 (English, Trimble).

SCRep. 167 Energy, Environment, and International Affairs on S.B. No. 1709

The purpose of this measure is to establish an Office of International Affairs within the Department of Business, Economic Development, and Tourism to coordinate and promote economic, social, cultural, and scientific relations with other countries.

Your Committee received testimony from the Department of Business, Economic Development, and Tourism that, while supporting the overall concept, was in opposition to the measure.

Your Committee finds that there is a need for an Office of International Affairs. Hawaii is uniquely positioned, both geographically and culturally, to provide mutual opportunities and benefits to other countries. Hawaii can also serve as a place where the international community can develop peace initiatives and modes of international conflict resolution.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1709 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 (Hanabusa, Hemmings).

SCRep. 168 Energy, Environment, and International Affairs on S.B. No. 788

The purpose of this measure is to provide incentive to owners and prospective purchasers of contaminated property to work voluntarily and cooperatively with the State to clean up these properties.

Testimony in support of this measure was received from the Department of Health and Hawaiian Electric Company, Inc. Testimony in opposition to this measure was received from the Sierra Club. Comments were received from the Estate of James Campbell.

Your Committee finds that the measure attempts to address the concerns of prospective owners of contaminated property by clarifying that by participation in the Voluntary Response Program they may be eligible for future exemptions from liability, and that future liability exemptions will be based on risk-based response actions. Your Committee notes that the Voluntary Response Program must remain a vital program in protecting the public from environmental hazards. Thus, your Committee encourages the Department of Health and the Sierra Club to maintain a dialogue to address concerns regarding the effectiveness of environmental protection through the Voluntary Response Program.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 788 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 (Hanabusa, Hemmings).

SCRep. 169 Energy, Environment, and International Affairs on S.B. No. 998

The purpose of this measure is to require the use of the Leadership in Energy and Environmental Design (LEED) gold standard for buildings constructed or substantially renovated with at least fifty percent of the funding coming from state funds.

Testimony in favor of the measure was received from the Rocky Mountain Institute, the Sierra Club-Hawaii Chapter, PowerLight Corporation, Hawaii Renewable Energy Alliance, and Honolulu Seawater Air Conditioning, Inc. The Department of Business, Economic Development, and Tourism and Hawaiian Electric Company supported the intent of the measure and provided comments. Testimony in opposition to the measure and comments were received from the Pacific Housing Assistance Corporation.

Your Committee finds that the use of LEED building and design standards, formulated by the United States Green Building Council, provide for reduced impact on the environment, a healthier workplace, and, in the case of government buildings, savings to taxpayers due to more efficient energy management.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 998 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 (Hanabusa, Hemmings).

SCRep. 170 Judiciary and Hawaiian Affairs on S.B. No. 617

The purpose of this measure is to establish the Court Interpreting Services Revolving Fund in the Judiciary to provide financial support for the development of a comprehensive education, screening, testing, and certification program for court interpreters.

Testimony in support of this measure was submitted by the Judiciary. Testimony in opposition to the measure was submitted by the Department of Budget and Finance.

Your Committee finds that the establishment of the Court Interpreting Services Revolving Fund will enable the Judiciary to provide high quality interpreting services for non-English speakers who utilize the services of the Judiciary. This fund is also the repository of other moneys, including user fees collected from court interpreters, which will not only defray the cost of important court interpreter education and certification programs, but also ensure the accuracy and reliability of court interpreters utilized in all legal proceedings in State courts.

Your Committee has amended this measure by making technical, non-substantive amendments for purposes of clarity.

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. 617, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 617, 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, none.

SCRep. 171 (Joint) Health and Human Services on S.B. No. 1285

The purpose of this measure is to make the kupuna council independent from the State and authorizes any individual regardless of race or ethnic origin to be certified by the kupuna council as a traditional Hawaiian healer.

The Office of Hawaiian Affairs, Waianae Coast Comprehensive Health Center, and Traditional Native Hawaiian Healing Center submitted testimony in support of this measure. Papa Ola Lokahi submitted comments.

Your Committees find that the State should remain removed from any regulation of traditional healing practices so that healers may practice the appropriate traditional Hawaiian protocol for their activities. Traditional Hawaiian healing is a dying art and is important to the health of the Hawaiian people. It is also crucial that the traditional native Hawaiian healing arts be preserved before the Kupuna passes on. This measure strengthens the language of the statute and protects those who participate in the traditional healing practices.

Upon further consideration, your Committees have amended this measure by deleting the word "native" instead of "Hawaiian" as suggested by the proponents to avoid a definition that could require a blood quantum.

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. 1285, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1285, S.D. 1, and 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, 3 (Hooser, Kokubun, Whalen).

SCRep. 172 (Joint) Health and Human Services on S.B. No. 682

The purpose of this measure is to require businesses engaged in the retail sale of cigarettes and other tobacco products to acquire a retail tobacco permit from the Department of Taxation.

The Department of Health, the Department of Taxation, the State Attorney General, a Hawaii County Council member, American Lung Association, American Heart Association, American Cancer Society, Coalition for a Tobacco Free Hawaii, Tobacco Prevention and Control Advisory Board, Hawaii Medical Service Association, and three individuals submitted testimony in support of this measure. The Tax Foundation of Hawaii and Hawaii Food Industry Association submitted comments.

Your Committees find that youth access to tobacco products is a significant factor in determining whether a minor will ever smoke, experiment with tobacco, or become occasional or regular tobacco users. A retail business is the most common way a minor acquires tobacco products.

At present, it is not possible to know who or how many retail vendors are currently selling tobacco products. The retail tobacco permit will facilitate enforcement of the requirements of current law by providing a known and measurable list of entities engaged in the retail sale of cigarettes and other tobacco products. The ability to know with a greater degree of certainty who is licensed to sell tobacco products will greatly enhance and support efforts to reduce youth access to tobacco and keep the rates of illegal sale of tobacco to minors at one of the lowest in the nation. Also, the record-keeping requirement of this measure provides a tool to deal with the issue of counterfeit stamped products and counterfeit cigarettes, and facilitates diligent enforcement of the Master Settlement Agreement and Cigarette Tax Law.

Upon further consideration, your Committees have amended this measure by making technical non-substantive amendments for 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 are in accord with the intent and purpose of S.B. No. 682, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 682, 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, Kokubun, Whalen).

SCRep. 173 (Joint) Health and Human Services on S.B. No. 1512

The purpose of this measure is to authorize the Director of Health to establish domestic violence fatality review teams to review domestic violence fatalities.

The Department of Health, the Attorney General, the Judiciary, the Maui Prosecuting Attorney, the Hawaii Prosecuting Attorney, the Domestic Violence Clearinghouse and Legal Hotline, Hawaii State Coalition Against Domestic Violence, and one individual submitted written testimony in support of this measure.

Your Committees find that a domestic violence fatality review process will bring stakeholders together in an organized manner to address the circumstances and issues surrounding a domestic violence death in a confidential manner. As the Department of Health noted, information gained will ultimately assist in reducing those deaths that are preventable as well as build the capacity of the State to more effectively address the issues of domestic violence.

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. 1512 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, Kokubun, Whalen).

SCRep. 174 Energy, Environment, and International Affairs on S.B. No. 1557

The purpose of this measure is to require the Public Utilities Commission to provide that the rate for purchase of electricity by a public utility shall not be less than 100 percent of the cost avoided by the utility when the utility purchases electrical energy. The measure also increases future percentages for renewable portfolio standards for electric utilities.

Testimony in support of the measure was received from the Rocky Mountain Institute, the Sierra Club, Hawaii PV Coalition, Honolulu Seawater Air Conditioning, LLC, and PowerLight Corporation. Hawaiian Electric Company testified in opposition. The Public Utilities Commission provided comments.

Your Committee finds that this measure refines the provisions of Act 95, Session Laws of Hawaii 2004, by strengthening provisions for the fostering of renewable energy. Specifically, it specifies that the rate for the purchase of electricity shall not be less than one hundred per cent of the cost avoided by the utility, and it increases the renewable energy portfolio standards to twenty per cent by December 31, 2015 and thirty per cent by December 31, 2020.

Your Committee has amended this measure by making technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1557, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1557, 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 (Hanabusa, Hemmings).

SCRep. 175 (Joint) Water, Land, and Agriculture and Energy, Environment, and International Affairs on S.B. No. 1893

The purpose of this measure is to address the removal process of noxious trees identified by the Department of Land and Natural Resources.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, County of Maui Department of Water Supply, Aloha Green, Continental Pacific, Land Use Research Foundation of Hawaii, the Nature Conservancy, and four individuals.

Your Committees find that beyond the devastating environmental impacts associated with the introduction and spread of alien plant species to Hawaii's environment, alien species also represent a drain on Hawaii's economy. Costs associated with mitigating or removing alien plant species and reintegrating native plant and animal species is a strain on limited government resources on the federal, state, and county levels. Thus, this measure provides a streamlined process for removing trees identified by the Department of Land and Natural Resources as noxious.

While this measure will provide a tool for removing these invasive trees, your Committees also noted concerns regarding the expedited process. Thus, it is your Committees' intent that the permit applications to remove noxious trees go through an extensive review process performed by the Department of Land and Natural Resources.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Energy, Environment, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1893 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, 4. Noes, none. Excused, 2 (Fukunaga, Hanabusa).

SCRep. 176 (Joint) Water, Land, and Agriculture and Energy, Environment, and International Affairs on S.B. No. 1006

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to Honolulu Seawater Air Conditioning for the design and construction of a chilled water distribution system.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs and Honolulu Seawater Air Conditioning. Comments were also submitted by the Department of Budget and Finance and City and County of Honolulu Board of Water Supply.

Seawater air conditioning district cooling systems are a renewable energy technology that has the potential to provide a contribution to Hawaii's renewable portfolio standard requirements. Your Committees find that support for the development of renewable and efficient energy systems in the State is in the public's interest. Thus, this measure will authorize the issuance and refunding of special purpose revenue bonds to assist the seawater air conditioning projects in constructing more economically feasible systems.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Energy, Environment, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1006 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, none. Excused, 2 (Fukunaga, Hanabusa).

SCRep. 177 Water, Land, and Agriculture on S.B. No. 1896

The purpose of this measure is to create a volunteer coordinator position within the Department of Land and Natural Resources to organize the volunteer program for the department.

Testimony in support of this measure was submitted by the Island of Hawaii YMCA and one individual. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources.

Your Committee finds that many programs within the Department of Land and Natural Resources could benefit from volunteer assistance. However, because of a limited number of personnel who are already tasked with numerous duties and responsibilities, the job of coordinating the efforts of volunteers have become a low priority. Thus, this measure provides funds for a full-time volunteer coordinator within 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. 1896 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. 178 Water, Land, and Agriculture on S.B. No. 954

The purpose of this measure is to appropriate funds for the operation and maintenance of the East Kauai irrigation system.

Testimony in support of this measure was submitted by the Agribusiness Development Corporation, East Kauai Water Users' Cooperative, Hawaii Agriculture Research Center, Hawaii Farm Bureau, Kauai Cattlemen's Association, and Kauai County Farm Bureau. Testimony in opposition to this measure was submitted by the Office of Hawaiian Affairs.

Your Committee finds that in 2002, the East Kauai Water Users' Cooperative took over operations of the East Kauai irrigation system. However, income from users is insufficient to pay for the day-to-day operation and maintenance expenses of the system. This measure appropriates funds to supplement the Cooperative's income for the operation and maintenance of the East Kauai irrigation system and help facilitate the development of diversified agriculture in Kapaa, Kauai.

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. 954 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 (Fukunaga).

SCRep. 179 Water, Land, and Agriculture on S.B. No. 953

The purpose of this measure is to require sellers of residential property to disclose the close proximity of agricultural lands to buyers.

Testimony in support of this measure was submitted by the City and County of Honolulu Department of Planning and Permitting, Big Island Farm Bureau, and Hawaii Farm Bureau. Testimony in opposition to this measure was submitted by the Hawaii Association of Realtors.

Your Committee finds that as agricultural-zoned lands are being re-zoned for non-agricultural residential uses, the agricultural operations that remain on the former sugar and pineapple lands cause mud, dust, spray drift, noise, and odor problems for the new residents. This measure requires sellers of residential property to disclose the proximity of agricultural lands within one thousand lineal feet by including this geographic information in the disclosure statement provided to buyers.

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. 953 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, 1 (Fukunaga).

SCRep. 180 Water, Land, and Agriculture on S.B. No. 671

The purpose of this measure is to make housekeeping amendments to temporary employee, coffee weighing, and agriculture advertising provisions.

Testimony in support of this measure was submitted by the Department of Agriculture.

Your Committee finds that several provisions in the Hawaii Revised Statutes relating to agriculture need to be amended for clarity and efficiency. This measure specifically:

- (1) Allows temporary employees to be hired under the certification revolving fund to assist in chicken egg and meat certifications. This assistance will help to free the professional employees to conduct more complex certification activities;
- (2) Moves the coffee weighing provisions in section 141-4, Hawaii Revised Statutes (HRS), to chapter 147, HRS, a more appropriate chapter which deals with agricultural grades and standards certification activities; and
- (3) Moves the authority of the Department of Agriculture to regulate the advertising of size, grade, origin, or quality in conjunction with price under chapter 148 to chapter 147, HRS, a more appropriate chapter, which deals with agricultural grades and standards certification activities.

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. 671 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 (Fukunaga).

SCRep. 181 Water, Land, and Agriculture on S.B. No. 1898

The purpose of this measure is to exempt qualified farmers from liability when a person is injured while trespassing, committing, or attempting to commit theft on the farmer's agricultural land.

Testimony in support of this measure was submitted by the Department of Agriculture, County of Maui Office of Economic Development, Growing Creations, Hawaii Agriculture Research Center, Hawaii Cattlemen's Council, Hawaii Crop Improvement Association, Hawaii Farm Bureau, and Hawaii Marine Enterprises.

Your Committee finds that millions of dollars worth of goods and equipment have been stolen from agricultural lands over the years. In addition to the cost of replacing the stolen items, farmers also face the additional burden of liability for trespassers who are injured on their land. This measure exempts qualified farmers from civil liability when trespassers are injured on 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. 1898 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 (Fukunaga).

SCRep. 182 Water, Land, and Agriculture on S.B. No. 1899

The purpose of this measure is to appropriate funds to develop guidelines and a marketing plan to obtain export clearances for Japan and other countries.

Testimony in support of this measure was submitted by the Department of Agriculture, Department of Business, Economic Development, and Tourism, University of Hawaii College of Tropical Agriculture and Human Resources, University of Hawaii Center for Genomics, Proteomics, and Bioinformatics Research Initiative, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Hawaii Farm Bureau, Hawaii Papaya Industry Association, High Technology Development Corporation, and one individual. Testimony in opposition to this measure was submitted by two individuals.

Your Committee finds that Japan accounts for approximately forty percent of Hawaii's papaya export; however, the genetically engineered papaya has not received the proper clearances from Japan to be exported. Thus, this measure provides the necessary funds to gather information, develop guidelines, and develop a marketing plan to obtain export clearances for Japan and other countries.

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. 1899 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 (Fukunaga).

SCRep. 183 (Majority) Water, Land, and Agriculture on S.B. No. 1877

The purpose of this measure is to clarify the Department of Business, Economic Development, and Tourism (DBEDT) has sole jurisdiction over the Office of Planning and require the Office of Planning's director be nominated by the Governor with the advice and consent of the Senate.

Testimony in support of this measure was submitted by Hawaii's Thousand Friends, Native Hawaiian Legal Corporation, Sierra Club, and two individuals. Testimony in opposition was submitted by DBEDT, the Department of Land and Natural Resources, and the Office of Planning. Comments were also submitted by the University of Hawaii Environmental Center and one individual.

Your Committee finds that the power to direct the Office of Planning to report to a principal department other than DBEDT rests solely with the Legislature. Thus, this measure:

- (1) Clarifies that DBEDT maintains sole jurisdiction over land and state planning functions;
- (2) Provides that the Office of Planning shall not report to any other principal executive department other than DBEDT; and
- (3) Requires the Office of Planning's director be nominated by the Governor with the advice and consent of the Senate.

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. 1877 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, 1 (Fukunaga).

SCRep. 184 Water, Land, and Agriculture on S.B. No. 1592

The purpose of this measure is to review the fundamental components of community planning and create a sustainability plan.

Testimony in support of this measure was submitted by one individual. Comments were also submitted by the Department of Business, Economic Development, and Tourism, Department of Land and Natural Resources, and Office of Planning.

Hawaii is a unique and beautiful State. For many it is the ideal place to live and is second to none for providing a preferred quality of life. However, in order to improve or even maintain the quality of life in this State, your Committee finds that planning the overall theme and goals of the State is important to our future success. Thus, this measure requires:

- (1) A task force to review the Hawaii State Plan and other fundamental components of community planning and make recommendations for a sustainability plan to the year 2050; and
- (2) The Auditor to create a sustainability plan with the assistance of the Office of Planning.

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. 1592 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 (Fukunaga).

SCRep. 185 Judiciary and Hawaiian Affairs on S.B. No. 616

The purpose of this measure is to exempt court interpreters whose presence is requested by a state court from prosecution for expired parking meter violations.

Testimony in support of the measure was submitted by the Judiciary.

Your Committee finds that presently witnesses summoned or subpoenaed by a state court are exempt from prosecution for expired parking meter violations. However, court interpreters requested by a court are not deemed to be "summoned" or "subpoenaed" under the current statute exempting witnesses from prosecution for expired parking meter violations. This measure is designed to afford court interpreters the same exemption from prosecution, provided that the court interpreter is requested by the court.

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. 616 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, none.

SCRep. 186 Judiciary and Hawaiian Affairs on S.B. No. 619

The purpose of this measure is to eliminate statutory inconsistencies in the Hawaii Penal Code relating to the maximum term of imprisonment for the conviction of a petty misdemeanor offense.

Testimony in support of the measure was submitted by the Judiciary.

Your Committee finds that there is an inconsistency in the Hawaii Penal Code in regards to the statutory definition of a petty misdemeanor and the maximum prison term that may be imposed for the conviction of a petty misdemeanor offense. This measure is designed to address that inconsistency by clearly defining a petty misdemeanor as a criminal offense for which the maximum prison term is not to exceed thirty days.

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. 619 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, none.

SCRep. 187 Judiciary and Hawaiian Affairs on S.B. No. 628

The purpose of this measure is to authorize the State Ethics Commission to determine the salary of its employees, including the Executive Director of the Commission, within its budget.

Testimony in support of the measure was submitted by the State Ethics Commission and the League of Women Voters of Hawaii.

Your Committee finds that this measure would allow the State Ethics Commission to set the salaries of all of its employees, including the Executive Director. This measure allows the State Ethics Commission to set the salary of the Executive Director independently of the salaries of executive department deputies and the recommendations of the Executive Salary 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 is in accord with the intent and purpose of S.B. No. 628 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 (Hee).

SCRep. 188 Judiciary and Hawaiian Affairs on S.B. No. 698

The purpose of this measure is to clarify that the State Identification Office of the Hawaii Criminal Justice Data Center is required to take a full frontal photograph of an applicant's face for purposes of issuing a Hawaii State Identification Card.

Testimony in support of the measure was submitted by the Department of the Attorney General.

Your Committee finds that this measure is designed to clarify that the State Identification Office is required to take a full frontal photograph of an applicant's face for a State Identification Card. This will ensure that any person examining a State Identification Card is able to accurately identify and match the photograph on the State Identification Card to the person presenting the State Identification Card.

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. 698 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, none.

SCRep. 189 Judiciary and Hawaiian Affairs on S.B. No. 920

The purpose of this measure is to authorize the issuance of general obligation bonds and make an appropriation for the Office of Hawaiian Affairs for the construction of a facility that would not only house the administrative offices and support staff of the Office of Hawaiian Affairs, but also a Hawaiian Community Center.

Testimony in support of the measure was submitted by the Office of Hawaiian Affairs.

Your Committee finds that the construction of a centralized facility for the Office of Hawaiian Affairs, including a Hawaiian Community Center, is vital to the ongoing mission of the Office of Hawaiian Affairs in improving the social and economic conditions of Native Hawaiians. This multipurpose building would function as a community resource that members of the Native Hawaiian community and the community at large could utilize both as a meeting place as well as a showcase and repository for Native Hawaiian history and culture. Further, your Committee finds that the construction of this building would relieve the Office of Hawaiian Affairs of its current rent obligations, thereby freeing up additional financial resources that could be directed towards fulfilling its mission.

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. 920 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 (English, Ihara).

SCRep. 190 Judiciary and Hawaiian Affairs on S.B. No. 975

The purpose of this measure is to enact same-day voter registration and reduce the closing date for voter registration from thirty days to fifteen days before the date of a primary, general, special primary, special general, or special election.

Testimony in support of the measure was submitted by the Office of Elections and the League of Women Voters for Hawaii. The Office of the City Clerk for the City and County of Honolulu testified in opposition to the measure.

Your Committee finds that Hawaii has one of the lowest voter turnout rates in the nation. To increase participation among eligible Hawaii voters, your Committee finds that voter friendly initiatives such as same-day voter registration and reducing the voter registration closing date to fifteen days before the date of an election will remove barriers to voter registration and voting. Same-day voter registration has been successfully enacted in six other states and these states consistently lead the nation in voter turnout.

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. 975 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 (Hee).

SCRep. 191 Judiciary and Hawaiian Affairs on S.B. No. 1324

The purpose of this measure is to provide for the automatic recount of votes in an election where the difference between the number of votes cast for the winning candidate and the candidate with the second highest number of votes is less than one per cent of the total number of votes cast for that office.

Testimony in support of the measure was submitted by the Office of the Governor, the League of Women Voters of Hawaii, and one individual. The Office of Elections submitted comments.

Your Committee finds that in close elections there is no immediate and adequate remedy available for a candidate with the second most votes in an election and loses by the narrowest of margins. Often, this candidate is unable to demonstrate, much less allege, fraud or illegal activity upon which to mount an election contest challenge in court and request a recount of the votes. This measure would authorize an automatic recount of votes when the difference in the number of votes cast between the winning candidate and the

candidate with the second highest number of votes meets a certain threshold percentage based upon the total number of votes cast for that office.

Your Committee has amended this measure by changing the threshold requirement required for an automatic recount from one per cent to one-eighth of one per cent.

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. 1324, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1324, 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 (Hee).

SCRep. 192 Judiciary and Hawaiian Affairs on S.B. No. 1630

The purpose of this measure is to appropriate funds for a grant-in-aid to the Honolulu YMCA to hire site coordinators in order to implement the central facilitation component of the Weed and Seed initiative for the Honolulu area.

Testimony in support of the measure was submitted by the Honolulu Police Department and the Executive Director of the Weed and Seed Hawaii Strategy.

Your Committee finds that the Weed and Seed initiative in Hawaii has been hugely successful in reducing drug use and crime rates in communities where it has been implemented. The Weed and Seed Strategy is a comprehensive community-based initiative that utilizes a combination of law enforcement, community policing, treatment and prevention services, and neighborhood restoration as part of its strategy. The appropriation to the Honolulu YMCA is designed to implement the community empowerment aspect of the Weed and Seed program by hiring site coordinators. Your Committee finds that these coordinators are integral to the success of the Weed and Seed program as these coordinators work directly with the residents, organizations, and businesses in the community to implement site specific strategies that will improve the quality of life for these residents.

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 Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1630, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1630, 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 (English, Ihara).

SCRep. 193 (Majority) Labor on S.B. No. 943

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 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, 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 (2) 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. 943 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, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 194 (Majority) Labor on S.B. No. 1045

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 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, 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 (3) 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. 1045 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, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 195 (Majority) Labor on S.B. No. 1046

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 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, 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 (6) 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. 1046 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, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 196 (Majority) Labor on S.B. No. 1047

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 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.

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. 1047 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, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 197 (Majority) Labor on S.B. No. 1048

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 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.

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. 1048 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, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 198 (Majority) Labor on S.B. No. 1049

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 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.

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. 1049 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, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 199 (Majority) Labor on S.B. No. 1050

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 of the other bargaining units, who are excluded from collective bargaining.

Testimony in support of this measure was submitted by 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 (13) 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. 1050 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, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 200 (Majority) Labor on S.B. No. 1579

The purpose of this measure is to fund collective bargaining cost items relating to contributions to the employer-union health benefits trust fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (1), nonsupervisory employees in blue collar positions and their excluded counterparts.

Testimony in support of this measure was submitted by the United Public Workers.

Although no sums have been appropriated or authorized from the source of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items 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 S.B. No. 1579 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, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 201 (Majority) Labor on S.B. No. 1580

The purpose of this measure is to fund collective bargaining cost items relating to contributions to the employer-union health benefits trust fund 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 twenty hours a week who are equal to one-half of a full-time equivalent, and their excluded counterparts.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association.

Although no sums have been appropriated or authorized from the source of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items 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. 1580 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, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 202 (Majority) Labor on S.B. No. 1581

The purpose of this measure is to fund collective bargaining cost items relating to contributions to the employer-union health benefits trust fund 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 and their excluded counterparts.

Although no sums have been appropriated or authorized from the source of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items 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. 1581 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, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 203 (Majority) Labor on S.B. No. 1582

The purpose of this measure is to fund collective bargaining cost items relating to contributions to the employer-union health benefits trust fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (9), registered professional nurses and their excluded counterparts.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association.

Although no sums have been appropriated or authorized from the source of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items 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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1582 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, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 204 (Majority) Labor on S.B. No. 1583

The purpose of this measure is to fund collective bargaining cost items relating to contributions to the employer-union health benefits trust fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (10), institutional, health, and correctional workers and their excluded counterparts.

Testimony in support of this measure was submitted by the United Public Workers.

Although no sums have been appropriated or authorized from the source of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items 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 S.B. No. 1583 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, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 205 Labor on S.B. No. 1584

The purpose of this measure is to fund collective bargaining cost items relating to contributions to the employer-union health benefits trust fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (11), firefighters and their excluded counterparts.

Testimony in support of this measure was submitted by the Hawaii Fire Fighters Association.

Although no sums have been appropriated or authorized from the source of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items 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. 1584 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, 1 (Taniguchi).

SCRep. 206 (Majority) Labor on S.B. No. 1585

The purpose of this measure is to fund collective bargaining cost items relating to contributions to the employer-union health benefits trust fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining units (2), (3), (4), (6), (8), and (13) and their excluded counterparts.

Although no sums have been appropriated or authorized from the source of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items 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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1585 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, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 207 (Joint) Commerce, Consumer Protection and Housing and Judiciary and Hawaiian Affairs on S.B. No. 452

The purpose of this measure is to enact the Uniform Athlete Agents Act.

The University of Hawaii, Department of Education, and Hawaii Commission to Promote Uniform Legislation testified in support of this measure. The Department of Commerce and Consumer Affairs presented comments on the measure.

The proliferation of professional sports franchises in the nation and the large sums paid to athletes under commercial endorsement contracts have rendered the commercial marketplace in which athletes operate highly competitive. The competition to represent student-athletes and to earn the substantial fees that accompany this representation has resulted in the use of unscrupulous practices by some agents, placing student-athletes at risk of losing collegiate eligibility and the educational institutions they attend at risk of being sanctioned.

This measure proposes to establish protections for student-athletes and educational institutions by adopting the Uniform Athlete Agents Act (UAAA). Among other things, this measure mandates athlete agents to register with the Department of Commerce and Consumer Affairs before being permitted to act as an athlete agent, establishes requirements for an agency contract that includes mandatory disclosures, prohibits certain conduct by athlete agents, and requires notice to an student-athlete's educational institution upon the execution of an agency contract.

Additionally, this measure permits cancellation of the agency contract by the student-athlete, establishes recordkeeping requirements, and authorizes criminal and administrative penalties, and civil remedies. Presently, more than thirty states have adopted the UAAA, and six other states have similar laws regulating athlete agents.

Your Committees find that with the prominence of many of the State's intercollegiate sports programs and the growing number of talented student-athletes in our educational institutions, more and more opportunities will arise for athlete agents to seek agency contracts in this State. The adoption of the UAAA will help to protect Hawaii's student-athletes and educational institutions and provide a consistent set of standards for athlete agent conduct that facilitates the regulatory process.

Your Committees have amended this measure:

- (1) To establish a maximum \$25,000 administrative penalty for each violation of the UAAA, rather than a maximum \$25,000 civil penalty;
- (2) To establish the Director of Commerce and Consumer Affairs' rulemaking authority under the UAAA; and
- (3) By making technical, nonsubstantive changes 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. 452, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 452, 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 (Hee, Ige, Sakamoto).

SCRep. 208 Commerce, Consumer Protection and Housing on S.B. No. 1453

The purpose of this measure is to authorize the imposition of the public service company tax on a private sewer company or facility.

The Department of Taxation, County of Kauai, and Hawaii State Association of Counties testified in support of this measure.

Currently, all public utilities, except private sewer companies, are subject to a public service company (PSC) tax on their gross income, in lieu of payment of the state general excise tax and county real property taxes. Pursuant to Act 64, Session Laws of Hawaii 2001, the counties share in a portion of the PSC taxes in exchange for giving up their rights to impose a real property tax on public service companies.

A recent decision by the state tax appeals court held that revenues earned by private sewer companies are not subject to the PSC tax because this income is not specifically included under the definition of "gross income" under the PSC tax law. Under this interpretation, the counties stand to sustain an aggregate annual loss of approximately \$300,000 in PSC tax revenues.

This measure corrects the omission in the PSC tax law by amending the definition of "gross income" to include gross income from the operation of a private sewer company or facility. Your Committee finds that this measure supports a more equitable system of taxation by requiring private sewer companies to pay the same tax that is assessed against other sewage and wastewater treatment companies.

Your Committee has amended this measure by making technical amendments to insert missing statutory language 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. 1453, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1453, 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 (Ige, Sakamoto).

SCRep. 209 Commerce, Consumer Protection and Housing on S.B. No. 1851

The purpose of this measure is to appropriate funds to assist homeless and transitional housing projects statewide.

Testimony in support of this measure was submitted by a member of the Hawaii County Council, five members from the Maui County Council, and the East Hawaii Coalition for the Homeless. Testimony in opposition to this measure was submitted by the Housing and Community Development Corporation of Hawaii.

Your Committee finds that homelessness is a problem in our State, and programs for the homeless and transitional housing are crucial to getting individuals and families off the streets and homeless shelters and into homes. This measure specifically appropriates funds for:

- (1) Homeless and transitional housing projects on the islands of Kauai, Hawaii, and Maui;
- (2) Self-help projects in all counties; and
- (3) The state homeless shelter program.

Your Committee has amended this measure by:

- (1) Appropriating \$650,000 for homeless and transitional housing projects on Kauai;
- (2) Appropriating \$500,000 for homeless and transitional housing projects on Hawaii; and
- (2) Naming the Department of Human Services as the expending agency for the appropriations.

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. 1851, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1851, 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 (Espero, Sakamoto).

SCRep. 210 Commerce, Consumer Protection and Housing on S.B. No. 1904

The purpose of this measure is to aid the Hana Ranch Affordable Housing Project for the construction of affordable housing in Hana, Maui.

Testimony in support of this measure was submitted by one Maui County Council member. The American Forest and Paper Association submitted testimony in opposition to the measure.

Your Committee finds that Hana, Maui currently has a housing crisis due to a lack of affordable housing options. For many, the living conditions are seriously overcrowded. However, families have very few housing options because median prices for homes on Maui are the highest in the State, making purchasing a home extremely difficult for the average family.

In an effort to resolve the housing problems in Hana, the Hana Ranch dedicated one hundred acres to the community to build affordable housing. Of the one hundred acres, approximately fifteen acres will be used for fifty-three to fifty-five single family lots in the first phase. This measure authorizes the issuance of general obligation bonds for a grant-in-aid to Hana Ranch Affordable Housing Project to assist the planning and construction of affordable housing units in Hana, Maui.

Your Committee has amended this measure by making technical, nonsubstantive changes for clarification 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. 1904, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1904, 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 (Espero, Sakamoto).

SCRep. 211 Intergovernmental Affairs on S.B. No. 1479

The purpose of this measure is to exempt county fire fighters from liability for the rendering of rescue, resuscitative, or other fire fighting services in the scope of employment as a county fire fighter.

Your Committee received testimony in support of this measure from the State Fire Council. Testimony in opposition was received from the Consumer Lawyers of Hawaii.

Current law provides an exemption from civil liability to county lifeguards providing rescue and resuscitative services. This measure would extend that exemption to county fire fighters.

Your Committee recognizes that fire fighting is a dangerous occupation which involves response to fire, rescue, medical, and hazardous materials incidents. Your Committee also recognizes fire fighters to be highly trained and skilled in their responsibilities and duties.

However, your Committee is concerned about disrupting the American legal system's principles of tort law. One of those is to compensate another person for injuries as a result of the other's negligence, including that of government entities and employees. The objective is to deter harm to others and to encourage acting with reasonable care and diligence.

Your Committee has not been presented with sufficient information to justify implementing this measure immediately. Therefore, your Committee has amended this measure by changing the effective date to July 1, 2020, in the interests of allowing time for the proponents of this measure to present more information.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1479, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1479, 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, English, Inouye).

SCRep. 212 Tourism on S.B. No. 971

The purpose of this measure is to narrow gift and prize disclosure requirements for time shares.

In addition, this measure would allow time share booth signage to contain art and design elements; exclude booths in the time share project, or in a hotel owned or operated by the time share developer or affiliate from signage requirements; remove signs and banners from certain disclosure requirements; and exclude money paid for an activity, product, or service from prohibition on developer receipt of sums from prospective buyers.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, Marriott International, Inc., Paho Resorts, American Resort Development Association-Hawaii, and Starwood Vacation Ownership. Testimony in opposition to this measure was submitted by Cendant Timeshare Resort Group.

Your Committee finds that hotel guests need to receive adequate disclosures regarding time share solicitations. Your Committee believes this measure will alert hotel guests of time share options when they are not owned or operated by the hotel owner or the hotel's affiliate contractor, yet allow those marketing time shares more freedom in their promotions.

Your Committee has adopted the amendment suggested by the Department of Commerce and Consumer Affairs to clarify language and provide for the types of signs or banners that are prohibited.

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. 971, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 971, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Espero, Hee).

SCRep. 213 Tourism on S.B. No. 1727

The purpose of this measure is to require state agencies that use state funds to market products made in Hawaii to report all expenditures and allocations to the Hawaii Tourism Authority (HTA), and to require the HTA to coordinate and oversee all marketing efforts of products made in Hawaii.

Testimony in support of this measure was submitted by the Hawaii Marketing Alliance. Testimony in opposition to this measure was submitted by the Department of Agriculture and the Hawaii Tourism Authority. Comments were provided by the Department of Business, Economic Development, and Tourism.

Your Committee finds that various state agencies are using state funding independently to market products made in Hawaii. By centralizing and coordinating the marketing of made in Hawaii products, state funds can be better utilized and conserved to avoid duplication of efforts. Your Committee believes that this measure will ensure that state funds are used in a conservative and creative manner without being wasteful or redundant.

Your Committee amended this measure by transferring the duties of coordination and oversight of made in Hawaii products from the Hawaii Tourism Authority to the Department of Business, Economic Development, and Tourism, with the cooperation and participation of the Authority.

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. 1727, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1727, 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 (Espero, Hee).

SCRep. 214 Tourism on S.B. No. 1728

The purpose of this measure is to clarify that the perpetuation, protection, and enhancement of the Hawaiian culture is among the responsibilities of the Office of Hawaiian Affairs.

Your Committee received testimony in support of the measure from the Hawaii Tourism Authority, the Office of Hawaiian Affairs, and a member of the Maui County Council.

Your Committee finds that this measure reaffirms the Office of Hawaiian Affairs' obligation to preserve and protect the culture and history of Native Hawaiians. In connection with its goals and strategies, the Office of Hawaiian Affairs should be identifying and providing solutions to safeguard endangered traditions, practices, and rights, and subsequently put into practice steps that will protect, re-establish, and enhance Hawaiian cultural assets. Thus, your Committee believes that this measure will reinforce the duty of the Office of Hawaiian Affairs to make available technical and financial assistance and advisory services to any agency or private organization for programs to perpetuate, protect, or enhance Hawaiian culture.

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. 1728 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 (Espero, Hee).

SCRep. 215 (Majority) Tourism on S.B. No. 1730

The purpose of this measure is to impose the transient accommodations tax on hotels converting to time shares for one year following the conversion.

Testimony in opposition to this measure was submitted by the Department of Taxation, Cendant Timeshare Resort Group Inc., Fairfield Resorts, Inc., Marriott International, Inc., and the American Resort Development Association – Hawaii Chapter. Comments were submitted by Hawaii Hotel and Lodging Association and the Tax Foundation of Hawaii.

Your Committee finds that the tourism industry will suffer if the trend continues in regard to the growing number of hotels converting to timeshare units or condominiums. This trend is negatively affecting transient accommodations tax (TAT) revenues that are vital to the counties and the State for infrastructure, repair, and maintenance funds.

Your Committee believes that in addition to the loss of TAT revenues, the loss of hotel room inventory could negatively effect the tourism industry as a whole, resulting in a chain of negative economic consequences. Requiring any hotel that converts into timeshare or condominium use to pay a TAT surcharge will help to ensure a stable TAT revenue base and increase economic stability.

Your Committee has amended this measure to include a TAT surcharge in an amount equal to the average of fifty per cent of the previous two years of TAT revenues collected by the hotel, and to specify that the surcharge be levied against the entity owning the hotel prior to the conversion.

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. 1730, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1730, 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 (Espero, Hee).

SCRep. 216 (Majority) Tourism on S.B. No. 1863

The purpose of this measure is to require the Department of Taxation to review the forms and process relating to the collection of the transient accommodations tax from vacation rentals and bed and breakfast establishments and require the department to report the transient accommodations tax revenues received from these types of establishments.

Your Committee received testimony in support of the measure from a member of the Maui County Council. Testimony in opposition to the measure was received from the Department of Taxation. Comments on this measure were submitted by the Department of Business, Economic Development, and Tourism and the Tax Foundation of Hawaii.

Your Committee finds that the State needs a reporting system with respect to transient accommodations tax revenues collected from residential properties owners who operate vacation rentals and bed and breakfast establishments. Thus, your Committee believes that better reporting will enable the State to provide a more comprehensive tax system that is more equitable and cost effective.

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 Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1863, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1863, 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 (Espero, Hee).

SCRep. 217 Education and Military Affairs on S.B. No. 1838

The purpose of this measure is to authorize the State to deposit the uniform maintenance allowance into a financial institution account designated by a National Guard member and increases the allowance.

Testimony in support of the measure was submitted by the Department of Defense, Hawaii National Guard Enlisted Association, The Chamber of Commerce of Hawaii, and an individual.

Your Committee finds that the current uniform maintenance allowance of \$1.50 has been in place for over twenty years. Unfortunately, the utilization of the National Guard and Reserve in the last two years has increased significantly. This measure is needed to relieve the burden of increased costs currently being absorbed by guard members.

Upon further consideration, your Committee has amended the measure by:

- (1) Authorizing the Department of Accounting and General Services to deposit the allowance in the designated financial institution;
- (2) Deleting the inconsistent reference to officers and warrant officers;
- (3) Changing the increased allowance amount to three dollars; and
- (4) Adding an appropriation section.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1838, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1838, 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 (Chun Oakland).

SCRep. 218 Education and Military Affairs on S.B. No. 1834

The purpose of this measure is to restrict the Department of Education from using the minimum annual contribution by a nonprofit organization to reduce, suspend, or offset its normal budgetary allocation to a new century charter school.

Testimony in support of the measure was submitted by Kualapuu Elementary School, Waimea Middle School, Kamehameha Schools, and Hookakoo Corporation. The Department of Education submitted comments.

Your Committee finds that new century conversion charter schools operated and managed by nonprofit organizations receive a \$1 match from the nonprofit for every \$4 allocated by the charter school administrative office. This measure would clarify that this annual contribution by the nonprofit will not be used to offset the department's normal budgetary allocation. The amendment in this measure is in line with the intent of Act 2, Session Laws of Hawaii 2002, which required the matching funds to be used to enhance the normal state budgetary allocation to the school.

Although the department testified that the amendment is unnecessary, your Committee has amended this measure by changing the effective date to July 1, 2010 to continue the discussion on this issue.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1834, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1834, 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 (Chun Oakland).

SCRep. 219 Education and Military Affairs on S.B. No. 1827

The purpose of this measure is to provide economic relief to families of Hawaii National Guard and reserve members by establishing an income tax check off system to fund the Hawaii military family relief special fund.

Testimony in support of the measure was submitted by the Department of Defense, The Chamber of Commerce of Hawaii, and an individual. The Department of Taxation submitted comments.

Your Committee finds that state guardsmen and reservists are being called to active duty for extended periods up to and exceeding twelve months. Many are forced to face serious financial consequences, while others suffer from loss of employment. This measure will support the State's military families who suffer economic hardship due to deployment of a family member. The fund created in this measure will provide eligible families with access to economic assistance commonly available to families of members of the active force.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1827 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 (Chun Oakland).

SCRep. 220 (Joint) Education and Military Affairs and Labor on S.B. No. 1664

The purpose of this measure is to allow new century charter school employees to participate in the State's workers' compensation system.

Testimony in support of the measure was submitted by the Charter School Administrative Office, Department of Human Resources Development, Hawaii State Teachers Association, Kualapuu Elementary School, Kamehameha Schools, and Hookakoo Corporation.

Your Committees find that although charter school employees are state employees, they are not covered under the State's workers' compensation system as are other state employees. This measure would alleviate this oversight, ensuring that charter school employees are allowed to participate in the state system provided that the charter schools are responsible for compiling the preliminary claim.

Your Committees have amended this measure by:

- (1) Establishing that the Department of Human Resources Development will administer the claims for charter school employees;
- (2) Providing funding to the Department of Human Resources Development for the increased workload; and
- (3) Changing the effective date to July 1, 2010 to ensure further discussion on this topic.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1664, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1664, 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 (Chun Oakland, Hooser).

SCRep. 221 Education and Military Affairs on S.B. No. 1823

The purpose of this measure is to appropriate funds for phase II of the Oahu Veteran's Center at Foster Village.

Testimony in support of this measure was submitted by the Department of Defense, Disabled American Veterans, Oahu Veterans Council, the Hawaii Chapter of the Military Officers Association of America, the Hawaiian Chapter of the National Association for Uniformed Services, and an individual.

Your Committee finds that the State appropriated \$2.8 million as a grant-in-aid to construct the Oahu Veterans Center in 1995. Unfortunately, two failed attempts to exchange federal lands for state lands caused a delay in the project and a severe reduction in the appropriation amount. However, with the signing of a lease with the Foster Village Community Association, phase I construction is underway. The funding assistance in this measure will ensure the completion of the center, which has been an important long-standing community project.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1823 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 (Chun Oakland, Hooser).

SCRep. 222 Education and Military Affairs on S.B. No. 1812

The purpose of this measure is to appropriate funds to track, coordinate, and facilitate volunteer efforts in public schools through the establishment of a volunteer coordinator position and volunteer pilot project.

The Department of Education submitted comments on this measure.

Your Committee finds that there are various and diverse types of activities throughout the department that utilize volunteers. Establishing a coordinator position and implementing a pilot program to, among other duties, track volunteer efforts would assist the department in improving its volunteer efforts. Furthermore, extending benefits to volunteers would encourage more participation as a volunteer.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1812 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 (Chun Oakland, Tsutsui).

SCRep. 223 Education and Military Affairs on S.B. No. 1650

The purpose of this measure is to provide reimbursement for travel expenses to National Guard members reporting for drill or exercises and makes an appropriation for the reimbursements.

Testimony in support of the measure was submitted by the Department of Defense and The Chamber of Commerce of Hawaii.

Your Committee finds that members of the National Guard are sometimes required to incur air travel expenses in order to report for official duties. It would be appropriate for the State to assume costs of necessary air travel in order to maintain a force that is prepared to meet its commitments.

Upon further consideration, your Committee has amended this measure by:

- (1) Establishing that the State will reimburse travel expenses if the member was not offered military travel benefits;
- (2) Increasing the amount appropriated from \$60,000 to \$228,000; and
- (3) 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 Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1650, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1650, 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 (Chun Oakland).

SCRep. 224 (Joint) Education and Military Affairs and Higher Education on S.B. No. 1790

The purpose of this measure is to appropriate funds to establish Families for R.E.A.L. programs at various sites throughout the State.

Testimony in support of the measure was submitted by the Department of Education, Good Beginnings Alliance, and 232 individuals.

Your Committees find that Families for R.E.A.L. programs allow both young children and parents to receive the attention and education they require. The program includes the opportunity of young children to receive quality early education while parents receive valuable information on child development. Within the program there are opportunities for parents to ask questions regarding their child and to be referred to new resources that can benefit their growth as parents. Expanding the program would allow more families to participate in this quality service.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1790 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 (Baker, Hogue).

SCRep. 225 Education and Military Affairs on S.B. No. 1649

The purpose of this measure is to authorize the issuance of general obligation bonds to contribute to the funding of a new Pearl Harbor memorial museum and visitor center.

Testimony in support of the measure was submitted by the Department of Defense, Oahu Veterans Council, and Disabled American Veterans.

Your Committee finds that the Pearl Harbor memorial museum and visitor center are visited by hundreds of thousands of individuals annually and have consistently been one of the major destinations for Hawaii tourists. The existing structures have been in place since 1980 but are in need of maintenance for structural problems. There has also been a long-standing need to increase the museum size and the Arizona Memorial Museum Association has made plans to raise funds for the building of a new center. The general obligation bonds authorized by this measure will ensure the success of this project.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1649 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 (Chun Oakland, Hooser).

SCRep. 226 Education and Military Affairs on S.B. No. 1645

The purpose of this measure is to appropriate funds for a temporary civil service position to coordinate state support of military personnel.

Testimony in support of the measure was submitted by the Hawaii National Guard Enlisted Association, The Chamber of Commerce of Hawaii, and an individual. The Department of Defense submitted comments.

Your Committee finds that the National Guard and Reserve deployments have increased and taken many members away from their family and civilian employment. Many of these members experience a decrease in pay and incentives from their civilian employment which puts hardships on their family households. The temporary position in this measure would provide the National Guard and Reserve members with a person to assist their families during this difficult period.

Upon further consideration, your Committee finds that the Department of Defense currently employs a family support coordinator funded through the federal government. Therefore, your Committee has amended this measure to specify that the temporary position would only assist in the coordination of the joint venture education forum activities, including participation in the Hawaii 3Rs program.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1645, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1645, 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 (Chun Oakland).

SCRep. 227 (Joint) Education and Military Affairs and Labor on S.B. No. 1497

The purpose of this measure is to establish an alternative vocational education program that allows students enrolled in eleventh and twelfth grades to opt into full time vocational programs as an alternative to regular educational programming, and to place those students within state workers' compensation coverage.

Testimony in opposition to the measure was submitted by the Department of Education.

Your Committees find that not all students intend to pursue post-secondary higher education. Yet these students are required to comply with all requirements necessary to achieve their high school diploma as if they were to continue on with their education. Many of these students who do not choose to continue enter the workforce without the necessary skills. An alternative vocational program in high school would prepare these students with the skills and training to become active and competitive employees immediately after graduation.

Upon further consideration, your Committees have amended the measure by making technical, nonsubstantive amendments and changing the effective date to July 1, 2010.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1497, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1497, 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 (Chun Oakland, Hooser).

SCRep. 228 Education and Military Affairs on S.B. No. 1393

The purpose of this measure is to establish an after-school activities program coordinator position and a task force to review and recommend improvements to the after-school activities programs.

Testimony in support of the measure was submitted by the Office of Youth Services, Hawaii State Teachers Association, and Hawaii Youth Services Network. The Department of Education and Department of Human Services submitted comments.

Your Committee finds that structured programs and activities for children and youth provide safe and nurturing environments for many students on their own after school. The Honolulu Police Department reports that juvenile crime peaks between 2:00 p.m. and 6:00 p.m. Providing interesting, challenging, and educational programs for youth during non-school hours is a strong protective factor against substance abuse and crime.

However, the State lacks a sufficient amount of programs to encourage the interests of the youth. This measure would establish a position to coordinate the State's efforts in providing quality after-school programs.

Upon further consideration your Committee has amended the measure by:

- (1) Deleting the requirement that school administrators participate in the after-school activities program;
- (2) Including an appropriation for after-school and weekend programs; and
- (3) Making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1393, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1393, 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 (Chun Oakland).

SCRep. 229 Education and Military Affairs on S.B. No. 1258

The purpose of this measure is to establish a grant program in the Department of Education to develop K-12 lesson plans, curriculum, and other educational materials for civic responsibility, and appropriate funds for social studies textbooks, science textbooks, and to the grant program.

Testimony in support of the measure was submitted by the Department of Education. The Hawaii State Teachers Association submitted comments.

Your Committee finds that Act 21, Session Laws of Hawaii, 2004, the Hawaii Content and Performance Standards II, and the General Learner Outcomes all support civic responsibility programs in schools. This measure will provide much needed funds to support civic programs to ensure that students are knowledgeable in the fundamental processes of American democracy.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1258 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 230 Education and Military Affairs on S.B. No. 1866

The purpose of this measure is to require the Department of Education to review its budget regarding the position of student services coordinators.

Testimony in support of the measure was submitted by the Department of Education.

Your Committee finds that the department currently employs a student services coordinator at every public school regardless of the population of the school. Although the coordinators serve a valuable purpose in schools, placing one in each school may not be fiscally prudent. Therefore, this measure will require the department to review its policies to make recommendations for what the optimum number of coordinators is needed in consideration of a school's population.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1866 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 (Chun Oakland, Tsutsui).

SCRep. 231 (Majority) Education and Military Affairs on S.B. No. 1255

The purpose of this measure is to establish the price of school lunch in proportion to the total cost of operating the school food services program and to allow the Department of Education to adjust the price to maintain this proportion.

Testimony in support of the measure was submitted by the Department of Education.

Your Committee finds it necessary to adjust the student's share of the cost to prepare school lunches due to the rising cost of food, payroll and fringe benefit costs, and supplies and services. However, your Committee finds the current language to be confusing and inappropriately placed in the statutes. Therefore, upon further consideration, your Committee has amended this measure to clearly allow the department to set the price of school lunches with the Board of Education's concurrence.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1255, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1255, 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, none.

SCRep. 232 Education and Military Affairs on S.B. No. 1248

The purpose of this measure is to allow the Department of Education to use the Working Families Tax Relief Act to allow for the issuance of qualified zone academy bonds to subsidize school repair, renovation and restoration projects, equipment and technology acquisition, curriculum development, and teacher training.

Testimony in support of the measure was submitted by the Department of Education (DOE). The Department of Taxation submitted comments.

Your Committee finds that measures to subsidize school projects are a much needed additional source of funding. Under Internal Revenue Code section 1397E, banks, insurers, and corporations actively engaged in the business of lending money and holding qualified zone academy bonds may claim a federal income tax credit. The tax credit will then be used for payment in lieu of the bond interest. Authorizing the DOE to qualify schools as qualified zone academies and the Director of Finance to issue bonds for the fiscal biennium 2005-2007 will assist the DOE with another funding source for its projects.

Upon further consideration, your Committee has amended this bill to include further descriptions of the requirements of this federal program and nonsubstantive technical amendments for clarification purposes.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1248, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1248, 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. 233 Education and Military Affairs on S.B. No. 528

The purpose of this measure is to appropriate funds to hire additional career counselors for each public high school based on school enrollment.

Testimony in support of the measure was submitted by the Department of Education and the Hawaii State Teachers Association.

Your Committee finds that additional counselors are needed to address the transition of students in high schools to post-secondary institutions. The additional staffing in this measure will be beneficial to students who currently are unable to see a counselor due to the counselor's heavy workload. Furthermore, although student enrollment at a school may be small, the demands on the counselors are just as great as in the larger schools.

Upon further consideration, your Committee has amended this measure by removing the enrollment standard and replacing it with language to assist the department in meeting the American School Counselor Association standards.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 528, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 528, 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 (Chun Oakland, Hogue).

SCRep. 234 Education and Military Affairs on S.B. No. 1643

The purpose of this measure is to clarify and strengthen the laws governing new century charter schools.

Specifically, this measure:

- (1) Changes the funding mechanisms for calculating charter school appropriations;
- (2) Enables employees to move between public schools and charter schools;
- (3) Authorizes the executive director to adopt administrative policies and procedures; and
- (4) Allows new century charter schools to propose their own weighted student formula.

Testimony in support of the measure was submitted by the Charter School Administrative Office, Kualapuu Elementary School, Waimea Middle School, Kamehameha Schools, Hookakoo Corporation, and Hawaii League of Women Voters. The Hawaii State Teachers Association submitted testimony in opposition. Comments on the measure were submitted by the Department of Education, Department of Human Resources Development, Hawaii Government Employees Association, Office of Information Practices, the Governor, and Halau Ku Mana.

Your Committee finds that there are ambiguities and discrepancies in the current charter school statutes. This measure attempts to resolve many of the problematic issues by clarifying statutory language. Some of these issues were brought to light in the Auditor's report regarding the Na Wai Ola Waters of Life Charter School audit, while other issues have become apparent when employees requested transfers between the Department of Education schools and new century charter schools.

It is the intention of this Committee to assist new century charter schools to achieve a more equitable and fair administrative structure to encourage their growth and assistance to the State in education.

Upon much discussion and collaboration among the affected parties, your Committee has amended this measure by:

- (1) Specifying that only the Board of Education can charter a new century charter school;
- (2) Deleting the provision that the implementation plan shall include provisions for special education services;
- (3) Requiring the Board of Education to clearly state its reasons for not issuing a charter;
- (4) Clarifying that the local school board may resubmit the implementation plan addressing the Board of Education's concerns;

- (5) Establishing appropriate policies regarding the movement of personnel between the department and new century charter schools;
- (6) Clarifying accountability and probationary issues regarding the revocation of a charter;
- (7) Requiring the board to initiate independent evaluations of the schools in a specific time frame;
- (8) Specifying that no designated head of school shall serve as an officer on the local school board;
- (9) Establishing a working group to determine the appropriate laws from which a new century charter school shall be exempt; and
- (10) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1643, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1643, 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 (Chun Oakland).

SCRep. 235 (Joint) Media, Arts, Science and Technology and Business and Economic Development on S.B. No. 1698

The purpose of this measure is to assist the Economic Development Alliance of Hawaii, Inc., and the four county economic development boards in their support of Hawaii's growing technology sector.

Specifically, the measure provides an incentive for taxpayers to invest in creating and maintaining school technology laboratories by establishing a tax credit for moneys, goods, or services donated to public schools in the furtherance of such programs. The tax credit would be equal to ten per cent of the donated amount, up to a yet to be determined maximum.

The measure also appropriates \$250,000 in matching funds as a grant-in-aid to the Economic Development Alliance of Hawaii, Inc., so that it may expand its Project EAST program to four additional schools on two, yet to be determined, islands.

Testimony in support of the measure was received from the Department of Education; the Department of Business, Economic Development, and Tourism's Office of Planning; the Economic Development Alliance of Hawaii, Inc.; the Hawaii Island Economic Development Board; the Kauai Economic Development Board; and the Maui Economic Development Board.

The Department of Business, Economic Development, and Tourism and the Tax Foundation of Hawaii submitted comments on the measure. The Department of Taxation submitted testimony in opposition to the measure.

Your Committees find that training a technology savvy workforce is the State's key to ensuring a future that embraces a robust technology-based economy. To help meet this need, Act 218, Session Laws of Hawaii 2004, established the Hawaii 3Ts School Technology Laboratories Fund. Modeled after the highly successful Hawaii 3Rs School Repair and Maintenance Fund, the 3Ts Fund encourages public-private partnerships for the establishment and maintenance of technology laboratories in Hawaii's public schools.

The 3Ts concept is an expansion of the Project EAST (environmental and spatial technology) initiative started as a pilot program in the Maui district high schools during the summer of 2000, that later moved to Hawaii county, and then a middle school on Kauai. Project EAST holds great potential for assisting Hawaii's public schools in developing important critical thinking, problem solving, and analytical skills in Hawaii's young people that are necessary for these individuals to succeed in high technology based jobs. Project EAST integrates cutting edge technology, such as computer assisted drafting, geographic information systems, global positioning systems, as well as computer graphic applications, such as soft image, into the educational curriculum. The goal of this initiative is to prepare students for the information technology age by providing a comprehensive project-based and student-centered learning program where the students are responsible for their own learning.

Seven Project EAST labs have already been established in Hawaii – Chiefess Kamakahalei Middle School on Kauai; Maui High School, Baldwin High School, King Kekaulike High School, Lahainaluna High School, and Kihei Charter School on Maui; and Kea'au High School on Hawaii. Since 2001, Hawaii students have won a number of awards at the National EAST Conference, competing successfully against approximately two hundred schools in six other states.

Your Committees also find that the Economic Development Alliance of Hawaii, Inc., is responsible for administering the 3Ts Fund, and every dollar of state funds must be matched on a fifty cents basis in the form of in-kind services or monetary donations by nonstate sources.

Your Committees further find that the Economic Development Alliance of Hawaii, Inc., a nonprofit umbrella organization for the four county economic development boards, estimates that the economic development boards miss as many as one hundred United States mainland exhibitions and conferences in which the Hawaii technology story could be presented. Currently, presentations are limited by budget constraints and simply do not match the market emphasis or level of other technology sites such as the Raleigh Durham triangle, San Antonio, or San Diego, much less Silicon Valley.

Your Committees also heard concerns raised during the public hearing on this measure over the uncertainty of how the value of goods and in-kind services will be determined, as well as how much tax revenue will be lost to the establishment of the tax credit.

In response to these concerns, your Committees have received assurances that:

- (1) The Department of Business, Economic Development, and Tourism will work with the Economic Development Alliance of Hawaii, Inc., and the county economic development boards to resolve concerns on contributions of goods and in-kind services from the private sector for school technology laboratories;
- (2) The Department of Business, Economic Development, and Tourism will work with the Economic Development Alliance of Hawaii, Inc., and the county economic development boards to establish a formula based on federal certified wage/hour rates, materials, and supplies; and
- (3) According to the Department of Business, Economic Development, and Tourism, the Economic Development Alliance of Hawaii, Inc., and the county economic development boards, the anticipated value of moneys, goods, and in-kind services donated under the tax credit would be between a minimum of \$2,000,000 and a maximum of \$5,000,000, which equates to an estimated cap on the annual tax revenue lost attributable to the tax credit at between \$200,000 and \$500,000.

Your Committees have amended the measure by:

- (1) Adding sections to the measure that clarify that moneys or the value of goods or services donated to technology-based educational programs in public schools shall not be claimed under both the new tax credit established under this measure and the tax credit provided under section 235-110.2, Hawaii Revised Statutes (the School Repair and Maintenance Tax Credit); and
- (2) Adding a section that appropriates \$250,000 in matching funds to the Economic Development Alliance of Hawaii, Inc., to coordinate marketing, with emphasis on representing Hawaii's technology companies and opportunities on the United States mainland.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1698, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1698, 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, 2 (English, Sakamoto).

SCRep. 236 Transportation and Government Operations on S.B. No. 144

The purpose of this measure is to adjust the salaries of certain positions in the executive branch for managers and office directors to be set at the maximum salary payable to deputies or assistants to department heads as established by section 26-53, Hawaii Revised Statutes (HRS), which specifies a range of salaries for deputies or assistants to department heads.

Your Committee received testimony in support of this measure from the Department of Human Resources Development, Department of Defense, Department of Budget and Finance, Department of Health, Labor and Industrial Relations Appeals Board, and Hawaii Paroling Authority.

The intent of this measure is to provide for the salaries of certain administrators whose specific monetary salaries are currently specified in statute. Your Committee finds that tying these salaries into the amount set by section 26-53, HRS, is a neutral and equitable manner to provide compensation to these various positions. Your Committee notes that section 26-53, HRS, sets the salaries within a range as last recommended by the executive salary commission.

Your Committee has amended this measure by changing the salaries of the following positions to be set at the maximum salary payable to deputies or assistants to department heads as established by section 26-53, HRS: Vice Director of Civil Defense, Recycling Coordinator, Director of the Executive Office on Aging, Chairperson of the Hawaii Paroling Authority, Director of the Office of Veterans' Services, and Executive Director of the Office of Community Services. As amended, this measure provides the same salary provisions for all specified offices.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 144, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 144, 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, Whalen).

SCRep. 237 Transportation and Government Operations on S.B. No. 599

The purpose of this measure is to transfer the administrative placement of the boards of registration from the Office of the Lieutenant Governor to the Department of Accounting and General Services (DAGS).

Your Committee received testimony in support of this measure from the Office of Elections.

There is a three member Board of Registration in each county for the purpose of hearing voter registration appeals. Act 117, Session Laws of Hawaii 2003, transferred the Office of Elections from the Office of the Lieutenant Governor to DAGS but inadvertently left attached the boards of registration to the Office of the Lieutenant Governor. This measure rectifies that oversight.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 599 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 (Kanno, Whalen).

SCRep. 238 Transportation and Government Operations on S.B. No. 735

The purpose of this measure is to repeal the law on permanent escheat of unclaimed property to the State.

Your Committee received testimony in support of this measure from the Department of Budget and Finance.

Section 523A-3.5, Hawaii Revised Statutes (HRS), provides that unclaimed property held by the State for periods ranging from two to six years, depending on the value of the property being held, be permanently escheated to the State. This provision is in conflict with the intent of the State's unclaimed property program in which the State serves as the custodian of the unclaimed property and reunites the property with the rightful owner. Section 523A-3.5, HRS, was enacted in 1996, but has never been implemented.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 735 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 (Kanno, Whalen).

SCRep. 239 Transportation and Government Operations on S.B. No. 848

The purpose of this measure is to allow the use of legal tender or financial instruments other than bonds to secure performance under concession contracts with the State.

Your Committee received testimony in support of this measure from the Department of Transportation.

Presently, concessionaires are required by statute to provide a bond to ensure performance under the terms of the concession agreement. In the wake of the events of September 11, 2001, bonds have become increasingly expensive and difficult to obtain for airport concessionaires. This measure would provide concessionaires with flexibility, and reduce their costs associated with financial security requirements.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 848 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 (Kanno, Whalen).

SCRep. 240 Transportation and Government Operations on S.B. No. 1490

The purpose of this measure is to exempt small purchases from the verification requirements relating to tax clearance, Department of Commerce and Consumer Affairs (DCCA) certificates, and Department of Labor and Industrial Relations (DLIR) certificates.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services (DAGS), Department of Budget and Finance, Department of Education, State Procurement Office, Hawaii County Finance Department, Kauai County Finance Department, and Legislative Information Services of Hawaii.

This measure is intended to reduce the burden on state and county agencies by eliminating the need to verify vendor and contractor compliance with all applicable Hawaii laws for purchases of less than \$25,000. This process also causes undue delay. For example, the County of Kauai currently processes approximately 700 purchase orders per month, with an estimated turn around time of two to three working days. The process is typically extended to as much as 10 to 15 working days if the contractor needs to gather the clearances and certifications.

Your Committee finds that there is a significant burden on small businesses that must gather the necessary paper work when submitting the bid. Your Committee views this measure as an encouraging development of small businesses by making it easier for them to be awarded government contracts. Many small businesses rely heavily upon government contracts. This measure will facilitate achieving that end.

Your Committee has amended this measure upon the recommendation of DAGS and the State Procurement Office by repealing statutory material relating to requirements of incorporation or organization under the laws of Hawaii, being registered to do business in Hawaii, and being capable of fully performing the contract; and deleting the cross-reference to small purchases as being unnecessary.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1490, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1490, 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, Whalen).

SCRep. 241 Transportation and Government Operations on S.B. No. 1752

The purpose of this measure is to provide for the joint management of the entire state capitol building and grounds, including parking facilities, by the Department of Accounting and General Services (DAGS) in conjunction with the joint legislative management committee of the legislature.

Your Committee received testimony in opposition to this measure from DAGS.

Your Committee notes that this measure does not strip DAGS of the responsibility to manage the capitol grounds, but requires DAGS to do so in conjunction with the joint legislative management committee. Your Committee believes that because most of the capitol is occupied by the Legislature, the Legislature should rightfully have input into how the building and grounds are managed.

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

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1752, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1752, 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, Whalen).

SCRep. 242 Transportation and Government Operations on S.B. No. 1843

The purpose of this measure is to amend the public procurement code to prohibit a governmental body from requiring a contractor for construction design services to indemnify the government for the government's negligence, but allows the governmental body to require the contractor to indemnify the State for the contractor's negligence.

Your Committee received testimony in support of this measure from the American Society of Civil Engineers, Finance Insurance, Ltd., Clayton J. Wong & Associates, Inc., Coalition of Hawaii Engineering and Architectural Professionals, American Council of Engineering Companies of Hawaii, The Limtiaco Consulting Group, Masa Fujioka & Associates, and Fukunaga & Associates. Comments were submitted by the State Procurement Office.

Your Committee finds that the prevailing practice in state and county contracts is to require the contractor to indemnify, defend, and hold harmless the government in the event of negligence of the employees and agents of the government. Your Committee further finds that this contracting practice is against public policy on the basis that every party to a contract should be liable for that party's own conduct.

The Hawaii Intermediate Appellate Court recognized this principle of law in Straub Clinic and Hospital, Inc. v. Chicago Insurance Co., 4 Haw.App. 268, holding that contracts of indemnity are to be strictly construed, particularly when the indemnitee claims that it should be indemnified for its own negligence. Also, the United States District Court for the District of Hawaii found that Hawaii state law requires that indemnity clauses, particularly those which purport to indemnify a party against its own negligence, be strictly construed and have a clear and unequivocal statement of intent (City and County of Honolulu v. Churchill, 167 F.Supp.2d 1143).

Your Committee further finds that indemnity clauses are fraught with litigation in the interests of interpreting a strict construction and intent of the parties.

Your Committee learned from testimony that duty to defend agreements are insurable only when the policyholder is determined to be negligent. The insurance policy does not cover the State for the State's wrongdoing.

This measure is intended to resolve the difficulties of governmental contract provisions regarding indemnification, duty to defend, and hold harmless agreements. The effect is to facilitate the bidding by contractors on government contracts and thus encourage economic growth, and to discourage costly and time consuming litigation.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1843 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 (Kanno, Whalen).

SCRep. 243 (Joint) Business and Economic Development and Energy, Environment, and International Affairs on S.B. No. 121

The purpose of this measure is to allow sales by brewpubs of malt beverages in recyclable containers, instead of limiting sales to malt beverages in glass containers.

Your Committees received testimony in support of this measure from the Ball Corporation and six individuals.

Your Committees believe that this measure will support the local economy by allowing local brewpubs to sell malt beverages in aluminum cans, which are manufactured in Hawaii, rather than restricting sales to glass containers, which must be imported from the mainland. The measure will also include sales to Class 2 restaurant licensees on the list of licensees to which brewpubs may distribute their malt beverages, pursuant to section 281-31, Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Energy, Environment, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 121 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, 4 (Hanabusa, Menor, Sakamoto, Hemmings).

SCRep. 244 Business and Economic Development on S.B. No. 668

The purpose of this measure is to require the Procurement Policy Board to adopt rules effectuating set-asides to small businesses and imposing mandatory evaluation criteria designed to encourage the use of small businesses as subcontractors on large contracts.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism; the Department of Accounting and General Services; Chamber of Commerce Hawaii; Hawaii Technology Trade Association; and National Federation of Independent Business – Hawaii. Comments were also submitted by the State Procurement Office.

Your Committee acknowledges the importance of small businesses to the state economy. Encouraging the use of small businesses as subcontractors for large contracts and establishing set-asides for small business support the continued growth of Hawaii's small business community. Your Committee believes that this measure will sustain the development and growth of small businesses in the State.

Technical, non-substantive amendments were made for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 668, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 668, S.D. 1, and be referred to the Committees on Transportation and Government Operations and Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 245 Business and Economic Development on S.B. No. 711

The purpose of this measure is to require the preparation and submission of small business impact statements to the small business regulatory review board as early as practicable in the rule drafting process, and to require that rules affecting small business be reviewed within five years of adoption.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism; the National Federation of Independent Business – Hawaii; and the Hawaii Agriculture Research Center.

Your Committee finds that upon the adoption of chapter 201M, Hawaii Revised Statutes (the Small Business Regulatory Flexibility Act), it was necessary to review administrative rules already in place before reviewing new or modified rules. Accordingly, each rulemaking agency has submitted a list of rules adopted before July 1, 1998 affecting small business and describing the public purpose for the rule and any other reasons to justify its continued implementation. The need to periodically review rules with a potential impact on small business remains valid. Your Committee believes that this measure will ensure the review of proposed new or amended rules.

Your Committee further finds that the timing of preparing and submitting a small business impact statement as required by chapter 201M should be earlier in the rulemaking process to ensure adequate time for review and comment on proposed new and amended rules. This measure specifies when an agency shall prepare and submit a small business impact statement.

Your Committee has amended this measure by making technical, non-substantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 711, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 711, 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 (Ige, Sakamoto).

SCRep. 246 Business and Economic Development on S.B. No. 719

The purpose of this measure is to improve government efficiency by merging the State's business financing programs, the Hawaii Capital Loan Program and the Hawaii Strategic Development Corporation, into a single financial assistance entity to be administered by the Department of Business, Economic Development, and Tourism.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism.

Your Committee finds that creating a single financing program from existing programs will facilitate issuing and administering loans to businesses that do not meet the criteria for conventional lending services. The Hawaii Capital Loan Program offers capital to young businesses that have contracts but do not qualify for bank loans and the Hawaii Strategic Development Corporation provides equity growth financing through venture capital funds to new technology firms. Your Committee believes that this measure ensures that the State will continue to offer a range of financing options to new and developing businesses and that the program will be strengthened by coordinating the two entities' resources under a single program.

Your Committee has amended this measure by inserting a definition of "corporation" and by making technical, non-substantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 719, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 719, 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 (Ige, Sakamoto).

SCRep. 247 Business and Economic Development on S.B. No. 987

The purpose of this measure is to appropriate moneys to the Hawaii Small Business Development Center Network to advance its work of helping small businesses grow through management-force training.

Testimony in support of this measure was submitted by the Hawaii Small Business Development Center Network. Comments were also submitted by the Department of Business, Economic Development, and Tourism.

Your Committee finds that the Hawaii Small Business Development Center Network provides consulting services and training to more than two thousand businesses annually, and has been serving Hawaii's small businesses since 1990. Your Committee further finds that the Hawaii Small Business Development Center Network receives moneys through federal matching funds and partnership programs, the University of Hawaii at Hilo, and other federal, state, and private sector sponsors and partners as well as through state appropriations. Your Committee believes that this measure will generate significant economic impact and will continue to promote and support small businesses in the State.

Your Committee has amended this measure by making technical, non-substantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 987, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 987, 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 (Ige, Sakamoto).

SCRep. 248 Business and Economic Development on S.B. No. 1301

The purpose of this measure is to clarify the Department of Land and Natural Resources' authority over commercial dolphin-watching tours in state waters and protect dolphins and other offshore marine wildlife in the Waianae coast area by imposing a moratorium on the issuance of additional dolphin-tour operations permits.

Your Committee received testimony in support of this measure from two individuals. Testimony in opposition was received from the Department of Land and Natural Resources, the Office of Hawaiian Affairs, and the Ocean Tourism Coalition.

Your Committee finds that restricting the number of permits issued by the Department of Land and Natural Resources on the Waianae coast of Oahu issued to commercial activities operations is necessary to protect the environment and other ocean users' rights. Your Committees recognize the inherent difficulties in establishing an appropriate and effective response to the impact on marine resources.

In response to concerns raised regarding the potential conflict with federal law, and with the objective of effectuating a workable solution for all user groups along the Waianae coast, your Committee has amended this measure by:

- (1) Deleting references to dolphin tours and replacing them with commercial activities;

- (2) Clarifying that permits for commercial ocean activities issued by the Department of Land and Natural Resources shall be limited to avoid user conflicts, address environmental concerns, and balance the level of commercial activities originating from the harbors, marinas, and beaches along the Waianae coastline;
- (3) Requiring the department to establish an ocean recreation management area; and directing the department to commence its establishment no later than June 30, 2005;
- (4) Authorizing the Department of Land and Natural Resources to adopt necessary rules pursuant to chapter 91, Hawaii Revised Statutes;
- (5) Implementing a sunset provision to repeal the department's issuance of commercial activities permits upon the effective date of rules adopted by the department in conjunction with the ocean recreation management area; and
- (6) Incorporating technical, non-substantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1301, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1301, S.D. 1, and be referred to the Committee on Water, Land, and Agriculture.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 249 (Joint/Majority) Business and Economic Development and Energy, Environment, and International Affairs on S.B. No. 1503

The purpose of this measure is to require the Department of Business, Economic Development, and Tourism and the Hawaii Tourism Authority to convene a work group to examine the feasibility of hosting an international Pacific Asian Little League baseball championship tournament in Hawaii.

Your Committees received comments from the Department of Business, Economic Development, and Tourism and the Hawaii Tourism Authority.

Your Committees find that youth baseball encourages healthy competition, teaches youth the advantages of teamwork, and promotes exercise, physical well-being, and a healthy, drug-free lifestyle. Your Committees believe that hosting an international youth baseball league tournament in Hawaii will promote tourism and bring national and international media attention throughout the State.

Your Committees have amended this measure by replacing references to "Little League baseball" with "youth baseball league."

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Energy, Environment, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1503, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1503, S.D. 1, and be referred to the Committee on Tourism.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, 1 (Trimble). Excused, 4 (Hanabusa, Menor, Sakamoto, Hemmings).

SCRep. 250 Commerce, Consumer Protection and Housing on S.B. No. 1844

The purpose of this measure is to increase the income for the rental housing trust fund.

Testimony in support of this measure was submitted by the City and County of Honolulu Department of Community Services, the Affordable Housing and Homeless Alliance, Hawaii Association of Realtors, the Nature Conservancy, and Pacific Housing Assistance Corporation. The Housing and Community Development Corporation of Hawaii and Land Use Research Foundation of Hawaii submitted testimony in opposition to this measure. The Department of Taxation and Tax Foundation of Hawaii also submitted comments.

Measures promoting the increase of rental housing projects are seriously needed in Hawaii's tight rental market because as the number of available units decrease, rental prices increase. Your Committee finds that the rental housing trust fund was created to provide loans or grants for the development of rental housing units. However, in order for this fund to be successful, money must be available for projects.

This measure provides an increase in revenue to better equip the rental housing trust fund. Specifically, this measure:

- (1) Requires twenty-five per cent of all general excise taxes collected for the rental of residential dwellings to be deposited into the rental housing trust fund; and
- (2) Raises the percentage of the conveyance tax to be deposited into the rental housing trust fund from twenty-five per cent to fifty per cent.

Your Committee has amended this measure by making technical, nonsubstantive stylistic 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. 1844, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1844, 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 (Espero, Sakamoto).

SCRep. 251 Commerce, Consumer Protection and Housing on S.B. No. 1793

The purpose of this measure is to encourage the sale of leased fee interests in multi-family residential leasehold properties or units by exempting fifty per cent of the sale proceeds from income taxes.

The Hawaii Council of Associations of Apartment Owners, Hawaii Independent Condominium and Cooperative Owners, and Monarch Properties, Inc. testified in support of this measure. The Department of Taxation opposed the measure. The Hawaii Association of Realtors and Tax Foundation of Hawaii presented comments on the measure.

With the recent repeal of the City and County of Honolulu's mandatory condominium leasehold conversion law, condominium owners who wish to purchase the properties under their units will no longer be able to compel the sale of the leased fee interest, and instead will have to rely upon the voluntary offering of the fee interest by owners who lack significant incentives to sell. This measure would establish an incentive for lessors to sell their interest by providing, for a limited period, an exemption from income taxes on fifty per cent of the income received on the sale of the leased fee interest to the lessee.

Your Committee finds that this measure will provide lessors who wish to minimize the tax consequences of selling their real property with an alternative to executing a Section 1031 property exchange. Additionally, the real estate activity encouraged by this measure will generate revenues for the State through conveyance tax fees and taxes on broker commissions. Finally, this measure will facilitate fee simple ownership for condominium owners who have invested substantial sums in their homes through the payment of mortgages, property taxes, and maintenance fees, and who seek the security of owning the fee interest in their homes.

Your Committee has amended this measure:

- (1) To increase the income tax exemption from fifty per cent to one hundred per cent;
- (2) To apply the exemption to income received from the sale of leased fee interests in multi-family residential properties located in planned unit developments, and from the sale of leased fee interests in residential leasehold house lots; and
- (3) By making technical amendments for the 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. 1793, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1793, 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 (Ige, Sakamoto).

SCRep. 252 Transportation and Government Operations on S.B. No. 689

The purpose of this measure is to shield highway hazard evaluation data from discovery or admission into evidence.

Your Committee received testimony in support of this measure from the Department of Transportation (DOT), Attorney General, and Honolulu Police Department. Testimony in opposition was received from the Honolulu Advertiser and Consumer Lawyers of Hawaii. Comments were submitted by the Judiciary.

The DOT is responsible for the collection, evaluation, and use of traffic accident data under the federally-mandated Highway Safety Improvement Program. The DOT has been reluctant to enhance the collection and evaluation of traffic accident data because of potential exposure to liability. This measure affords a degree of protection to the DOT from lawsuits.

Federal law under 23 United States Code section 409 prohibits the discovery and admission of such analyses and data. However, this has precipitated much litigation as to the scope of the law. In Hawaii, plaintiffs have been successful in persuading the trial courts to circumvent the federal law based upon specious arguments. This measure is intended to close loopholes in the federal legislation which has been commonly based on the fact that Hawaii has no state highway patrol and that traffic data is collected by the DOT instead.

Your Committee has amended this measure to clarify that the release of information and data collected are not prevented by the public records law.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 689, as amended herein, and recommends

that it pass Second Reading in the form attached hereto as S.B. No. 689, 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, Whalen).

SCRep. 253 (Joint) Human Services and Health on S.B. No. 40

The purpose of this measure is to authorize a minor's caregiver to be able to provide consent for health care services for the minor, and to establish requirements for a caregiver consent affidavit.

Testimony in support of this measure was submitted by the Department of Human Services, Kokua Council, Na Tutu – Grandparents Raising Grandchildren, Policy Advisory Board for Elderly Affairs, The Queen's Medical Center, and four individuals.

Your Committees find that difficulties can arise when grandparents or other caregivers try to obtain non-emergency medical care, absent documentation of legal guardianship. Research shows that early preventative medical services and follow-up is best for the health of children, and also eliminates or reduces the use of emergency medical services. Your Committees believe that if a minor's caregiver is able to provide written consent to health care services for a minor, it will result in better health of the minor and prevent later emergency, and possibly more costly, medical 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. 40 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 (Hanabusa, Ihara, Whalen).

SCRep. 254 (Joint/Majority) Human Services and Health on S.B. No. 477

The purpose of this measure is to appropriate funds to the Department of Human Services to expand their QUEST/medicaid programs to provide periodontal care to pregnant women.

Testimony in support of this measure was submitted by the Hawaii Primary Care Association, Healthy Mothers, Healthy Babies Coalition of Hawaii, and six individuals. Comments were submitted by the Department of Health.

Your Committees find that basic dental care is an essential health service. Inadequate oral health may result in heart problems, systemic infections, low birth weight, and poor outcomes for pregnant women. Specifically, periodontitis is a cause for concern among pregnant women because such infections produce byproducts and chemicals that reach the uterus and may cause premature births at a rate seven times greater than in women who do not have periodontitis. Your Committees note that premature birth can lead to serious consequences, is the leading cause of neonatal death, and can cause lifelong health problems such as mental retardation, blindness, chronic lung disease, and cerebral palsy. Your Committees believe that this measure will protect the health of the fetus and minimize other health consequences that can result from periodontitis.

Your Committees have amended this measure to limit the QUEST and medicaid benefits received under this measure to pregnant women enrolled in those programs to a maximum of \$500 per year per person.

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. 477, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 477, 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 (Hanabusa, Ihara, Whalen).

SCRep. 255 (Joint) Human Services and Intergovernmental Affairs on S.B. No. 486

The purpose of this measure is to appropriate funds for nonschool-hour programs for children and youth.

Testimony in support of this measure was received from the Department of Education, Office of Youth Services, Coalition for a Drug Free Hawaii, Community Alliance on Prisons, and Hawaii Youth Services Network.

Your Committees find that the importance of establishing safe, structured learning environments for children and youth during the out-of-school hours is crucial to increase supervision in the morning, afternoon, evening, weekend, and holiday hours. Such programs during nonschool hours prevent or reduce risk factors and establish and strengthen positive factors for youth. Thus, your Committees believe that appropriating funds for nonschool hours will help provide supervision and a constructive environment for Hawaii's children and youth.

Your Committees note that this bill appropriates funds for fiscal year 2005-2006; however, your Committees request that a two-year funding cycle be considered.

Your Committees have amended the bill by adding appropriation amounts and sources of funding for the Department of Education, Office of Youth Services, and the counties.

As affirmed by the records of votes of the members of your Committees on Human Services and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 486, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 486, 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 (Hooser, Inouye, Kokubun, Nishihara).

SCRep. 256 (Joint/Majority) Human Services and Health on S.B. No. 865

The purpose of this measure is to provide a \$500 income tax credit for caregivers of “eligible care recipients”, require an annual report to the Legislature, and impose criminal sanctions for falsifying tax status. This measure also sunsets the tax credit after five years.

Testimony in support of this measure was submitted by an individual. The Healthcare Association of Hawaii and the Policy Advisory Board for Elder Affairs supported the intent of this measure with reservations. Comments were submitted by the Tax Foundation of Hawaii.

Your Committees find 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. Further, families that provide long-term care for their loved ones within their homes, instead of placing them in costly institutional care, takes an emotional as well as a financial toll on the caregivers. Your Committees believe that 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 making technical changes for purposes of clarity and consistency.

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. 865, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 865, 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 (Hanabusa, Ihara, Whalen).

SCRep. 257 (Joint/Majority) Human Services and Health on S.B. No. 1422

The purpose of this measure is to establish a 2.13% insurance premium tax on all health care plan premiums, remove the income cap on QUEST to cover 24,458 uninsured adults, add dental benefits for children and adults, raise SCHIP eligibility to 300% of the poverty level to add 2,874 uninsured children, and use the premium tax to fund QUEST/SCHIP costs.

Testimony in support of this measure was submitted by the Legal Aid Society and Hawaii Primary Care. Testimony in opposition to this measure was submitted by the Department of Human Services, the Department of Taxation, The Chamber of Commerce of Hawaii, The Employer’s Chamber of Commerce, Hawaii Medical Service Association, Kaiser Permanente, and Summerlin Life and Health Insurance Company unless amendments were made. Comments were received by the Hawaii Uninsured Project.

Your Committees find that Hawaii’s QUEST program goes a long way toward providing universal health coverage; however, the program cannot handle all eligible uninsured adults. A cap has been placed on participation in the QUEST program, thus leaving out an estimated 24,458 eligible uninsured adults. Your Committees believe that by raising the family income eligibility threshold from two hundred to three hundred per cent of the federal poverty level for Hawaii, an estimated 2,874 additional uninsured children can be covered. Your Committees further find that it is appropriate to establish and use the health insurance premium tax to assist the QUEST program and state children’s health insurance program to address the additional costs of covering uninsured adults and children.

Your Committees have amended this measure by adopting the amendment suggested by Summerlin Life and Health Insurance Company to expand the definition of managed care plan and exempt care plans from section 431:7-202, Hawaii Revised Statutes.

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. 1422, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1422, 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 (Hanabusa, Ihara, Whalen).

SCRep. 258 Human Services on S.B. No. 1513

The purpose of this measure is to appropriate funds for the Nursing Home Without Walls and Chore Services programs within the Department of Human Services in order to support and expand the level of elderly and disabled care services in Hawaii.

Testimony in support of the measure was submitted by the Department of Human Services, the Hawaii Disability Rights Center, and one individual.

Your Committee finds that the Nursing Home Without Walls and Chore Services programs are vital community-based programs which enable elderly individuals to be cared for in their home by highly skilled health care professionals. This innovative and unique

method of delivering important health care and support services is not only more cost-effective when compared to placement in a nursing home or other care facility, but also enables these individuals to remain integrated within their communities.

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. 1513 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, Kokubun).

SCRep. 259 Human Services on S.B. No. 1614

The purpose of this measure is to require the Department of Human Services to develop and implement a discount taxi program to provide transportation services for Hawaii residents who are elderly or disabled.

Testimony in support of this measure was submitted by the State Council on Developmental Disabilities, the Disability and Communication Access Board, and the National Multiple Sclerosis Society-Hawaii Division. Offering comments on the measure was the Department of Transportation Services for the City and County of Honolulu.

Your Committee finds that access to an affordable and reliable method of transportation is an important issue that confronts Hawaii's elderly and disabled populations on a daily basis. These individuals require a dependable mode of transportation that will not unduly drain their limited and fixed incomes. This pilot program will meet this critical need in the form of a public-private partnership between the Department of Human Services, the City and County of Honolulu, and private vendors in providing taxi services for elderly and disabled individuals throughout Honolulu, thereby allowing these individuals to continue with their daily life activities. The project requires an annual report to the legislature by the Department of Human Services and is repealed on June 30, 2010.

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. 1614 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, Kokubun).

SCRep. 260 Human Services on S.B. No. 1712

The purpose of this measure is to appropriate \$100,000 to the Hana Youth Center for general operations.

Testimony in support of the measure was submitted by the Vice-Chair of the Maui County Council, Alu Like, Hale Hulu Mamo, Hana Community Health Center, Kipahulu Ohana, and an individual. The Hana Youth Center submitted comments.

Your Committee finds that the Hana Youth Center provides a healthy environment where positive interactions and activities are promoted. The center particularly reinforces positive Hawaiian values and provides services to improve health, moral, and social habits. The funding in the measure would assist the center in much needed increases to their staffing and enhancement of their 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. 1712 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, Kokubun).

SCRep. 261 Human Services on S.B. No. 1772

The purpose of this measure is to require the Department of Human Services to annually identify employers of applicants for medical assistance programs and report them to the Legislature, which shall include costs of medical assistance to those applicants. The measure further requires the department to make these employers public without identifying individual applicants.

Testimony in support of the measure was submitted by the Department of Human Services, Hawaii State AFL-CIO, United Public Workers, ILWU Local 142, and an individual.

Your Committee finds that many employees at large companies are paid such low wages that they qualify for government subsidy programs. In many instances, the low wage earner is provided health care coverage through subsidy programs rather than their employer. Increasingly, some private employers have been passing along these business expenses to the public. This measure is intended to allow Hawaii to determine which employers are shifting their responsibilities to the taxpayers.

As a point of clarification, it is not the intent of this measure to require the department to implement new programs but rather to gather and process the information it currently collects.

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. 1772 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 (Hooser, Ihara).

SCRep. 262 (Joint) Human Services and Health on S.B. No. 1872

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Palolo Chinese Home in financing the capital costs related to the expansion, construction, and rebuilding of its facilities.

Testimony in support of this measure was submitted by Palolo Chinese Home. Comments were provided by the Department of Budget and Finance.

Your Committees find that Palolo Chinese Home serves as a not-for-profit long-term care and residence for frail elders. The home also reaches out to the elderly in their own homes by providing adult day care, meal home delivery, and overnight respite services which allows many to remain in their own home while receiving support services. Palolo Chinese Home has raised seventy per cent of its capital campaign goal. Your Committees believe that Palolo Chinese Home will be able to complete needed construction of its campus as well as its Skilled Nursing and Assisted Living Units with the issuance special purpose revenue bonds.

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. 1872 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 (Hanabusa, Ihara, Whalen).

SCRep. 263 Education and Military Affairs on S.B. No. 1013

The purpose of this measure is to appropriate funds to the Department of Defense for veterans' newsletters.

The Department of Defense and two individuals submitted testimony in support of the measure.

Your Committee finds that thousands of veterans are unaware of what their full benefits are. At one time, a newsletter was being produced to inform them of these services. Currently, the Department of Defense lacks the funds and manpower to maintain either a website or newsletter. Your Committee acknowledges that it is imperative to inform veterans of their benefits, and providing a newsletter would accomplish this important function.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1013 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 264 (Joint) Education and Military Affairs and Higher Education on S.B. No. 1648

The purpose of this measure is to provide a \$1,000,000 appropriation for tuition assistance to National Guard and military reservists enrolled in degree programs at the University of Hawaii.

Testimony in support of the measure was submitted by the University of Hawaii and The Chamber of Commerce of Hawaii.

Your Committees find that previously approved funding levels for the tuition assistance program have been inadequate and adversely affect this service. The increased reliance on reservists has placed heavy demands on the Hawaii National Guard and local reserve units. This measure will assist in the recruitment and retention efforts to enable the National Guard to retain a force capable of meeting the needs of the State and nation.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1648 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, 1 (Baker).

SCRep. 265 Education and Military Affairs on S.B. No. 1392

The purpose of this measure is to require the Department of Education to establish a Hawaii administrator standards task force to identify qualification standards for principals and vice-principals.

Testimony in support of the measure was submitted by the Department of Education, University of Hawaii, Hawaii Teacher Standards Board, and Hawaii Government Employees Association.

Your Committee finds that there is a growing need to review, reflect, and refocus efforts in recruiting and retaining the brightest and best administrators for the Department of Education. Employing quality administrators benefits students in many ways and enhances educational systems. This measure provides the assistance needed to review the standards for administrators.

Your Committee has amended this measure to clarify the composition of the task force by:

- (1) Adding a licensed educational administrator;
- (2) Requiring the administrators to be from the Department of Education; and
- (3) Changing the appointments of the administrators to also be appointed by the Speaker of the House of Representatives and President of the Senate.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1392, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1392, 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 (Chun Oakland, Tsutsui).

SCRep. 266 Education and Military Affairs on S.B. No. 766

The purpose of this measure is to grant any member of the armed forces while on active duty or deployed during a state or national crisis, a ninety-day period to file any required license renewal application.

Testimony in support of the measure was submitted by the Department of Defense, Department of Commerce and Consumer Affairs, The Chamber of Commerce of Hawaii, and two individuals.

Your Committee finds that approximately 2,100 soldiers from the Hawaii Army National Guard and 1,100 from the Army Reserve have been ordered to active duty. Efforts to support these brave men and women who serve our country away from their profession and regular employment should be considered. This measure provides a fair solution to those who hold professional or vocational licenses.

Upon further consideration, your Committee has amended this measure to extend the grace period to one hundred and twenty days and clarify that the extension is applicable to licenses that are also current but may expire before the grace period lapses.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 766, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 766, 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, 6. Noes, none. Excused, none.

SCRep. 267 Education and Military Affairs on S.B. No. 1837

The purpose of this measure is to establish an income tax credit for employers that hire National Guard members.

Testimony in favor of the measure was submitted by the Department of Defense, Hawaii National Guard Enlisted Association, The Chamber of Commerce of Hawaii, and an individual. The Department of Taxation submitted comments.

Your Committee finds that many Hawaii residents who are National Guard members are continually being called to active military duty. These tours of duty may last up to eighteen months. The incentive in this measure will not only encourage employers to hire but continue the employment of their employees who are members of the Hawaii National Guard.

Upon further consideration, your Committee has amended this measure to:

- (1) Clarify that the tax credit specifically applies to employers who provide differential pay;
- (2) Exclude city, state, and federal employees; and
- (3) Make technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1837, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1837, 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 (Chun Oakland).

SCRep. 268 (Joint) Education and Military Affairs and Higher Education on S.B. No. 1394

The purpose of this measure is to appropriate additional funds for schools that serve larger populations of military dependent students, and require the University of Hawaii to establish a program for readmission to military members returning from a deployment.

Testimony in support of the measure was submitted by Department of Education, University of Hawaii, and an individual.

Your Committees find that military families have unique needs inherent with military vocations and circumstances of increasing deployments. This measure will provide the necessary additional services for military dependent students during this sensitive time.

Another educational issue that arises out of the increased deployment is the enrollment of military personnel in the University of Hawaii system. It would only seem appropriate that returning military personnel be granted readmission into the program to which they had been previously accepted. Your Committees understand that some University of Hawaii campuses have already established such programs and are currently studying the feasibility of implementing the process at all the campuses. However, there may be concerns in identifying such individuals. Thus, your Committees have amended this measure to include the following provisions:

- (1) To direct the returning military member to identify their situation to the respective registrar; and
- (2) To allow for readmission of returning military personnel who were accepted into a degree program but did not enroll due to the timing of their deployment.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1394, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1394, 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, 1 (Baker).

SCRep. 269 (Joint) Education and Military Affairs and Water, Land, and Agriculture on S.B. No. 972

The purpose of this measure is to authorize the Board and Department of Education to acquire all lands and facilities being utilized for public schools.

Testimony in support of the measure was submitted by the Department of Education and Land Use Research Foundation of Hawaii. The Department of Budget and Finance and three individuals submitted testimony in opposition.

Your Committees find merit in transferring the authority over public lands used for public school facilities to the Department of Education. As the State struggles with its financial budget, so does each of its agencies including the Department of Education. Granting authority to the department to determine the most productive use of public lands and facilities for public schools may be a viable option.

Upon further consideration, your Committees have amended this measure by replacing its provisions with language directing the Legislative Reference Bureau to conduct a study on the transfer of all lands and facilities used for public school purposes to the Department of Education.

As affirmed by the records of votes of the members of your Committees on Education and Military 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. 972, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 972, 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 (Chun Oakland, English, Tsutsui, Hemmings).

SCRep. 270 Judiciary and Hawaiian Affairs on S.B. No. 911

The purpose of this measure is to clarify and define the public land trust and classify the various categories of revenue derived from this land trust that are to be used by the Office of Hawaiian Affairs for improving the conditions of Native Hawaiians.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs.

Your Committee finds that the State's obligation to native Hawaiians is firmly established in the Hawaii Constitution. This measure clarifies the State's constitutional obligation to native Hawaiians to effectuate the right of native Hawaiians to benefit directly from the revenue derived from the public land trust.

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. 911 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 (English, Ihara).

SCRep. 271 Judiciary and Hawaiian Affairs on S.B. No. 923

The purpose of this measure is to give the Office of Hawaiian Affairs the authority to make all necessary and appropriate disbursements of its moneys.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs.

Your Committee finds that this measure is designed to give the Office of Hawaiian Affairs greater control in managing its financial resources. This measure enables the Office of Hawaiian Affairs to make disbursements of its moneys by issuing checks in its own name as well as depositing any of its moneys in any in-state or out-of-state banking institution.

Your Committee has amended this measure by making technical, non-substantive amendments to 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 S.B. No. 923, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 923, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (English, Ihara).

SCRep. 272 Judiciary and Hawaiian Affairs on S.B. No. 1327

The purpose of this measure is to streamline and improve the administration and operation of the Crime Victim Compensation Commission, which administers the Crime Victim Compensation Special Fund.

Specifically, this measure:

- (1) Exempts the Crime Victim Compensation Commission special fund from assessments for central services expenses and departmental administrative expenses;
- (2) Allows the Crime Victim Compensation Fund to cover the costs of mental health care counseling and other related services to surviving family members when a family member is the victim of a crime that results in death; and
- (3) Authorizes the Department of Public Safety to garnish the wages of inmates to satisfy court-ordered crime victim compensation fees.

Testimony in support of the measure was submitted by the Crime Victim Compensation Commission, the Department of the Prosecuting Attorney for the County of Maui-Victim and Witness Assistance Division, and the Hawaii Chapter of Mothers Against Drunk Driving. Testimony in opposition to the measure was submitted by the Department of Budget and Finance.

This measure is designed to exempt the Commission's special fund from administrative expenses and assessments. The exemption enables the Commission to devote additional financial resources to victim compensation awards and helps the Commission achieve fiscal self-sufficiency.

This measure also enables the Crime Victim Compensation Commission to defray the expenses associated with providing mental health care services for surviving family members of the deceased victim and to garnish moneys received by an inmate to satisfy the victim compensation fee imposed by a court at sentencing.

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. 1327 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. 273 Judiciary and Hawaiian Affairs on S.B. No. 1328

The purpose of this measure is to make the crime victim compensation fee mandatory regardless of the defendant's ability to pay and to prioritize the order in which a defendant's court-ordered payments shall be made.

Testimony in support of the measure was submitted by the Crime Victim Compensation Commission, the Department of the Prosecuting Attorney for the City and County of Honolulu, and the Hawaii Chapter of Mothers Against Drunk Driving. Testimony in opposition to the measure was submitted by the Judiciary and the Office of the Public Defender.

Your Committee finds that the crime victim compensation fee is not being assessed on a regular basis against criminal defendants based solely upon a defendant's inability to pay the fee. This measure makes the crime victim compensation fee mandatory regardless of the defendant's financial resources or ability to pay. The measure also requires payment of fees in the following order of priority:

restitution, crime victim compensation fee, probation services fee, other fees, and fines. Your Committee further finds that the establishment of a priority system regarding the court-ordered fees that a defendant is responsible for paying ensures that the victim of the defendant's crime receives the first amount of compensation paid by the defendant.

Your Committee has amended this measure by:

- (1) Removing the requirement that makes the crime victim compensation fee mandatory for all criminal defendants regardless of the defendant's ability to pay; and
- (2) Imposing a \$10 increase in the compensation fees that a criminal defendant may be ordered to pay based on the type of criminal offense.

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. 1328, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1328, 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. 274 (Joint) Education and Military Affairs and Water, Land, and Agriculture on S.B. No. 1814

The purpose of this measure is to authorize the Department of Education to assess and collect impact fees for school facilities.

Testimony in support of the measure was submitted by the Department of Education. The Governor and Honolulu Department of Planning and Permitting submitted comments.

Your Committees find that the Department of Education has been struggling with funding its various construction projects. Although there have been some advances in alleviating the number of the department's growing projects, other methods of funding are needed. This measure offers an alternative funding mechanism by authorizing the Department of Education to assess and collect impact fees by intergovernmental agreement with a county, as fair share contributions of developers for public school facilities construction.

In consideration of the Department of Education's testimony, your Committees have amended this measure by:

- (1) Deleting references to county approval of a needs assessment study;
- (2) Eliminating the establishment of the state educational impact fee trust fund;
- (3) Removing provisions allowing the department to negotiate with developers without an agreement;
- (4) Correcting references to multi-year agreements; and
- (5) Adding an appropriation section for the needs assessment studies.

As affirmed by the records of votes of the members of your Committees on Education and Military 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. 1814, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1814, 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 (Chun Oakland, English, Tsutsui, Hemmings).

SCRep. 275 (Joint) Health and Judiciary and Hawaiian Affairs on S.B. No. 1331

The purpose of this measure is to authorize the issuance of general obligation bonds for a capital improvement project for a substance abuse facility.

The Department of Public Safety submitted testimony in support of this measure.

Your Committees find that crystal methamphetamine (ice) is a dangerous drug that can cause increased heart rate and blood pressure, psychotic behavior, aggression, and paranoia. Long term ice use reportedly can lead to heart attack, stroke, and irreversible brain damage causing permanent mental disabilities. Ice use has increased to epidemic numbers in Hawaii, and the number of inmates with additions has increased proportionately. As of 2003, approximately two thousand six hundred and ninety male inmates (fifty-four percent) and three hundred forty-seven female inmates (fifty-two percent) were identified as being in need of substance abuse treatment.

Your Committees further find that the correctional system's total treatment capacity at any time is four hundred twenty-four inmates, which is only about fourteen percent of the three thousand thirty-seven inmates identified as needing substance abuse treatment. This measure authorizes general obligation bonds for designing, constructing, and equipping a new substance abuse treatment facility.

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. 1331 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, 1 (Tsutsui).

SCRep. 276 (Joint) Health and Judiciary and Hawaiian Affairs on S.B. No. 827

The purpose of this measure is to transfer the functions, authority, and employee positions of the Department of Public Safety relating to uniformed security employees and security contracts for the health facilities of the Hawaii Health Systems Corporation to the Hawaii Health Systems Corporation.

The Department of Public Safety and Hawaii Health Systems Corporation submitted testimony in support of this measure.

Your Committees find that currently the Department of Public Safety is contracted to provide the security for Maui Memorial Medical Center. All other Hawaii Health Systems Corporation facilities utilize private vendor-operated, contract security officers. This measure will transfer the functions, authority, and nine employee positions to Hawaii Health Systems Corporation. The transfer of this security force will facilitate more efficient supervision, management, and control of these security personnel for the center's administrative and operational requirements.

Your Committees note that Hawaii Health Systems Corporation is not contemplating replacing the civil service employees with contract employees upon their transfer.

Your Committees have amended this measure by making technical, non-substantive amendments for clarity and style.

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. 827, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 827, 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, 1 (Tsutsui).

SCRep. 277 Health on S.B. No. 1737

The purpose of this measure is to appropriate funds for Na Lei Wili Area Health Education Center's Grow Our Own Healers' Youth Program and Health Corps Hawaii.

The President and the Executive Director of Na Lei Wili Area Health Education Center (AHEC) submitted testimony in support of this measure. The Department of Health submitted comments.

Your Committee finds that Na Lei Wili AHEC has developed an excellent program for health careers recruitment on Kauai. The program is called Grow Our Own Healers and involves students from middle school through graduate school in the learning process. The year long program for high school students encourages the students to perform community service and hospital volunteer work while learning about the health professions. In the summer, a three week program is offered in which middle school students work alongside high school students, nursing students, and visiting medical, medical technology, nursing and social work students to learn about native healing methods, modern health techniques and healthy lifestyles. Na Lei Wili AHEC testified that at the end of the program more than ninety percent of the students surveyed reported that they want to pursue health careers.

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. 1737 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 (Tsutsui).

SCRep. 278 Health on S.B. No. 1687

The purpose of this measure is to create an exemption from the general excise tax for a 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.

The Legislative Information Services of Hawaii submitted testimony in support of this measure. The Tax Foundation of Hawaii and the Department of Taxation submitted comments.

Your Committee finds that taxation of reimbursements for salaries, wages, and benefits between related entities when they must reorganize their business structure to establish an employee stock ownership plan for the benefit of their employees often blocks the creation of employee stock ownership plans in Hawaii. As the Legislative Information Services of Hawaii testified, this measure removes an obstacle that otherwise makes it financially impossible to allow employees to take ownership of a company. Employee stock ownership plans benefit the overall economy by increasing employee morale and strengthening the companies that establish such plans.

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. 1687 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 (Tsutsui).

SCRep. 279 Health on S.B. No. 1228

The purpose of this measure is to include marriage and family therapy among the mental illness and alcohol and drug dependence benefits required for hospital and medical coverage offered under accident and sickness insurance policies and similar insurance products.

The YWCA of Kauai, Children's Justice Center of Maui, Ka Lima O Maui, Hale Ipu Kukui Alaka'i, Advocacy & Referral Ministry, the Bobby Benson Center, Catholic Charities Hawaii, Aloha House Maui, Ka Hale A Ke Ola Homeless Resource Center, the faculty of the Masters in Counseling Psychology program at Chaminade University, Church of the Crossroads, three members from Samaritan Counseling Center of Hawaii, and twenty-six individuals submitted testimony in support of this measure. Hawaii Medical Service Association submitted comments.

Your Committee finds that marriage and family therapists are licensed mental health professionals trained to diagnose and treat mental and emotional disorders within the context of an individual's relationships. Marriage and family therapists treat a wide range of serious clinical problems, including various forms of mental illness, alcohol dependence, and substance abuse issues. As some proponents noted, there are simply not enough professional mental health clinicians to meet the needs of Hawaii residents, and to exclude an entire category of highly trained mental health professional from billing for insurance reimbursement places a greater strain on an already burdened system. Inclusion of marriage and family therapy among the mental illness and alcohol and drug dependence benefits will provide greater access to mental health services to the presently under-served families of Hawaii.

Your Committee has amended this measure by making technical, non-substantive amendments for 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. 1228, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1228, 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 (Hanabusa, Whalen).

SCRep. 280 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.B. No. 1484

The purpose of this measure is to enact a new law for maintenance of private roads.

Testimony in support of this measure was received from one individual.

This measure would require owners of private roads to maintain the road in good repair. These roads are most common in residential areas and are often very small, resembling driveways. The road is typically owned in common by the adjoining property owners. The problem of maintenance is assessing the costs to the owners who may disagree on their respective contributions. An additional problem is also in obtaining a mortgage on such properties. Your Committee has learned that mortgage lenders typically disqualify a mortgage applicant whose property fronts a private road if there is no written agreement on the responsibilities to maintain the road. Apparently disputes about the responsibility for maintenance could affect the value of the property and put the ownership of the property at risk.

Your Committees find that these provisions will provide a legal mechanism by which these issues can be resolved if the parties cannot come to an agreement.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1484 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, 4 (English, Kanno, Nishihara, Whalen).

SCRep. 281 Judiciary and Hawaiian Affairs on S.B. No. 1058

The purpose of this measure is to establish a voter education program to promote participation in elections by encouraging voter registration, voter education, and voter turnout. This measure also appropriates funds to implement this program.

Testimony in support of the measure was submitted by the Office of Elections, the Office of the City Clerk for the City and County of Honolulu, and the League of Women Voters of Hawaii.

Your Committee finds that to increase voter participation in all elections, voters must not only be properly educated in regard to voter registration, but also encouraged to turn out and vote as part of a voter education program.

Your Committee has amended this measure in response to concerns voiced by the Office of Elections. The Office of Elections was concerned about being actively involved in encouraging eligible voters to turn out and vote as part of this voter education program. The Office of Elections believes that a voter education program should be focused on providing relevant information related to the “mechanics” of voting, such as how to vote, when to vote, and where to vote. The measure has been amended to remove language requiring the Office of Elections to “encourage” voter to turn out and register to vote as part of a voter education program. Instead the measure now requires the Office of Elections to enact a more general voter education program designed to promote voter participation in elections.

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. 1058, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1058, 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 (Hee).

SCRep. 282 Judiciary and Hawaiian Affairs on S.B. No. 1203

The purpose of this measure is to appropriate funds for the development and maintenance of former inmate reintegration programs by non-profit organizations in the community.

Testimony in support of the measure was submitted by the ACLU of Hawaii, the Community Alliance on Prisons, and five individuals. Offering comments on the measure was the Department of Public Safety and the Hawaii Paroling Authority.

Your Committee finds that there is a lack of adequate inmate reintegration programs in place when former inmates are released into the community. These community-based programs form a critical support network that provides access to an array of vital social services to former inmates, including job training, life development, and communication skills. Attaining and utilizing these skills are extremely important for these former inmates in not only avoiding the danger of recidivism, but in also providing them with the necessary “tools” to make a seamless transition in becoming contributing members of society.

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. 1203 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. 283 Judiciary and Hawaiian Affairs on S.B. No. 1325

The purpose of this measure is to enhance the security of electronic voting:

Specifically, this measure will:

- (1) Require that any electronic voting system used in any election in Hawaii generate a paper ballot that may be inspected and corrected by the voter before that voter’s vote is cast; and
- (2) Expand the scope of conduct actionable as election fraud to include individuals who knowingly design, alter, access, or program any electronic voting system that causes the system to record or tally votes inaccurately.

Testimony in support of the measure was submitted by the Office of the Governor, the Hawaii Democratic Party, the League of Women Voters of Hawaii, the Hawaii State Teachers Association, Safe Vote Hawaii, the Hawaii Disability Rights Center and eighteen individuals. The Office of Elections submitted comments on the measure.

Your Committee finds that as electronic voting systems increase in both use and popularity, adequate safeguards must be implemented to ensure that the votes of all eligible voters are not only counted, but also subject to verification by the voter. Unlike the current paper ballot system, most electronic voting systems do not generate or leave a verifiable paper trail that may be audited in cases of recounts or election challenges. By requiring electronic voting systems used in elections in Hawaii to generate paper ballots, your Committee finds that the convenient and cost effective method of electronic voting will also have the safety and security of the current paper ballot system.

Your Committee has amended this measure by making technical, non-substantive amendments for purposes of clarity.

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. 1325, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1325, 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 (Hee, Ihara).

SCRep. 284 Judiciary and Hawaiian Affairs on S.B. No. 1570

The purpose of this measure is to appropriate funds for community-based reintegration programs for female offenders transitioning from prison to the community.

Testimony in support of the measure was submitted by the Department of Public Safety, the ACLU of Hawaii, Hawaii Women Lawyers, the Community Alliance on Prisons, Ka Hale Ho`ala Hou No Na Wahine, and forty-seven individuals. Submitting comments on the measure was the Hawaii Paroling Authority.

Your Committee finds that there is a lack of adequate community-based programs for female offenders making the transition back into the community at the end of their prison terms. Community-based programs that are responsive to the emotional, psychological, educational, and employment needs of female offenders are critical to breaking the cycle of recidivism and ensuring the long-term success of these women in becoming productive and contributing members of society.

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. 1570 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. 285 Judiciary and Hawaiian Affairs on S.B. No. 1864

The purpose of this measure is to make an emergency appropriation out of the Judiciary's Computer System Special Fund for the Judiciary to defray unanticipated costs associated with the implementation of the Judiciary Information Management System (JIMS).

Testimony in support of the measure was submitted by the Judiciary. One individual offered comments on the measure.

Your Committee finds that the implementation of JIMS is a critical component of the Judiciary's ongoing effort to modernize its case tracking system which, in turn, will streamline court operations, allow the Judiciary to interface and share information with other state agencies, and increase accessibility to the courts in Hawaii. This emergency appropriation will allow the Judiciary to defray unexpected costs relating to purchase and installation of computer hardware and meet its targeted start up date for JIMS, thereby avoiding prolonged delays and additional costs.

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. 1864 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. 286 (Joint/Majority) Education and Military Affairs, Water, Land, and Agriculture and Intergovernmental Affairs on S.B. No. 950

The purpose of this measure is to require new century charter schools to comply with state land use laws and county zoning laws and be subject to audit and inspection by the Charter School Administrative Office.

The Charter School Administrative Office and Kamehameha Schools submitted comments on this measure.

Your Committees find that the current statute provides an exemption to new century charter schools from applicable state laws. Though the original intent of the exemption was to free these schools from statutory and regulatory requirements that tend to inhibit a school's ability to make appropriate decisions for its students, there have been complications resulting from conflicting interpretations of this exemption. As all other state agencies, including the Department of Education, are subject to state land use laws and county zoning ordinances, this measure clarifies that new century charter schools shall not be exempt from these requirements.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 950 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, 2 (Hogue, Slom). Excused, 6 (Baker, Chun Oakland, English, Kim, Tsutsui, Hemmings).

SCRep. 287 Education and Military Affairs on S.B. No. 1635

The purpose of this measure is to increase the amount of money deposited into the state educational facilities improvement special fund.

Testimony in support of the measure was submitted by the Department of Education. The Department of Taxation and Department of Budget and Finance submitted testimony in opposition to the measure.

Your Committee finds that the Department of Education's capital improvements backlog totals approximately \$3,000,000,000 while the repair and maintenance backlog is estimated at \$500,000,000. The state educational facilities improvement special fund is used to plan, design, acquire lands, construct, and maintain public school facilities and provide equipment and technology infrastructure.

Unfortunately, the current funding level of the special fund is not sufficient to reduce the backlog of projects. Increasing the amount deposited into the special fund will assist the department in providing safe and healthy educational environments.

A technical, nonsubstantive amendment was made to conform to legislative drafting style.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1635, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1635, 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, none.

SCRep. 288 Education and Military Affairs on S.B. No. 1389

The purpose of this measure is to appropriate funds to the Hawaii 3R's school repair and maintenance fund and to the Department of Education for funding the Hawaii 3R's coordinator position.

Testimony in support of this measure was submitted by the Department of Education, the Department of Accounting and General Services, Makakilo Elementary School, the Hawaii Government Employees Association, Hawaii 3R's, the American Society of Civil Engineers, the General Contractors Association of Hawaii, Durus International Corporation, America's Promise Hawaii: The Alliance for Youth, and seven individuals.

Your Committee finds that the backlog of repair and maintenance projects in public schools continues to be of concern and that all means of addressing the problem should be explored and supported. 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 backlog of repair and maintenance projects in Hawaii's public schools. Since 2001, 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. It is an extremely cost-effective program. This measure appropriates funds to support Hawaii 3R's efforts of expediting the repair and maintenance of Hawaii's public schools, including the appropriation of funds to provide for a coordinator position.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1389 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, none.

SCRep. 289 Education and Military Affairs on S.B. No. 1817

The purpose of this measure is to authorize the Department of Education to conduct criminal history record checks of providers, subcontractors, and institute of higher education trainees who work or train in close proximity to public school students.

Testimony in support of the measure was submitted by the Department of Education, Department of Human Resources Development, Hawaii State Teachers Association, and Hawaii Youth Services Network.

Your Committees find that state public employment laws require that all applicants and employees be of responsible and reputable character. While the Department of Education has procedures in place that address criminal history record checks for teachers and other employees who work in close proximity to children, it does not cover all department personnel. This measure will extend the coverage for individuals who may not necessarily be employees of the State, but who have contact with school children.

A technical, nonsubstantive amendment was made to conform to legislative drafting style.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1817, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1817, 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, none.

SCRep. 290 Education and Military Affairs on S.B. No. 1659

The purpose of this measure is to enable the Department of Education charter schools to receive federal grant monies under the Individuals with Disabilities Education Act.

Testimony in support of the measure was submitted by the Department of Education and Governor.

Your Committee finds that in order to ensure that a parent or guardian is part of the team to determine programs and services for a student with a disability attending a public charter school, section 302A-1188, Hawaii Revised Statutes, must be aligned with the federal Individuals with Disabilities Education Act. The alignment will further ensure that the State will continue to receive federal grant monies to assist each student to receive an appropriate education.

After further discussion, your Committee has amended this measure by providing that if the new century charter school is unable to provide required services, the department shall provide the services according to the student's individualized educational program or parents. Technical, nonsubstantive amendments were also made.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1659, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1659, 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, none.

SCRep. 291 Education and Military Affairs on S.B. No. 1396

The purpose of this measure is to authorize the issuance of general obligation bonds and appropriate funds for the repair and maintenance of state educational facilities.

Testimony in support of the measure was submitted by the Department of Education and the General Contractors Association of Hawaii.

Your Committee finds that the Department of Education has a longstanding backlog of repair and maintenance projects. Over the years, a number of funding mechanisms have been implemented to assist the department in lowering the list of projects. This measure attempts to further reduce the backlog by appropriating additional bond funding at a time when the municipal bond interest rates are at an all time low and would be a prudent fiscal policy.

Your Committee feels that strong efforts must be made to assist in the reduction of the project backlog and therefore has increased the bond appropriation to \$200,000,000.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1396, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1396, 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, none.

SCRep. 292 Education and Military Affairs on S.B. No. 1644

The purpose of this measure is to provide additional funding to new century charter schools for maintaining their facilities and allowing them to access state land and facilities.

Testimony in support of the measure was submitted by Hookakoo Corporation, Kamehameha Schools, Kalau Ku Mana, Waimea Middle School, and Kualapuu Elementary School. The Charter School Administrative Office, Department of Education, and Governor submitted comments.

Your Committee finds that many states have provided their charter schools with funding programs for facilities maintenance, and have authorized the use of unused state buildings and lands by the schools. This measure implements similar programs in Hawaii.

Recently, the Department of Accounting and General Services reported that an average of \$50,000,000 was spent each year to prevent the increase of public school repair and maintenance projects. Approximately one hundred eighty thousand students are enrolled in public schools. By dividing this annual repair and maintenance figure by the public school enrollment figure, it can be determined that the Department of Education spends approximately \$300 per pupil for basic level repair and maintenance. Your Committee finds this figure to be a reasonable amount to allot to new century charter schools for their facilities.

Your Committee has amended this measure by clarifying the per pupil facilities amount and purpose section.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1644, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1644, 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 (Chun Oakland).

SCRep. 293 (Joint) Education and Military Affairs and Energy, Environment, and International Affairs on S.B. No. 1662

The purpose of this measure is to appropriate funds to the Department of Education to develop a plan to provide air conditioning in all public school facilities within ten years and incorporate the use of energy conservation initiatives throughout the department's facilities.

Testimony in support of the measure was submitted by the Department of Education and Hawaii State Teachers Association.

Your Committees find that providing a quality learning experience is enhanced when distractions are kept at a minimum. Providing air conditioned classrooms and facilities will assist students in remaining focused during their educational instruction. This measure will provide funding for the department to plan for future installation of air conditioning throughout the public schools. Further, your Committees find that the department should be more environmentally conscious; this measure therefore encourages energy conservation measures in the public schools.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Energy, Environment, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1662 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 (Hanabusa, Hemmings).

SCRep. 294 (Joint) Commerce, Consumer Protection and Housing and Transportation and Government Operations on S.B. No. 72

The purpose of this measure is to make permanent the exemption from the rental motor vehicle surcharge tax for vehicles being rented to replace a vehicle under repair.

The Department of Transportation testified in support of the measure. The Department of Taxation presented comments on the measure.

Current law establishes a daily surcharge tax against a lessor on the rental of a motor vehicle. The law also provides that during an eight-year period that ends on August 31, 2007, no surcharge shall be assessed on a vehicle that is being rented by the lessor to replace a vehicle of the lessee that is under repair, subject to the lessor's retention of the repair order for four years for verification purposes.

This measure makes the exemption permanent by repealing its sunset date. Your Committees find that this measure will not result in a revenue loss to the State.

Your Committees have amended this measure to correctly reflect the language of the Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 72, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 72, 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 (Hee, Ige, Kanno, Sakamoto, Whalen).

SCRep. 295 (Joint) Commerce, Consumer Protection and Housing and Transportation and Government Operations on S.B. No. 982

The purpose of this measure is to appropriate moneys to retrofit public buildings for the purpose of increasing the number of emergency public shelters.

The Department of Defense (DOD), Hawaii Hurricane Relief Fund (HHRF), Structural Engineers Association of Hawaii, and an individual testified in support of this measure.

Your Committees find that currently the State has an emergency shelter shortfall of 124,000 spaces. The funds appropriated under this measure would help to reduce this shortage by enabling the DOD to retrofit buildings at thirty-two facilities throughout the State, including twenty-nine schools and three community centers.

Your Committees have amended this measure:

- (1) By deleting the appropriation from the HHRF to the General Fund since interest income from the Hurricane Reserve Trust Fund is already transferred and deposited into the General Fund;
- (2) To require that buildings designated to be retrofitted are accessible to the general public; and
- (3) By making a technical amendment for the purpose of style.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 982, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 982, 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 (Hee, Ige, Kanno, Sakamoto, Whalen).

SCRep. 296 Higher Education on S.B. No. 1747

The purpose of this measure is to appropriate \$900,000, to the University of Hawaii for the repair, maintenance, and operation of the Harold L. Lyon Arboretum.

Your Committee received testimony in support of this measure from the University of Hawaii, Lyon Arboretum, University of Colorado Museum-Botany Section, Sierra Club, Na Leo Pohai, Hoomaluhia Botanical Garden, Hawaii Tropical Botanical Garden, Floribunda Palms & Exotics, the Steering Committee of the Lyon Arboretum, and fifty-four individuals.

Lyon Arboretum, established in 1918, consists of 193.5 acres in upper Manoa valley. It may be the only biological field research facility in a tropical rainforest owned and operated by a university in the United States. It is a repository for rare and endangered native Hawaiian plants, an educational program for children and adults, and a teaching and scientific research resource for the University. Testimony presented described Lyon Arboretum as a "rare botanical life boat," a "valuable asset," a "crown jewel," a "botanical gem in the heart of Honolulu," a "precious and delicate watershed."

The December 2004 State Auditor report admonished the University on its failed obligations to be proper stewards and the University's neglect led to mismanagement, lack of financial support, physical deterioration of the facilities, and serious safety and compliance problems.

This measure is intended to appropriate funds that are essential to the restoration of Lyon Arboretum's infrastructure. Your Committee finds that Lyon Arboretum is a resource of great value and is at the forefront of efforts to conserve and restore the highly-endangered flora of Hawaii.

Your Committee has amended this measure by appropriating \$900,000 for each year of the biennium.

The Committee's approval of this measure is a bold first step to allow Lyon Arboretum to recover from years of neglect and to grow towards its full potential and responsibility to our students, the State and the scientific community as well as to future generations.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1747, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1747, 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, Chun Oakland).

SCRep. 297 Higher Education on S.B. No. 1787

The purpose of this measure is to appropriate funds to establish a University of Hawaii-West Oahu university center in Kapolei or Waianae.

Your Committee received testimony in support of the measure from the University of Hawaii-West Oahu.

Your Committee finds that university centers were established to provide access to higher education services in geographic areas without baccalaureate-granting campuses. Any of the ten campuses in the system can provide degree programs using the services provided by the respective center.

There is a good reason to consider an establishment of a University Center in western Oahu. Given the traffic congestion, any services that can be provided without requiring students to drive to the Manoa campus would be advantageous. Currently, Leeward Community College supports an education center in Waianae. The establishment of a university center in Kapolei that would be affiliated with University of Hawaii-West Oahu would be the first step in fulfilling the promise to deliver a full range of educational opportunities to the region.

Your Committee further finds that there is a need to establish university centers in communities that otherwise lack access to programs offered elsewhere in the University of Hawaii system. Your Committee further finds that a university center, either in Kapolei or Waianae, would provide students with educational opportunities that they would not be able to attain because they do not have the means or the transportation to attend the Pearl City or the Manoa campus.

Your Committee has amended this measure by making an appropriation of funds of \$1.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1787, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1787, 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, Chun Oakland).

SCRep. 298 Higher Education on S.B. No. 1188

The purpose of this measure is to authorize the issuance of general obligation bonds for capital improvement projects for the design and construction of temporary facilities at the University of Hawaii-West Oahu.

Your Committee received testimony in support of the measure from the University of Hawaii-West Oahu (UH).

In March 2003, a re-accreditation team of the Accrediting Commission for Senior Colleges and Universities of the Western Association of Schools and Colleges visited the UH-West Oahu campus and a Formal Notice of Concern was issued to the UH with a finding that the academic infrastructure was insufficient.

This measure is intended to rectify the plant deficiencies problem of the UH. Your Committee finds that the two new portable buildings will not be covered by the allotted funds and additional moneys are needed to cover the increased costs of the materials and to address health and safety issues. The two portable buildings are urgently needed for current staff as well as anticipated new staff. At this time, storage areas have been converted to office space and staff members are doubled up in cramped spaces. These temporary facilities are necessary because no construction of permanent buildings for the new campus are expected to be completed prior to 2008. Faculty and staff at West Oahu need to use these temporary facilities now and for the immediate future.

Your Committee has amended this measure by changing the effective date to July 1, 2020 to continue discussions on this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1188, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1188, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Baker, Chun Oakland).

SCRep. 299 Higher Education on S.B. No. 1164

The purpose of this measure is to appropriate funds for faculty positions for Ilokano, Filipino, and Philippine studies at the University of Hawaii at Manoa.

Your Committee received testimony in support of this measure from the University of Hawaii (UH), UH Department of Hawaiian and Indo-Pacific Languages and Literature, GUMIL Oahu, and seventy-nine individuals.

Your Committee finds that funding and positions are urgently needed to stabilize the Philippine studies program. Your Committee further finds that there is a compelling need to increase the number of classes for the growing number of Filipino and non-Filipino students interested in Philippine studies and Philippine languages.

The UH has the largest number of students on any United States campus taking a Philippine language and is the only institution that offers a Bachelor of Arts degree in Philippine language and literature. Filipino students and other faculty expressed concern in recent semesters because some courses in Filipino and Ilokano were not regularly offered by lecturers or instructors. The UH Philippine Studies Center, part of the School for Hawaiian, Asian and Pacific Studies is well known locally, nationally, and internationally for scholarship and research of faculty who teach in various Manoa academic departments, such as ethnic studies, American studies, education, history, sociology, and political science.

Your Committee has amended this bill by inserting \$250,000 to fund three faculty positions for Ilokano, Filipino, and Philippine studies and one vacant Filipino language position at UH and curriculum development and instruction for other campuses.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1164, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1164, 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 (Chun Oakland, Trimble).

SCRep. 300 Higher Education on S.B. No. 1160

The purpose of this measure is to make an appropriation to the University of Hawaii (UH) for all campuses to increase diversity of and student success by promoting additional student support services for students with disabilities, underrepresented groups, single parents on welfare, and other non-traditional students.

Your Committee received testimony in support of this measure from the University of Hawaii, University of Hawaii Women's Center, University of Hawaii Lesbian, Gay, Bisexual and Transgender Student Services, XYZ: Gay-Straight Alliance at UH Manoa, the Honolulu Community College Skills Center and five individuals.

Your Committee finds that this measure would strengthen and expand programs that serve students who are under-represented and under-served, including students with disabilities and various ethnic groups. Your Committee further finds that the campus programs promoting diversity and programs for under-represented students, students with disabilities, and under-served groups would assure the success of these students as they would be able to remain in school and eventually graduate.

Programs at the UH system and campuses need to be expanded to increase the number of underrepresented ethnic groups and to support other groups that contribute to campus diversity. The Board of Regents policy on non-discrimination and affirmative action states "[T]he University is committed to a policy on non-discrimination on the basis of race, sex, age, religion, color, national origin, ancestry, court records, sexual orientation, or veteran status."

This measure is consistent with the University's strategic goals on access and social justice as well as federal, state and university policies on non-discrimination and affirmative action. Your Committee believes that inclusion and diversity contributes to a rich academic environment and workforce development.

Your Committee has amended this measure by inserting the sum of \$2,500,000 for seventeen positions for all campuses.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1160, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1160, 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 (Chun Oakland, Trimble).

SCRep. 301 Higher Education on S.B. No. 1159

The purpose of this measure is to make an appropriation for funding and positions for the expansion of the ethnic studies, labor history, and diversity curriculum for all of the University of Hawaii campuses.

Your Committee received testimony in support of this measure from the University of Hawaii Ethnic Studies Department and two individuals.

Your Committee finds that students on all of the campuses of the University of Hawaii system will benefit from the various ethnic studies, labor history, and diversity curriculum. Your Committee further finds that ethnic studies classes are unique in that the program emphasizes active community participation in local communities.

As an example, the Hawaiian Studies program at the University of Hawaii at Manoa was founded in 1980 and became a full-fledged academic department in 1987, and the ethnic studies program was founded in 1970 and became a full-fledged academic department in 1995. The ethnic studies program provides instruction, research, and community service on race, ethnicity, and class in Hawaii as well as comparative studies of groups in the United States and around the world. Ethnic studies classes are unique in that the program emphasizes praxis, or active community participation in local communities. Ethnic studies believes in community service, ongoing interaction with local communities on the basis of a two-way exchange of learning and information, and the use of undergraduate students as peer teaching assistants. Ethnic studies faculty have special expertise in the history of Native Hawaiians, Japanese, Chinese, Koreans, Filipinos, African Americans, Native Americans, and Caucasians. Areas needing additional development include Samoans and other Pacific islanders, Laotians, and Vietnamese in Hawaii.

Your Committee has amended this bill by making an appropriation of \$300,000 for five faculty positions and student employment funds to develop and offer additional courses in ethnic studies, including Hawaiian studies, as well as labor history and diversity curriculum at all campuses of the University of Hawaii.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1159, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1159, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Baker, Sakamoto).

SCRep. 302 Higher Education on S.B. No. 1063

The purpose of this measure is to appropriate funds for a tropical golf course and landscape management program at the University of Hawaii.

Your Committee received testimony in support of this measure from American Society of Landscape Architects – Hawaii Chapter, Ko Olina Resort & Marina, Hawaii Island Landscape Association, Hualalai Resort, Kauai Nursery & Landscaping, Inc., Irrigation Hawaii Limited, JKMD, Inc., Puanani Landscape/Maintenance, Inc., and one individual. The Department of Agriculture and the University of Hawaii (UH) college of tropical agriculture and human resources (CTAHR) supported the intent of this measure.

Your Committee finds that Hawaii's unique climate, soils, and environment present obstacles for local golf course management because the needs of tropical golf courses differ from conventional courses in temperate climates. The lack of expertise has created a shortage of local experts in this field. Your Committee further finds UH can address this shortage of local expertise by establishing a tropical golf course and turfgrass management program and by hiring individuals with tropical golf course expertise for two faculty positions.

Your Committee has amended this measure by:

- (1) Specifying an appropriation of \$1 to develop a program of tropical golf course and landscape management; and
- (2) Adding the contents of S.B. No. 1064 to this measure, designated as Part II, to appropriate \$250,000 for fiscal years 2005-2006 and 2006-2007 to enable CTAHR's department of natural resources and environmental management to hire two faculty members with expertise in resource management and conservation.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1063, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1063, 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 (Chun Oakland, Trimble).

SCRep. 303 Higher Education on S.B. No. 997

The purpose of this measure is to authorize the issuance of \$30 million in general obligation bonds to provide for the infrastructure of the University of Hawaii's West Oahu campus development.

Your Committee received testimony in support of the measure from the Acting Chancellor of the University of Hawaii-West Oahu, the University of Hawaii Professional Assembly, and the Estate of James Campbell. Your Committee received testimony in opposition to the measure by one individual.

Your Committee finds that the issuance of general obligation bonds for this capital improvement project would enable the University of Hawaii at West Oahu to go forward with plans to build a new campus in Kapolei and serve as an incentive for any public-private development partnerships.

Your Committee finds that since 1976, governors, legislators, and university presidents have talked about building a four-year college in West Oahu. A generation of students has harbored the dream of a West Oahu campus while taking classes in a Manoa warehouse, in rented rooms in an Aiea commercial building, and in portable buildings squatting on either end of the Leeward Community College campus in Pearl City. The promise of a permanent campus has been made and broken repeatedly. Mr. President, this year your Committee has the commitment, the wherewithal, the funds, – the responsibility to make this dream come true and make good on all broken promises.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 997 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, Chun Oakland).

SCRep. 304 Higher Education on S.B. No. 948

The purpose of this measure is to authorize the Board of Regents of the University of Hawaii to enter into contracts with private entities for the construction of facilities, university projects, and university systems, particularly to expedite the construction of a four-year West Oahu campus, a new cancer research center, and additional student housing at the Manoa campus.

Your Committee received testimony in support of the measure from University of Hawaii, University of Hawaii Professional Assembly, and University of Hawaii Capital Improvement Projects Department. The Hawaii Government Employees Association Bargaining Unit 8 supported the intent of the measure but raised concerns regarding privatization.

Your Committee finds that having the University of Hawaii Board of Regents enter into contracts with private partnerships needs additional discussion. In particular, your Committee is concerned about state liability for potential breaches of contracts by the Board of Regents, open and honest negotiations with private vendors at a public hearing, and whether or not the Board of Regents' efforts would lead to privatization of government services.

Your Committee has amended the bill by changing the effective date from upon approval to July 1, 2020, to allow time for further discussion.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 948, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 948, 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, Chun Oakland).

SCRep. 305 Higher Education on S.B. No. 581

The purpose of this measure is to provide tuition refunds at the University of Hawaii (UH) for qualified children of certain rescue and emergency personnel, law enforcement, and military personnel killed in the line of duty or declared prisoners of war or missing in action.

Specifically, the measure provides tuition refunds to:

- (1) Rescue and emergency personnel;
- (2) Members of the Hawaii National Guard or military reserve who are called into active duty; and

- (2) Active duty military personnel, who are unable to attend college for more than sixty days in a semester as a result of their military duties.

Your Committee received testimony in support of this measure from two individuals. Your Committee received comments from the Department of the Defense and the UH.

Your Committee finds that this measure will assure that the sacrifice of a public servant's life is recognized, and that their children will be partly compensated for the loss of a parent by receiving the financial support for college that this parent could have provided.

Your Committee finds that the war in Iraq and the epidemic of "ice" in Hawaii have increase the chances that our law enforcement and military personnel may have to sacrifice their lives in the line of duty. The tuition refund here is a small but significant effort by the State to assist the families of those who die, become prisoners of war, or are declared missing in action in the line of duty. Your Committee also finds that the tuition refund for military personnel who are mobilized and miss significant portions of the semester is appropriate.

Testimony of the UH indicates that it recognizes the significance of the contribution made by members of law enforcement and military personnel and the importance of their safety to the service of citizens. The UH currently provides refunds at the request of members of the Hawaii National Guard and military reserve who are called to active duty, as well as military personnel already on active duty who are unable to attend college due to military obligations. The UH has the authority to provide these refunds and has consistently done so. Any monies refunded are limited to those paid by the student out-of-pocket and do not include third-party payments, such as financial aid from the federal government.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 581 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, Sakamoto).

SCRep. 306 Higher Education on S.B. No. 667

The purpose of this measure is to make an emergency appropriation of \$25,000,000 to pay for unanticipated flood losses that were incurred as a result of the October 30, 2004 Manoa flood.

Your Committee received testimony in support of the measure from the University of Hawaii (UH) and University of Hawaii Professional Assembly.

This measure is intended to rectify the losses incurred and damages suffered by the UH in the recent severe Manoa floods. On October 30th, 2004 a flash flood ripped through the University of Hawaii at Manoa campus. A four-foot high wall of water hit the Biomedical Sciences building on the Manoa campus, flooding that building the physical plant (Auxiliary Services) buildings, the PBRC, Ag Sciences III and an adjoining warehouse. The Institute for Biogenesis research and first floor of Biomed were inundated with water – over the tops of lab benches – and the auditorium flooded. The main transformer blew, melting the main electrical supply cable to the electrical substation, and setting off sprinklers on the first floor.

The ground floor facilities of Hamilton Library Phases I and II – the map and photo collections, the government documents repository, and the Library and Information Science offices and classrooms - were completely flooded to the ceilings. Walls and wiring were torn out and the collections, books, and periodicals, housed there were destroyed. The library's subbasement – where mechanical and electrical equipment was located – was submerged. In the worst parts of the flood path the landscape was gouged out and large holes were tunneled into the ground.

In all, power was interrupted to thirty five buildings, with Agricultural Sciences III, Biomedical Sciences, Sherman Lab and Hamilton Library sustaining enough infrastructure damage to require isolation from the main electrical circuits before the rest of the campus could be powered up again. Critical research and animal care areas were of paramount concern, while 3,000 pounds of dry ice was distributed to preserve samples and other materials that needed to be kept cold or frozen. The quick response of faculty and administration helped to stabilize the campus, limit losses, and restore operations in a timely fashion. Cleanup proceeded with faculty, students and community volunteers all pitching in. Library collections were placed in freezer trucks supplied by Matson and Horizon Lines, so they could be preserved. Humidity problems and mold blooms were addressed by removing wet and muddy carpet and with dehumidifiers and fans, but these had limited effectiveness in buildings that lacked power and air conditioning.

Temporary offices and accommodations for research faculty at alternate sites are currently a high priority while plans to restore the operational environment are ongoing. Mold has been a continuing problem with abatement a high priority in areas that did not receive priority during the immediate recovery. Rains the following weekend knocked power out again, requiring further emergency services for research areas, and emergency generation for several facilities on campus.

A specialist disaster remediation team was hired over the November 6-7 weekend to help reduce humidity and conduct an intensive cleanup in four power-isolated buildings. Some buildings were still without permanent power – including Biomedical Sciences and Hamilton Library. Classes scheduled in these buildings – and some others - have been relocated.

Your Committee finds that the catastrophic damages suffered and the loss incurred from the October 30, 2004 floods have had a major impact on the services the University is able to provide for students, researchers, and the public. In order to replace documents and books as well as restore and renovate the University of Hawaii, an emergency appropriation and an increase in the ceiling of the

state risk revolving fund is vital. Without an increase of the ceiling of the state risk revolving fund, the fund will not be able to repay the general fund for the amounts provided to the University of Hawaii for the flood repairs.

Your Committee has amended this measure by inserting an appropriation of \$25,000,000 general revenues for the cleaning, repairing, or replacing of damaged or destroyed university property and for reimbursing the University of Hawaii for funds that have already been spent for those purposes.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 667, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 667, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Inouye).

SCRep. 307 (Joint) Higher Education and Judiciary and Hawaiian Affairs on S.B. No. 1158

The purpose of this measure is to require the University of Hawaii to award partial to full tuition waivers to all Native Hawaiian and Hawaiian students throughout the University of Hawaii system.

Your Committees received testimony in support of this measure from the University of Hawaii Hawaiian Studies Program, Department of Education, Office of Hawaiian Affairs, the University of Hawaii Student Caucus, and Hawaiian Civic Clubs. Your Committees received testimony in opposition of this measure from two individuals. The Attorney General submitted comments on this measure.

The discrepancy between the number of Native Hawaiian students in public schools and the University of Hawaii (UH) is immense. According to Census 2000 statistics, Native Hawaiians account for 32.4 percent or approximately 59,677 of the 184,187 children in the public school system. The Native Hawaiian population in the State of Hawaii is approximately 20 percent or 239,655 of the 1,211,537 state population (Census 2000). Yet Native Hawaiians represent only 13.6 percent or 6,555 of the 48,173 students in the UH system. Tuition waivers will assist in lessening the gap in educational parity for Native Hawaiians.

In its report to the Governor and the Legislature in 1991, the Hui 'Imi task force on Hawaiian services found that Hawaiians consider a good education as a key to the ability to find high paying jobs and rewarding careers. The report also indicated that Native Hawaiians regard education as the key to self-sufficiency and self-determination, which is the key to leading the young Native Hawaiian population out of the cycle of dependency upon society and low self-esteem.

Your Committees find that it has become increasingly difficult for students of Hawaiian or part-Hawaiian ancestry to afford college tuition. Your Committees further find that it is necessary to offer tuition waivers to those qualified students within the UH system who are of Hawaiian ancestry.

As affirmed by the records of votes of the members of your Committees on Higher 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. 1158 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 (Baker, Sakamoto).

SCRep. 308 (Joint) Higher Education and Judiciary and Hawaiian Affairs on S.B. No. 1398

The purpose of this measure is to establish two types of scholarships at the University of Hawaii:

- (1) Hawaiian language study scholarships for students studying the Hawaiian language; and
- (2) Teacher education programs for students who can demonstrate fluency in Hawaiian or in a non-English language used in the delivery of education to disadvantaged immigrant children in Hawaii public, charter, or laboratory schools.

Your Committees received testimony in support of this measure from the University of Hawaii Hawaiian Studies Program, University of Hawaii-Hilo, Department of Education (DOE), and University of Hawaii-West Oahu, and six individuals.

Your Committees find that the promotion of the study of Hawaiian language and the needs of students from non-native English backgrounds are essential to the State and that such promotion must be an integrated effort between lower and higher education.

Your Committees further find that the University of Hawaii needs to take bold action on behalf of promoting the Hawaiian language and the needs of students of non-native English background for the public schools.

Hawaiian is an official language of the State and the promotion of its study for all Hawaii public school students regardless of ethnicity is mandated by Article X, section 4 of the State Constitution. In addition, Article XII, section 7 reaffirms and protects traditional and customary rights relating to Hawaiian culture of which the language is a central component while Article IX, section 9 reaffirms the power of the State to preserve and develop the cultural arts of its various ethnic groups.

The DOE testified in support noting that section 4 of the bill highlights the non-discriminatory intent of the bill. The DOE further noted the positive benefits for Hawaii's children in the bill.

Your Committees note that, in his testimony, Dr. Kalena Silva of the University of Hawaii at Hilo stated that the dire effects of the major social and political events of 1893 that caused the extreme decline of the Hawaiian language and culture have not been fully addressed. Your Committees view scholarships for students studying Hawaiian as a way to promote the study of the Hawaiian language for all Hawaii's people in accordance with the constitutional mandate. Your Committees find that this measure is strengthened by its additional focus on service to the public schools by those receiving scholarships and its inclusion of fluent speakers of languages other than Hawaiian in such service to the public schools.

Your Committees have amended this measure by adding scholarships for graduate programs, with the same criteria as the teacher education programs. Your Committees have also made technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Higher 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. 1398, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1398, 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 (Baker, Sakamoto).

SCRep. 309 (Joint) Higher Education and Judiciary and Hawaiian Affairs on S.B. No. 1408

The purpose of this measure is to propose an amendment to article X, section 6, of the Constitution of the State of Hawaii to authorize the board of regents to issue general obligation bonds.

The Attorney General submitted comments on this measure.

Your Committees find that the University of Hawaii Board of Regents has been granted autonomy in the past that allows the Board of Regents to manage its own administration. In principle, although your Committees find the concept of authorizing the University of Hawaii to issue general obligation bonds appropriate, there are some concerns on the procedure and the legality of this proposition.

Your Committees find a need for more discussion regarding the Board of Regents' autonomy to issue general obligation bonds, and are passing out this measure to continue the discussion on this issue.

As affirmed by the records of votes of the members of your Committees on Higher 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. 1408 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 (Baker, Sakamoto).

SCRep. 310 Higher Education on S.B. No. 904

The purpose of this measure is to clarify and add certainty to the law relating to the University of Hawaii's authority to manage and control public activities on its lands.

Specifically, the measure provides express statutory authority to the University to allow it to adopt rules to enforce its authority on these lands, including the authority to set, charge, and collect fines for violations of its rules.

Your Committee received testimony in support of this measure from the University of Hawaii, the University of Hawaii Professional Assembly, and the Department of Land and Natural Resources.

Pursuant to the Constitution and statutes of the State of Hawaii, the University of Hawaii is vested with autonomous authority to control and manage its educational and proprietary affairs. This authority extends to the use and oversight of lands and real property owned, leased, or otherwise transferred from various owners, including state, federal, or private entities, to the University for the furtherance of its educational, research, and agricultural experimentation.

Your Committee finds that this autonomous authority should carry with it the necessary legal means to supervise, oversee, and permit public activities on those lands.

Your Committee finds that there needs to be further discussion to address concerns raised about the approval and authority granted to the University from the Department of Land and Natural Resources to manage and control activities on properties owned or possessed, the potential liability, type of violations, fees, and costs.

Your Committee has amended this measure by deleting the new language specifying that the Board of Regents may set, charge, and collect fines for violations with its rules; the maximum fee schedule; and the ability to assess the costs of related contested case hearings.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 904, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 904, 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, Trimble).

SCRep. 311 (Joint) Higher Education and Labor on S.B. No. 900

The purpose of this measure is to prohibit the State's annual contribution for any employee who elects to be a member of the University of Hawaii's optional retirement system from exceeding six per cent of the Internal Revenue Code federal tax limit on annual compensation, rather than six per cent of \$100,000. This measure also repeals the optional retirement system's sunset date.

Your Committees received favorable testimony from the University of Hawaii.

The University of Hawaii's testimony likened the increase in the maximum amount that the State would contribute for an employee under the optional retirement system as being on par with the contribution limit applied under the Employee Retirement System.

While this is true in words, this is false in its impact. Your Committees are concerned that requiring the State to contribute up to the federal tax limit has a much more significant impact due to the significant number of university employees making more than \$100,000 as compared with the rest of state government. For example, while the Governor of the State of Hawaii is paid \$94,780 the President of the University of Hawaii is paid over \$300,000.

Your Committees believes that while the application of the policy of using the federal tax limit sounds fair, its implementation will be much more costly than when applied to a typical state department. For instance, the University of Hawaii's report to the 2005 Legislature on "Salaries Paid to Executive/Managerial and Faculty Employees" reports that there are over four hundred forty employees whose annual compensation is over \$100,000.

Your Committees further believe that the University of Hawaii has sought and received a level of autonomy unparalleled with that of any executive branch agency. However, throughout the 2005 legislative session, it has become apparent that the University has used autonomy as an excuse not to be accountable for state funds appropriated in the past and reallocated over time. As such, university officials are unable to detail to the Legislature where general funds for various vacant positions have gone and for what reasons.

In light of this lack of accountability, your Committees have chosen to exercise caution and choose to maintain the maximum contribution the State will make to six per cent of \$100,000. It should be noted that current law requires the University to pay for any difference between the State's contribution and that to which the employee is entitled.

Finally, your Committees believe that more discussion is warranted to determine the financial impact to the State and the negative, if any, impact from maintaining the State's maximum contribution at six per cent of \$100,000. Therefore, your Committees have amended the effective date of this bill to be July 1, 2020.

As affirmed by the records of votes of the members of your Committees on Higher Education and Labor with reservations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 900, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 900, 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, 1 (Chun Oakland).

SCRep. 312 (Joint) Health and Human Services on S.B. No. 129

The purpose of this measure is to require community residential alternatives for persons with developmental disabilities or mental retardation to be in a setting of the person's choice if the person or the person's family and friends determine that the person can be sustained with supports, and the supports are attached to the person.

The Department of Human Services, the State Council on Developmental Disabilities, Hawaii Disability Rights Center, Kona Krafts, and two individuals submitted testimony in support of this measure. The Department of Health submitted comments.

Your Committees find that this measure was recommended by the Residential Settings Task Force after it was asked to identify issues and solutions regarding individuals with developmental disabilities and their choice of residential settings. This measure acknowledges a person's right to determine where the person wants to live and with who as long as supports are provided and those supports follow that person in the community. It directs the department to provide residential alternatives for these individuals and gives the individuals greater choice and participation in the process.

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. 129 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 (Hooser, Kokubun, Whalen).

SCRep. 313 (Joint) Health and Human Services on S.B. No. 869

The purpose of this measure is to allow an individual with developmental disabilities to receive unlicensed home and community based services.

The Department of Human Services, the State Council on Developmental Disabilities, Hawaii Disability Rights Center, The Arc of Kauai, Kona Krafts, and two individuals submitted testimony in support of this measure. The Department of Health submitted comments.

Your Committees find that services for individuals with developmental disabilities have evolved to allow consumers greater freedom of choice and an increased role in directing the implementation of services. The same should apply when fulfilling the housing needs of the developmental disabled. This measure gives an individual with developmental disabilities the right to make a choice to live in a home or to share a home that is not licensed as long as adequate supports are present.

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. 869 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 (Hooser, Kokubun, Whalen).

SCRep. 314 (Joint/Majority) Health and Human Services on S.B. No. 562

The purpose of this measure is to require the Department of Health to provide caregiver support services.

One individual submitted testimony in support of this measure.

Your Committees find that families, not institutions, are the primary providers of long-term care for older adults in the State. The need for personal care due to physical, sensory, cognitive, and self-care disabilities increases with age. By 2020, more than one in four individuals will be sixty years old or older. As Hawaii's population ages, many more families will be providing higher levels of long-term care to frail and disabled older adults at home. This measure recognizes that families are an important part of the solution to serious long-term care system problems and provides a mechanism to assist family caregivers and helps keep Hawaii's elderly out of costly institutional care.

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. 562 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, 1 (Trimble). Excused, 3 (Hanabusa, Ihara, Whalen).

SCRep. 315 (Joint) Health and Human Services on S.B. No. 1713

The purpose of this measure is to promote improved patient care at Kalaupapa.

Specifically, this measure declares the Legislature's intent to ensure that all residents of Kalaupapa are treated with dignity, respect, courtesy, and sensitivity by the Department of Health. In addition, the measure requires the Department to ensure the residents' personal liberties, autonomy, and dignity.

Your Committees find that patient residents of Kalaupapa have endured many hardships and stigmas as Hansen's disease patients and deserve to be treated with respect. While the Department can assist in achieving this goal, your Committees find that the Department cannot completely ensure that residents of Kalaupapa are treated with dignity, respect, courtesy, and sensitivity in all of their life's interactions. Rather, the Department can only ensure appropriate treatment in the areas that it has control over and only for patient residents, rather than for all residents, of Kalaupapa.

Accordingly, your Committees have amended this measure to clarify the following:

- (1) The Legislature's declaration applies to all patient residents;
- (2) The Department of Health is to honor and uphold the protections extended under chapter 326, Hawaii Revised Statutes, to patient residents at Kalaupapa to the extent possible within their purview; and
- (3) The Department is directed to promote, rather than ensure, the personal liberty, autonomy, and dignity of all patient residents at Kalaupapa.

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. 1713, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1713, 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 (Hanabusa, Ihara, Whalen).

SCRep. 316 (Joint) Health and Energy, Environment, and International Affairs on S.B. No. 12

The purpose of this measure is to reestablish a litter control office within the Department of Health.

Kokua Kalihi Valley and eight individuals submitted testimony in support of this measure. The Department of Health submitted testimony in opposition.

Your Committees find that when the State eliminated the Litter Control Office in 1995, the expectation was that private resources would be found to continue the work. However, as the proponents point out, on every island and in most communities litter remains a major problem. This measure will reestablish state leadership and support for community clean-up programs.

As affirmed by the records of votes of the members of your Committees on Health and Energy, Environment, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 12 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 (Hemmings, Whalen).

SCRep. 317 Human Services on S.B. No. 675

The purpose of this measure is to strengthen and improve the operations and administration of the State Child Support Enforcement Agency.

Specifically this measure:

- (1) Complies with federal statutory requirements relating to the issuance of, the calculation of income withholding for, obligor and obligee duties under, and enforcement issues relating to or arising under, a child support order; and
- (2) Streamlines the child support enforcement process administered by the Child Support Enforcement Agency with respect to service of process, notice relating to the termination of income withholding for child support orders, and identification of the type of information that may be disclosed at an administrative hearing conducted for child support purposes.

Testimony in support of the measure was submitted by the Department of the Attorney General.

Your Committee finds that this measure is designed to improve and streamline the operations of the Child Support Enforcement Agency with respect to the child support and child support enforcement process in Hawaii so that it satisfies applicable federal statutory requirements. Compliance with these requirements is critical to maintaining the State's eligibility for federal welfare funding and federal funding of child support enforcement programs.

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. 675 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 (Ihara, Kokubun).

SCRep. 318 Human Services on S.B. No. 1196

The purpose of this measure is to establish a tax credit for employers who hire individuals with disabilities of twenty per cent of the qualified first-year wages for that year, not to exceed \$6,000.

Testimony in support of the measure was submitted by the State Council on Developmental Disabilities, Disability and Communication Access Board, Winners at Work, and The Chamber of Commerce of Hawaii. The Department of Taxation submitted testimony in opposition and the Tax Foundation of Hawaii submitted comments.

Your Committee finds that despite the passage of the employment provisions of the Americans with Disabilities Act, individuals with disabilities are an underemployed population. In particular, finding employers for individuals with developmental disabilities is more difficult than for individuals with other physical disabilities or chronic health conditions. This measure provides an incentive to address the employment needs of individuals with disabilities.

Your Committee has amended this measure to clarify the definition of an "individual with disabilities".

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. 1196, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1196, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Ihara).

SCRep. 319 (Joint) Human Services and Health on S.B. No. 1199

The purpose of this measure is to allow all licensed health care providers to share medical information with other licensed health care providers of children under the Child Protective Services System.

Testimony in support of this measure was submitted by the Department of Human Services and the Legal Aid Society of Hawaii.

Your Committees find that the sharing of information between licensed health care providers who provide services to children in child welfare cases is in the best interests of the child and will help to ensure that these children receive appropriate medical care. The sharing of medical information is necessary for children, especially if they move from one family to another. The ability of health care providers to freely share this information with other health care providers will allow children to have more consistent care.

Your Committees have adopted the amendment suggested by the Department of Human Services to verify the identity of the health care provider, and to share the information with the assigned child welfare services worker for inclusion into the child's care record.

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. 1199, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1199, 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, 3 (Hanabusa, Ihara, Whalen).

SCRep. 320 (Joint) Human Services and Commerce, Consumer Protection and Housing on S.B. No. 1854

The purpose of this measure is to authorize an increase in the maximum state rental subsidy from \$160 to \$300 per month.

The Housing and Community Development Corporation of Hawaii and Pacific Housing Assistance Corporation testified in support of this measure.

Currently, the maximum monthly stipend the State may pay to a housing owner on behalf of a tenant qualified under the State Rent Supplement Program is \$160 per month, an amount that has not changed since the program was established almost four decades ago in 1967.

This measure increases the maximum monthly stipend to \$300. Your Committees find that increasing the stipend will allow the program to provide more meaningful financial assistance to qualified tenants, especially the elderly, the disabled, and those on fixed incomes.

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 are in accord with the intent and purpose of S.B. No. 1854 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 (Espero, Ihara, Sakamoto, Trimble).

SCRep. 321 (Majority) Human Services on S.B. No. 1849

The purpose of this measure is to authorize a personal needs allowance for eligible care home residents.

Testimony in support of this measure was submitted by the Hawaii Disability Rights Center, the Kokua Council, and five individuals. Testimony in opposition to this measure was submitted by the Department of Human Services.

The Committee finds that this measure will help residents in care homes buy basic necessities such as clothing and toiletries, and help maintain at least a minimum level of independence and decision making. Your Committee believes that an increase in funding, which has not occurred since 1988, is necessary to assist individuals who live in care homes to purchase basic necessities and maintain their personal dignity.

Your Committee recommends an on-going evaluation of the measure to provide eligible care home residents with \$50 per month only if provider reimbursement rates also increase by \$50 plus an amount greater than the amount they are currently receiving.

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. 1849 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, 1 (Kokubun).

SCRep. 322 (Joint) Water, Land, and Agriculture, Media, Arts, Science and Technology and Energy, Environment, and International Affairs on S.B. No. 1692

The purpose of this measure is to address issues relating to bioprospecting by establishing a temporary bioprospecting commission.

Testimony in support of this measure was submitted by Life of the Land, Waikiki Hawaiian Civic Club, Women's Coalition, and two individuals. Testimony in opposition to this measure was submitted by the Department of Agriculture, Department of Business, Economic Development, and Tourism, Office of Hawaiian Affairs, and Hawaiian Alliance for Responsible Technology & Science. Comments were also submitted by the Office of Information Practices and the University of Hawaii.

Hawaii's biological diversity and biological resources are assets of the public trust and the general public. Your Committees find that these resources have a great potential for economic benefit in medicine, scientific research, biotechnology, and commercial development. If properly regulated, the potential benefit could create market-driven incentives and generate financial resources for the conservation and sustainable development of Hawaii's biological resources. Thus, this measure establishes a commission to develop a comprehensive plan for the preservation of biological diversity and biological resources as it relates to bioprospecting on public lands and in the state marine waters.

Further, because the Office of Hawaiian Affairs has a vested interest in Hawaii's biological diversity and biological resources, your Committees noted suggestions to have the Office of Hawaiian Affairs and other organizations contribute as a funding source to this measure.

Your Committees have amended this measure by:

- (1) Limiting the scope of the commission's plan to only bioprospecting;
- (2) Limiting the inventory of projects to only ongoing bioprospecting activities;
- (3) Changing the composition of the commission by:
 - (a) Increasing the number of commission members to fifteen;
 - (b) Requiring five Hawaiian members with a demonstrated background in traditional and customary use of biological or genetic resources, the preservation of biological or genetic resources, indigenous and traditional technologies, or scientific or legal procedures for the protection or commercialization of biological and genetic resources; and
 - (c) Requiring two members from the biotechnology industry;
- (4) Requiring the commission to hold "meetings" rather than "public hearings" to conform to chapter 92 requirements; and
- (5) Making technical, nonsubstantive stylistic changes.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Media, Arts, Science, and Technology and Energy, Environment, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1692, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1692, 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, 2 (Hanabusa, Ige).

SCRep. 323 (Joint) Water, Land, and Agriculture and Transportation and Government Operations on S.B. No. 1791

The purpose of this measure is to conduct a regional traffic flow study and perform a supplemental environmental impact statement for the Kakaako community development district area.

Testimony in support of this measure was submitted by the Hawaii Community Development Authority (HCDA) and three individuals.

Your Committees find that developments in the Kakaako area have increased, potentially creating greater traffic congestion in the area; however, the extent of the congestion still needs to be determined in order to resolve the traffic issues. This measure requires:

- (1) The HCDA to conduct regional traffic studies in the Kakaako and Kapiolani areas on Oahu; and
- (2) A supplemental environmental impact statement to be performed for the traffic study area.

Your Committees have amended this measure by:

- (1) Requiring HCDA to submit its written report to the Governor and the Legislature by December 31, 2006 rather than December 31, 2005; and
- (2) Deleting the dollar amount of the appropriation and has left it blank for the Committee on Ways and Means to determine at a later date.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1791, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1791, 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 (Baker, English, Kanno, Hemmings).

SCRep. 324 Health on S.B. No. 1278

The purpose of this measure is to provide a tax credit for improvements made to federally qualified health centers.

The Healthcare Association of Hawaii and Hawaii Primary Care Association submitted testimony in support of this measure. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

Your Committee finds that Hawaii's federally qualified health centers, which are all not-for-profit Hawaii corporations, are in various stages of developing and improving their health care facilities. Federally qualified health centers are "safety net" primary health service providers serving predominantly uninsured, poor, and indigent people of Hawaii regardless of their ability to pay. A new federally mandated medical prospective payment system that began in 2001 for federally qualified health centers has effectively eliminated a mechanism for these centers to recoup costs associated with future capital improvements, thus severely limiting their ability to serve the public. This measure will provide a mechanism to help defray federally qualified health center capital costs without putting undue strain on the State's budget.

Upon further consideration, your Committee has amended this measure by lowering the threshold for the credit to \$150,000, and specifying that the amount of the qualified improvement tax credit shall be equal to:

- (1) Twenty-five percent of the qualified improvement costs incurred up to \$2,000,000;
- (2) Fifteen percent of the qualified improvement costs incurred that total between \$2,000,000 and \$5,000,000; and
- (3) Ten percent of the qualified improvement costs incurred that total \$5,000,000 or more.

Further, your Committee has amended this measure by deleting the proviso that each federally qualified health center's tax credit shall be limited to an amount totaling thirty-five percent of its total audited expenditures for its fiscal year ending 2005, or \$300,000, whichever is greater.

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. 1278, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1278, 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 (Tsutsui).

SCRep. 325 Health on S.B. No. 122

The purpose of this measure is to delete certain provisions regarding records made in the regular course of business and statements made by persons in attendance at meetings of peer review committees or quality assurance committees that were previously exempt from the prohibition relating to discovery.

The Healthcare Association of Hawaii and Hawaii Pacific Health submitted testimony in support of this measure. Consumer Lawyers of Hawaii submitted testimony in opposition.

Your Committee finds that the law protects the proceedings and the records of peer review committees or quality assurance committees from discovery. However, it does not protect other information obtained in peer review from discovery. As the Healthcare Association of Hawaii noted in its testimony, the peer review process was established to improve patient safety by facilitating the development of the organizational changes that are needed to prevent medical errors. Without the protections provided by peer review, medical staff may fear sanctions being lodged against them and therefore they may not be forthcoming with the kind of information that leads to workable solutions. "Case review forums" are meetings convened by the administrative or professional staff of licensed hospitals and clinics for the presentation and critique of cases for educational purposes. This measure ensures that these forums are protected, as well.

Upon further consideration, your Committee has amended this measure by keeping the current law intact except for the addition of the definition of "case review forum" and for adding case review forum to the proceedings protected from discovery, and by making technical, nonsubstantive amendments for 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. 122, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 122, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Whalen).

SCRep. 326 Health on S.B. No. 1470

The purpose of this measure is to clarify that the practice of naturopathy includes the administration of natural medicine through the appropriate means, including injection.

The Board of Examiners in Naturopathy, the Hawaii Society of Naturopathic Physicians, and eight individuals submitted testimony in support of this measure. The Hawaii Medical Association, and three individuals submitted testimony in opposition.

Your Committee finds that according to the Board of Examiners in Naturopathy, the practice of naturopathy includes utilization of natural medicines using the appropriate route of administration, including injection. This proponent testified that the administration of natural medicine using injections is within the scope and practice of naturopathy as it is taught at naturopathic colleges, and students are clinically trained in the use of injections. Furthermore, applicants for licensure are required to take and pass a national examination that includes questions on the procedures for intravenous, intramuscular, and subcutaneous injections and vaccinations.

Upon further consideration, your Committee has amended this measure by changing the effective date to July 1, 2010, in order to facilitate further discussion on this issue.

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. 1470, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1470, 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, 1 (Tsutsui).

SCRep. 327 Health on S.B. No. 707

The purpose of this measure is to limit special damages claims in civil actions when such claims arise out of medical or other health care services paid for by a government program, such as Medicare or Medicaid.

The Attorney General submitted testimony in support of this measure. The Consumer Lawyers of Hawaii submitted testimony in opposition.

Your Committee finds that according to the Attorney General, special damages compensate claimants for specific out-of-pocket financial expenses and losses. An example is the medical expenses incurred by a claimant who was in an automobile accident, and needed treatment for injuries. If the claimant is liable for a sum to the hospital for medical services, our justice system would award that sum to the claimant as special damages.

However, recent decisions prohibit limiting special damages to the amount of out-of-pocket financial expenses and losses. An award is made based on the amount of the liability and not necessarily what was paid for the service. So for instance, if a medical provider bills the claimant \$5,000 but is required to accept a Medicaid reimbursement of a lesser amount, the claimant gets the difference between the billed amount and the collateral amount owed to Medicaid. According to the Attorney General, this results in an inequitable "windfall" to the claimant. This measure would limit special damages to the amount actually paid.

Upon further consideration, your Committee has amended this measure by changing the effective date to July 1, 2010, so that additional discussion can be had on this issue.

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. 707, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 707, 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 (Tsutsui).

SCRep. 328 (Joint) Health, Human Services and Media, Arts, Science and Technology on S.B. No. 1358

The purpose of this measure is to require the Department of Human Services, Maui Memorial Medical Center, and the Maui Community College nursing program to conduct a two-year study of in-home telehealth monitoring services to high-risk/high-cost Medicaid patients with frequent hospitalizations.

The Maui Community College and Hawaii Health Systems Corporation submitted testimony in support of this measure.

Your Committees find that the population of blind, elderly, and disabled Medicaid patients in Hawaii is increasing. The cost of caring for these patients is also increasing. Innovative care strategies can be utilized, such as in-home telehealth services, to try to reduce hospital re-admissions and lengths of stay in hospitals for patients with frequent hospitalizations. The Maui Community College testified that telehealth provides direct communication between patients from their home to the health care provider. It includes transfer of video images and physiologic data, such as blood pressures, heart rates, and blood sugar readings. The telehealth pilot study in this measure provides the opportunity for patients with chronic conditions to have regular, consistent contact with a nurse practitioner with the goal of reducing health care costs and improving the quality of life for patients.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1358 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 (Kokubun, Tsutsui, Hogue, Trimble).

SCRep. 329 (Joint) Health and Human Services on S.B. No. 3

The purpose of this measure is to authorize the Department of Health to reimburse developmental disabilities residential services for individuals with developmental disabilities or mental retardation.

The Judiciary, the State Council on Developmental Disabilities, the Disability and Communication Access Board, Hawaii Disability Rights Center, Kona Krafts, the Arc of Kauai, Alternative Care Services, Inc., the Arc of Hawaii, and one individual submitted testimony in support of this measure. The Department of Human Services and the Department of Health submitted comments.

Your Committees find that developmental disabilities residential service providers provide important residential care services for individuals with developmental disabilities or mental retardation. As the State Council on Developmental Disabilities testified, providers of these services are not being adequately reimbursed for the quality residential services they provide to these individuals. The current system of categorizing, licensing, and reimbursing providers of residential services is fragmented and does not offer the flexibility needed to adequately reimburse providers of residential services. This measure broadens the category of "domiciliary homes" with "residential settings" which allows for more flexibility and latitude.

Upon further consideration, your Committees amended this measure by deleting the phrase "if appropriate" from subsection 321-15.9(a) and added "with the exception of a residence of the person's choice if the person with the help of family and friends, if necessary, determines that the person can be sustained with supports, and the supports are attached to the person" to ensure that individuals living in their own apartments would not be displaced.

Your Committee has also amended this measure by changing the effective date to 2010 to encourage ongoing discussion of this issue.

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. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 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, none. Excused, 3 (Hooser, Kokubun, Whalen).

SCRep. 330 (Joint) Health and Human Services on S.B. No. 789

The purpose of this measure is to provide the Department of Human Services with emergency funds to reimburse Department of Human Services developmental disabilities or mental retardation Medicaid waiver providers for fiscal year 2004-2005.

The Department of Human Services, the Department of Health, the State Council on Developmental Disabilities, the Hawaii Disabilities Rights Center, Kona Krafts, Alternative Care Services, Inc., and one individual submitted testimony in support of this measure.

Your Committees find that the Department of Health's program to provide home and community based services for the developmentally disabled or mentally retarded, also known as the Title XIX Waiver Program, will expend all appropriated funds before the end of the current fiscal year. The Department needs additional funds to meet its fiscal obligations to support its developmentally disabled or mentally retarded clients with services as required by state law and to continue to fulfill its obligations under a settlement agreement.

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. 789 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 (Hooser, Kokubun, Whalen).

SCRep. 331 Water, Land, and Agriculture on S.B. No. 1897

The purpose of this measure is to require twenty-five per cent of the real estate conveyance tax collected to be deposited into the land conservation fund and allows grants to state agencies, counties, and nonprofit land conservation organizations to acquire interest in lands having a value as a resource to the State.

Testimony in support of this measure was submitted by the Department of Agriculture, Office of Hawaiian Affairs, a Hawaii County Council member, County of Maui Department of Water Supply, Conservation Council for Hawai'i, Enterprise Honolulu, Hawaii Agriculture Resource Center, Hawaii's Thousand Friends, the Nature Conservancy, Oahu Conservation Partnership, Pahala Plantation Cottages, Rocky Mountain Institute, Sierra Club, the Trust for Public Land, and thirty-eight individuals.

Testimony in opposition to this measure was submitted by the Department of Taxation and Land Use Research Foundation of Hawaii. Comments were also submitted by the Department of Land and Natural Resources and the Tax Foundation of Hawaii.

Your Committee finds that Hawaii's natural resources are vital to the State's economy, culture, and quality of life. However, there is very little funding allocated to protect and manage Hawaii's precious natural and cultural assets. Thus, this measure provides a better-equipped funding mechanism for land conservation and allows grants to acquire interest in lands having a value as a resource to the State.

Your Committee has amended this measure to make 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. 1897, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1897, 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 (Fukunaga, Hemmings).

SCRep. 332 Business and Economic Development on S.B. No. 1009

The purpose of this measure is to implement an individual development account contribution tax credit, to permit a fiduciary organization to expend private moneys for program administration, to extend the deadline for adoption of rules, and to increase the contribution ceiling.

Testimony in support of this measure was submitted by Aloha United Way, Legal Aid Society of Hawaii, the Hawaii Alliance for Community-Based Economic Development, and two individuals. Your Committee also received comments from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that individual development accounts promote financial self-sufficiency by encouraging low-income residents to save for home purchases, post-secondary education, or to open a small business. Hawaii's individual development account programs provide financial literacy training to low-income individuals on the importance of saving for a goal. This measure supports those efforts by creating an incentive for private contributions to individual development account programs.

Your Committee has amended this measure by making technical, non-substantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1009, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1009, 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. 333 Business and Economic Development on S.B. No. 1075

The purpose of this measure is to prohibit the public display of monkeys in commercial establishments or businesses.

Your Committee received testimony in support of this measure from the Hawaiian Humane Society, Animal Rights Hawaii Advocates for Animals, the Honolulu Zoo and Honolulu Zoological Society, and one individual. Your Committee also received comments from the Department of Agriculture.

Your Committee views this measure as a way to prevent the public display of monkeys in a commercial establishment or business, which subjects the animals to an unnatural habitat in which they are exposed to abnormal stimulation and may receive insufficient nutritional and veterinary care.

Your Committee has amended the measure to allow the one-time commercial use of monkeys and other non-human primates for purposes of television and motion picture filming and circus performances. The measure also has been amended to exclude certified animal sanctuary habitats from its prohibitions and by adding two definitions. Your Committee also has amended this measure by making technical, non-substantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1075, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1075, 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 (Sakamoto).

SCRep. 334 (Joint) Water, Land, and Agriculture and Higher Education on S.B. No. 1456

The purpose of this measure is to establish an agribusiness incubator in the Waialua district.

Testimony in support of this measure was submitted by the Department of Agriculture, University of Hawaii College of Tropical Agriculture and Human Resources, and Castle & Cooke Hawaii.

Your Committees find that the development of an agribusiness incubator will further the State's responsibility to promote diversified agriculture and increase agricultural self-sufficiency. This measure will authorize the issuance of general obligation bonds to the University of Hawaii for the planning, design, and construction of an agribusiness incubator in the Waialua district.

Your Committees have amended this measure by deleting the dollar amount in the appropriation and have left it blank for the Committee on Ways and Means to determine at a later date.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1456, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1456, 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 (Chun Oakland, English, Trimble).

SCRep. 335 Business and Economic Development on S.B. No. 1696

The purpose of this measure is to allow fiduciaries to invest in Hawaii venture capital investments without incurring liability for violation of the prudent investor or person rule.

Your Committee heard testimony in favor of this measure from the Department of Business, Economic Development, and Tourism and one individual.

Your Committee finds that additional sources of venture capital are needed to develop a vibrant technology industry in the State. Your Committee further finds that local funds are not being invested locally because investment advisors are returns driven and that the returns on local investments are lower than other investments. Thus, fiduciaries avoid risking personal liability and invest in projects that have the highest return in order to satisfy the prudent investor rule. Your Committee views this measure as providing a safe harbor for fiduciaries who invest venture capital funds in Hawaii, and believes it will give local investors stronger rationales to consider Hawaii investments.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1696 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. 336 Water, Land, and Agriculture on S.B. No. 918

The purpose of this measure is to require one member from the coastal zone management public advisory body to be appointed from a list of three nominees submitted by the Office of Hawaiian Affairs.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs and Hawaii's Thousand Friends. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources and the Office of Planning.

Your Committee finds that the sound and prudent management of all state lands and coastal resources is of critical importance to native Hawaiians both as a revenue source for their self-determination and for the preservation of their cultural and religious practices. The State's decisions concerning management of coastal zone resources directly affect native Hawaiians. The Office of Hawaiian Affairs, as the agency charged with the betterment of native Hawaiians, needs to contribute to the State's stewardship over these resources. Thus, this measure will allow the Office of Hawaiian Affairs to play a part in the process of selecting members of the coastal management public advisory body.

Your Committee has amended this measure by:

- (1) Providing that the members of the public advisory body shall be appointed by the director of the lead agency in consultation with the chairperson of the Board of Trustees for the Office of Hawaiian Affairs; and
- (2) Requiring this measure to be applied to new appointments and reappointments after its effective date.

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. 918, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 918, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 337 Water, Land, and Agriculture on S.B. No. 919

The purpose of this measure is to provide a better funding mechanism for the natural area reserves system by increasing the conveyance tax and the amount of conveyance tax revenues paid into the general, rental housing trust, and natural area reserve funds.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, City and County of Honolulu Board of Water Supply, Conservation Council for Hawai'i, Hawaii's Thousand Friends, Ko'olau Mountains Watershed Partnership, the Nature Conservancy, Rocky Mountain Institute, Sierra Club, the Trust for Public Land, and twenty individuals.

Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources, Cendant, Hawaii Association of Realtors, and Land Use Research Foundation of Hawaii. Comments were also submitted by the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that Hawaii's natural resources are vital to the State's economy, culture, and quality of life. However, there is very little funding allocated to protect and manage Hawaii's precious natural and cultural assets. Thus, this measure provides a better-equipped funding mechanism for the natural area reserves system.

Your Committee also noted that there were concerns regarding the conveyance tax increases. Specifically, conveyance tax revenues are one of the least dependable sources for funding because it relies on real estate transactions. Thus, your Committee requests the Committee on Ways and Means to evaluate the potential benefits or impacts of applying a sliding scale conveyance tax percentage to real estate transactions.

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 Water, Land, and Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 919, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 919, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 338 Water, Land, and Agriculture on S.B. No. 951

The purpose of this measure is to appropriately punish a person starting a fire on lands controlled by the Department of Land and Natural Resources by including the costs of fighting the fire as damage for purposes of meeting the requirements of the criminal property damage statutes in the penal code.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources. Comments were also submitted by the Office of the Public Defender.

Your Committee finds that fires intentionally set within forest and preservation lands threaten wildlife and plant life, including rare and endangered species. They cause damage to personal and public property and can even threaten lives. Thus, this measure increases the penalties for intentionally setting fires.

Your Committee has amended this measure by:

- (1) Deleting the provision that allows the cost of any federal, state, or county efforts to extinguish the fire to be considered as "property damage";
- (2) Increasing the fines for intentionally setting a fire to no less than \$2,500 and no more than \$10,000; and
- (3) 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. 951, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 951, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

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

SCRep. 339 Water, Land, and Agriculture on S.B. No. 955

The purpose of this measure is to appropriate funds to the Hawaii Farm Bureau for agricultural research and market development.

Testimony in support of this measure was submitted by the Department of Agriculture, University of Hawaii College of Tropical Agriculture and Human Resources, County of Maui Office of Economic Development, Big Island Farm Bureau, Gay & Robinson Inc., Growing Creations LLC, Hawaii Agriculture Research Center, Hawaii Cattlemen's Council, Hawaiian Commercial & Sugar Company, Hawaii Crop Improvement Association, Hawaii Farm Bureau, Kauai Coffee, Meadow Gold Dairies, Pineapple Growers Association of Hawaii, and Quality Turfgrass. Testimony in opposition was submitted by one individual.

Your Committee finds that a revived and revitalized state agricultural industry would help to diversify Hawaii's economy, sustain and stabilize Hawaii's food supply, and protect the open space and lifestyle that Hawaii residents and visitors value. This measure provides funding for the Hawaii Farm Bureau to conduct agricultural research and market development to revitalize the agricultural industry.

Your Committee has amended this measure by deleting the dollar amount of the appropriation 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. 955, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 955, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 340 Water, Land, and Agriculture on S.B. No. 1095

The purpose of this measure is to appropriate funds for capital improvements on the Molokai irrigation system.

Testimony in support of this measure was submitted by the Department of Agriculture, County of Maui Office of Economic Development, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Hawaii Farm Bureau, Molokai Farm Bureau, and Molokai Properties Limited.

Your Committee finds that recent flooding on Molokai has destroyed or impaired recent improvements to the Molokai irrigation system and threatens the effective operation of the system. This measure authorizes the issuance of general obligation bonds and appropriates funds for capital improvements on the system.

Your Committee has amended this measure by deleting the dollar amount of the appropriation 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. 1095, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1095, 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 (Fukunaga).

SCRep. 341 Water, Land, and Agriculture on S.B. No. 1155

The purpose of this measure is to require the Commission on Water Resource Management to establish a Hawaii drought preparedness plan to be included in the Hawaii Water Plan.

Testimony in support of this measure was submitted by the Department of Agriculture, Big Island Farm Bureau, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Hawaii Farm Bureau, and Pineapple Growers Association of Hawaii. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources.

Over the past several years, drought declarations have been issued intermittently, providing relief to stricken areas through emergency conservation measures and emergency appropriations. However, no current statewide strategy has been prepared for mitigating or responding to drought conditions. Your Committee finds that a statewide drought preparedness plan is needed.

Your Committee has amended this measure by:

- (1) Deleting the dollar amount of the appropriation and left it blank to allow the Committee on Ways and Means to determine; and
- (2) Making 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. 1155, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1155, 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 (Fukunaga).

SCRep. 342 Water, Land, and Agriculture on S.B. No. 1266

The purpose of this measure is to authorize the Department of Land and Natural Resources to establish, limit, or revoke permits in state boating facilities.

Testimony in support of this measure was submitted by two individuals. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources, Hawaii Boaters Political Action Association, Ocean Tourism Coalition, and one individual.

Your Committee finds that as more people participate in ocean recreation activities, more conflicts between ocean users, as well as marine wildlife develop. Thus, this measure will assist the Department of Land and Natural Resources in managing the current and future ocean activity permits.

Your Committee has amended this measure by:

- (1) Requiring the Department of Land and Natural Resources to “establish” rather than “maximize” the number of small boat harbor or commercial permits; and
- (2) Limiting the types of permits to only small boat harbor permits.

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. 1266, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1266, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Fukunaga).

SCRep. 343 Water, Land, and Agriculture on S.B. No. 1267

The purpose of this measure is to appropriate funds to the Department of Agriculture for the aquaculture development program to hire a contractor to tag and monitor sharks along the Leeward coast of Oahu from Pearl Harbor to Kaena Point.

Testimony in support of this measure was submitted by two individuals. Testimony in opposition was submitted by the Department of Agriculture. Comments were also submitted by Cates International, Inc.

Your Committee finds that there are growing incidents of shark attacks in this State. In order to understand shark activity, there is a need to collect and interpret data about shark movements and habits of migration. Thus, this measure will appropriate the necessary funds to tag and monitor sharks along the Leeward coast of Oahu.

Your Committee has amended this measure by requiring the Department of Land and Natural Resources in conjunction with the Hawaii Institute of Marine Biology to execute the 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. 1267, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1267, 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. 344 Water, Land, and Agriculture on S.B. No. 1268

The purpose of this measure is to authorize the Agribusiness Development Corporation to issue revenue bonds to obtain agricultural land and enable them to provide lease management services.

Testimony in support of this measure was submitted by the University of Hawaii College of Tropical Agriculture and Human Resources and Hawaii Farm Bureau. Comments were also submitted by the Agribusiness Development Corporation and Hawaii Agriculture Research Center.

The area from Waialua to Central Oahu is considered prime agricultural land with optimum growing conditions and access to affordable agricultural water. Your Committee believes that, as much as possible, these lands should be kept in use for agriculture. This measure secures a portion of these lands to ensure that farming will continue in the future.

Your Committee adopted the amendments suggested by the Agribusiness Development Corporation. They are as follows:

- (1) The Corporation “may” rather than “shall” contract with a financial institution to provide lease management services;
- (2) “Lease management services” is expanded to include the collection of lease rent and any other moneys owed to the corporation “related to” the lease of agricultural land under its control; and
- (3) The fifty-five year lease terms for the lands acquired in central Oahu was deleted.

Your Committee also noted that the U.S. Department of Agriculture Natural Resources Conservation Service implemented a Farm and Ranch Lands Protection Program that provides funding to protect working agricultural land from conversion to non-agricultural uses. It was noted in the testimony from the Hawaii Agriculture Research Center that last year, money was allocated for the State, counties, or qualifying nonprofit organizations to utilize; however, the funding went unused.

This year, money was also earmarked for this State, and your Committee hopes that the money is not returned unused again. Thus, your Committee has further amended this measure by providing that the Corporation may purchase, accept, and maintain permanent conservation easements in accordance with the Natural Resources Conservation Service Farm and Ranch Lands Protection Program.

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. 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 referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 345 Water, Land, and Agriculture on S.B. No. 1409

The purpose of this measure is to reauthorize the Department of Land and Natural Resources (DLNR) to issue long-term leases to qualified individuals.

Testimony in support of this measure was submitted by Hoʻulu Hou Project, Native Hawaiian Legal Corporation, Native Hawaiian Protocol and Consultant Services, and one individual. The DLNR and one individual opposed this measure.

Long-term residential leases were given by DLNR to individuals who lived continuously in Kahana valley or had permits allowing them to live in certain parcels of land in Kahana valley pursuant to Act 5, Session Laws of Hawaii 1987. The authority to issue leases expired on January 1, 1992. However, more families would like an opportunity to also sign long-term leases.

This measure:

- (1) Reauthorizes DLNR to issue long-term residential leases to qualified individuals currently residing in Kahana valley with the condition that they participate in the interpretive program;
- (2) Authorizes DLNR to subdivide and provide a residential subdivision in Kahana valley for individuals who receive long-term leases under this measure; and
- (3) Establishes a Kahana valley state park advisory committee.

Your Committee has amended this measure by:

- (1) Deleting provisions that authorize DLNR to subdivide and provide residential subdivisions in Kahana valley;
- (2) Increasing the number of members of the Kahana valley state park advisory committee from five members to seven members;
- (3) Providing that the advisory committee shall be appointed without regard to section 26-34, Hawaii Revised Statutes;
- (4) Providing two members of the Kahana Community Association, as designated by the association, shall serve on the committee;
- (5) Deleting the provision that designates one member of the committee from the Kahana Unity Council;
- (6) Providing one member of the committee shall be designated by the Office of Hawaiian Affairs; and
- (7) Making technical, nonsubstantive changes for clarity, consistency, and style.

Your Committee also noted that a letter from the Department of the Attorney General was received expressing concerns about the constitutionality of this measure. However, your Committee passed this measure with the intent that the Committee on Judiciary and Hawaiian Affairs review the letter from the Attorney General and determine the appropriate action for this 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. 1409, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1409, 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 (Fukunaga, Hooser).

SCRep. 346 Water, Land, and Agriculture on S.B. No. 1461

The purpose of this measure is to appropriate funds to conduct a pilot project for the Kaiaka Bay, Oahu watershed and action plan.

Testimony in support of this measure was submitted by Haleiwa Community Gardens Association, Resource Management Systems LLC, and twenty-five individuals.

Your Committee finds that Kaiaka Bay, Oahu is an area that has recently experienced a burgeoning of residential, commercial, and agricultural growth and development. These pressures make Kaiaka Bay a prime candidate for a watershed assessment in the areas of tropical plant and soil science, geographical information systems technology and tools, community education, and participatory outreach assistance.

Your Committee has amended this measure by replacing the dollar amount of the appropriation with a blank amount for the Committee on Ways and Means to determine at a later date.

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. 1461, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1461, 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 (Fukunaga).

SCRep. 347 (Joint/Majority) Water, Land, and Agriculture and Business and Economic Development on S.B. No. 1848

The purpose of this measure is to appropriate funds to complete the Haena State Park master plan and for three state park positions on Kauai.

Testimony in support of this measure was submitted by the Poipu Beach Resort Association, Kauai Planning and Action Alliance, and one individual. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources.

Your Committees find that thousands of visitors visit Haena State Park every year. It is one of the most visited parks in the State. However, the park is in desperate need of repairs and maintenance. A master plan was initiated to address the park's long-term objectives. This measure appropriates the necessary funds to complete the Haena State Park's master plan.

Your Committees have amended this measure by amending the amount of the appropriation for the completion of the master plan to \$250,000 based on the testimony submitted by the Department of Land and Natural Resources.

Your Committees have further amended this measure by deleting the appropriations for the botanist IV, the general construction and maintenance supervisor, and the park caretaker II positions pending a more comprehensive evaluation of the maintenance positions for all state parks.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1848, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1848, 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 (English, Sakamoto, Hemmings).

SCRep. 348 Water, Land, and Agriculture on S.B. No. 1879

The purpose of this measure is to amend the state enterprise zone program to encourage agricultural activity.

Testimony in support of this measure was submitted by the Department of Agriculture, County of Maui's Office of Economic Development, Big Island Farm Bureau, Hawaii Cattlemen's Council, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, and Hawaii Farm Bureau. Comments were also submitted by the Department of Business, Economic Development, and Tourism and the Department of Taxation.

Your Committee finds that state enterprise zone programs are a very good business incentive to encourage agriculture activity. However, it is very difficult for agricultural businesses to meet some of the existing requirements for these programs. Thus, this measure provides amendments to the program requirements by:

- (1) Allowing agricultural businesses to be eligible for tax incentives in the event of force majeure; and
- (2) Allowing agricultural businesses to meet annual gross revenue requirement if the businesses are unable to meet annual full-time employee requirements.

Your Committee amended this measure by:

- (1) Including processors of agricultural products to be included as businesses that may remain eligible for tax incentives during a force majeure event;
- (2) Adding a new definition for "leased employees";
- (3) Amending the definition for "full-time employees" to include leased employees or employees under a joint employer relationship;
- (4) Deleting obsolete language for enterprise zone designations;
- (5) Clarifying that enterprise zone firms cannot claim the same tax credits or exemptions in other tax incentive programs; and
- (6) Making technical, nonsubstantive changes for style and clarification 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 is in accord with the intent and purpose of S.B. No. 1879, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1879, 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 (Fukunaga).

SCRep. 349 Water, Land, and Agriculture on S.B. No. 1880

The purpose of this measure is to promote the construction of drought mitigating water storage facilities.

Testimony in support of this measure was submitted by the Department of Agriculture, Department of Land and Natural Resources, Department of Taxation, County of Maui's Office of Economic Development, Big Island Farm Bureau, Hawaii Agriculture Research Center, Hawaii Cattlemen's Council, Hawaii Crop Improvement Association, Hawaii Farm Bureau, and Pineapple Growers Association of Hawaii. Comments were also submitted by the Tax Foundation of Hawaii.

Your Committee finds that farmers and ranchers suffer great losses to their crops and livestock during periods of drought. These losses often take farmers and ranchers years to recover. However, these losses can be minimized by the construction of water storage facilities to alleviate water problems during times of drought. Thus, this measure promotes the construction of water storage facilities by:

- (1) Increasing the tax credit amount to twenty per cent; and
- (2) Making the tax credit available until December 31, 2008.

Your Committee also noted that this measure provides a tax credit for the cost of construction or repair to "ancillary structures." However, the term "ancillary structures" is not defined. Your Committee recommends that the Committee on Ways and Means solicit testimony that clarifies this term.

Your Committee has amended this measure by extending rather than repealing the cut off date for the tax credit.

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. 1880, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1880, 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 (Fukunaga).

SCRep. 350 Water, Land, and Agriculture on S.B. No. 1883

The purpose of this measure is to designate the Milolii fisheries management area in south Kona as a community-based subsistence fishing area, preserving and maintaining its legacy as a traditional Hawaiian fishing village.

Testimony in support of this measure was submitted by the Nature Conservancy, Pa'a Pono Milolii, Trust for Public Land, and one individual. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources.

Your Committee finds that Milolii is well known as one of the last predominantly traditional Hawaiian fishing villages. The community is still dependent on near-shore fish for a significant portion of its nutritional needs. However, the marine resources there have been depleting in recent years primarily because of over-harvesting. Thus, this measure will require the Department of Land and Natural Resources to adopt strategies to ensure long-term sustainable populations of fish and marine species and encourage studies of fishing management.

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. 1883, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1883, 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. 351 Water, Land, and Agriculture on S.B. No. 1884

The purpose of this measure is to require counties to adopt ordinances that require subdividers or developers to connect existing accesses to the shoreline with lateral public access along the shoreline as a condition to final approval of a subdivision.

Testimony in support of this measure was submitted by the Mayor of the County of Kauai, Life of the Land, and Sierra Club. Testimony in opposition to this measure was submitted by the Land Use Research Foundation of Hawaii. The Department of Land and Natural Resources submitted comments.

Your Committee finds that the public may be able to access shorelines or other coastal areas; however, they may not be able to safely travel from one access point to another due to shoreline erosion or other natural barriers. This measure will require counties to adopt ordinances to address this issue.

Your Committee also noted concerns that although lateral public access for shorelines would apply to subdivisions of six or more lots, the same provisions may not apply to properties classified under the condominium property regime. Thus, the parcel, which may have many more units than a six-lot subdivision, would not be required to provide the same lateral public access.

Your Committee has amended this measure by amending the definition of “lateral public access” to mean “land for public access for pedestrian travel alongside a shoreline or coastline.”

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. 1884, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1884, 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, none.

SCRep. 352 (Joint) Water, Land, and Agriculture and Energy, Environment, and International Affairs on S.B. No. 1903

The purpose of this measure is to exempt seawater air conditioning district cooling systems from the Public Utility Commission regulation.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs and Honolulu Seawater Air Conditioning. Comments were also submitted by the Public Utilities Commission and the City and County of Honolulu Board of Water Supply.

Seawater air conditioning district cooling systems are a renewable energy technology that has the potential to provide a contribution to Hawaii’s renewable portfolio standard requirements. Your Committees find that support for the development of renewable and efficient energy systems in the State is in the public’s interest.

Thus, your Committees further find that because the seawater air conditioning systems shall:

- (1) Involve a limited number of customers;
- (2) Be monitored and controlled by a board of managers;
- (3) Use long-term contracts;
- (4) Have costs that are stable; and
- (5) Have a large burden in reporting costs because it is a relatively small system,

public utility regulation of these systems are not necessary. Thus, this measure exempts the systems from the Public Utility Commission’s regulations.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Energy, Environment, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1903 and recommend that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chairs on behalf of the Committees.

Ayes, 4. Noes, none. Excused, 2 (Fukunaga, Hanabusa).

SCRep. 353 (Joint) Higher Education and Education and Military Affairs on S.B. No. 1641

The purpose of this measure is to create a center for school redesign at the University of Hawaii at Manoa. The center will provide technical support to public secondary schools to develop small schools and learning communities.

Your Committees received testimony in support of this measure from the University of Hawaii, the University of Hawaii Office of School Redesign, Department of Education, and Hawaii Educational Policy Center.

Too many high school students do not acquire the skills, knowledge, or disposition needed to graduate or to succeed in later life. The current education system was designed for a past era. It is necessary today to redesign high schools to meet current needs of students and ensure they are prepared for the future. We want all students to graduate ready for college and work, and to participate in a democratic society.

Your Committees find that there is compelling evidence that high school students who are in small schools consisting of fewer than five hundred students reach higher levels of achievement and are more likely to attend college. This is particularly true if the small schools create learning communities designed to help all students feel as though they are part of the group, and if these learning communities address each student’s individual learning style and interest.

Your Committees have amended this bill by specifying the members of the advisory committee of the center for school redesign.

As affirmed by the records of votes of the members of your Committees on Higher Education and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1641, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1641, 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, 1 (Baker).

SCRep. 354 (Joint) Higher Education and Education and Military Affairs on S.B. No. 876

The purpose of this measure is to expand the teacher national board certification incentive program to include teacher educators in the University of Hawaii system.

Your Committees received testimony in support of this measure from the University of Hawaii, Department of Education, and Hawaii State Teachers Association.

The expansion of the teacher national board certification incentive program to include teacher educators in the University of Hawaii system will have a profound impact on teacher education in Hawaii. National board certified teachers have to prove that they: 1) are committed to students and their learning; 2) know the subjects they teach and how to teach those subjects to students; 3) are responsible for managing and monitoring student learning; 4) think systematically about their practice and learn from experience; and 5) are members of learning communities.

Your Committees find that section 38 of Act 51 of the Regular Session of 2004 created a teacher national board certification incentive program in the Department of Education. The program demonstrates the State's commitment and support of public school teachers who have achieved national board certification by awarding monetary bonuses for earning the certification and maintaining it.

Your Committees further find that amending the program to include teacher educators would have several positive impacts. If the incentive program were expanded, teacher educators would be encouraged to seek national board certification and their students would benefit by having faculty with national credentials. Furthermore, teacher educators with national board certification would be better able to develop preparation and professional development programs linked with national standards that would prepare student teachers for national board certification. The retention rate of teacher educator faculty would also be enhanced and deans and department chairs would be able to use the incentive program as a recruiting tool.

Your Committee has amended this measure by inserting the expending agency language that was recommended by the Department of Education "that funds should be appropriated and processed through the University of Hawaii system."

As affirmed by the records of votes of the members of your Committees on Higher Education and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 876, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 876, 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, 1 (Baker).

SCRep. 355 (Joint) Energy, Environment, and International Affairs and Transportation and Government Operations on S.B. No. 1553

The purpose of this measure is to direct the Department of Health to develop rules to achieve the maximum feasible reduction of greenhouse gases emitted by passenger vehicles, light-duty trucks, and other noncommercial personal vehicles.

Testimony in support of the measure was given by the Sierra Club. Testimony in opposition to the measure was received from the Department of Health and the Alliance of Automobile Manufacturers.

Your Committees find that reduction of greenhouse gases emitted from noncommercial motor vehicles is necessary to maintain and improve the health of the environment in which Hawaii's residents live. Your Committees also find that a proactive approach to the problem of greenhouse gases is warranted, and that the measure provides appropriate exclusionary provisions for motor vehicles.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1553 and recommend that it pass Second Reading and 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 (Hanabusa, Kanno, Menor, Hemmings, Whalen).

SCRep. 356 (Joint) Energy, Environment, and International Affairs and Commerce, Consumer Protection and Housing on S.B. No. 1714

The purpose of this measure is to designate seawater air conditioning (SWAC) as a renewable energy, require SWAC systems to be used in state facilities where feasible, and require construction bids for state facilities to include SWAC technology where feasible.

Testimony in support of the measure was received from Honolulu Seawater Air Conditioning, LLC. The Department of Commerce and Consumer Affairs offered comments.

Your Committees find that SWAC technology is a promising source of renewable energy that can efficiently provide air conditioning and thus reduce energy costs. Your Committees also find that the State should be proactive in adopting this renewable energy technology for its buildings where feasible.

Your Committees have amended the measure by deleting reference to providing a preference to bidders on state projects that incorporate SWAC technologies into their proposals, since bidders will be required to incorporate SWAC district cooling in all bidding documents for state facilities where it is feasible and available.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs 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. 1714, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1714, 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 (Espero, Hanabusa, Kokubun, Sakamoto).

SCRep. 357 (Joint) Energy, Environment, and International Affairs and Media, Arts, Science and Technology on S.B. No. 1004

The purpose of this measure is to establish a task force to address the problem of management of computer and other electronic solid wastes statewide.

Testimony in support of the measure was received from Covanta Energy Group. The Department of Health provided testimony supporting the intent of the measure and offered comments.

Your Committees find that computers, televisions, and many other electronic products contain hazardous materials that, when introduced into the environment through disposal, may pose a health threat to humans and contaminate the environment. As more electronic and computer products become obsolete, the amount of discarded electronic materials will amplify the health and safety concerns.

Your Committees have amended the measure to include three additional individuals to serve on the Electronic Waste Task Force. These individuals shall be representatives from companies in the computer manufacturing and distribution industry, such as IBM Corporation, Dell, Inc., and Apple Computer, Inc. Your Committees believe that the computer industry can bring a needed perspective on its products and can assist in bringing about solutions to electronic waste concerns.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1004, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1004, 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, 1 (Hanabusa).

SCRep. 358 (Joint) Energy, Environment, and International Affairs and Water, Land, and Agriculture on S.B. No. 1894

The purpose of this measure is to include the concepts of sustainable development and self-sustainability into the Hawaii State Planning Act.

Testimony in favor of the measure was received by a member of the Maui County Council, two University of Hawaii professors, and one individual. The Office of Planning and Hawaiian Electric Company, Inc., gave testimony that supported the intent of the measure and offered comments. The Board of Land and Natural Resources offered comments. Testimony from the Department of Business, Economic Development, and Tourism opposed the use of the term “self-sustainability” in the measure. The Land Use Research Foundation offered testimony in opposition to the measure.

Your Committees have amended this bill by replacing the term “self-sustainability” and its definition with “sustainability” and a corresponding definition. Your Committees have responded to the concerns raised by both the Board of Land and Natural Resources and the Department of Business, Economic Development, and Tourism that the term “self-sustainability” connotes isolationism and insularity and fails to acknowledge that Hawaii interacts, trades, and cooperates with others. Your Committees have also amended this bill by making technical, nonsubstantive, amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International 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. 1894, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1894, 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, none. Excused, 2 (Fukunaga, Hanabusa).

SCRep. 359 (Joint) Energy, Environment, and International Affairs and Transportation and Government Operations on S.B. No. 1710

The purpose of this measure is to require the Department of Health to adopt rules that would achieve the greatest feasible reduction in greenhouse gas emissions from noncommercial, personal vehicles, and sets the average greenhouse gas emission percentage reduction for new vehicles, commencing with the 2009 model year.

Testimony in support of the measure was provided by the Sierra Club. Testimony in opposition to the measure was received from the Department of Health and the Alliance of Automobile Manufacturers.

Your Committees find that reduction of greenhouse gases emitted from noncommercial motor vehicles is necessary to maintain and improve the health of the environment in which Hawaii's citizens live. Your Committees also find that a proactive approach to the problem of greenhouse gases is warranted, and that the measure provides appropriate exclusionary provisions for motor vehicles.

Your Committees have amended this measure by making a technical, nonsubstantive amendment for clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1710, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1710, S.D. 1, and 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 (Hanabusa, Kanno, Menor, Hemmings, Whalen).

SCRep. 360 Energy, Environment, and International Affairs on S.B. No. 1785

The purpose of this measure is to require Hawaii Superferry, Inc., to prepare an environmental impact statement for its superferry project.

Testimony in support of the measure was received from the Mayor of Maui County, the County Council of Kauai County, the Sierra Club, Matson Navigation Co., Horizon Lines, Tropical Orchid Farm, Inc., Fragrant Orchids of Maui, and 25 individuals. Testimony in opposition to the measure was received from Hawaii Superferry, Inc. The ILWU provided comments.

Your Committee finds that due to the scope and operation of the Superferry project there will be significant impacts to the environment. The economic, social, and cultural welfare of the islands may also be impacted. Your Committee therefore finds that an environmental impact statement pursuant to chapter 343, Hawaii Revised Statutes, is the appropriate vehicle to identify these impacts and to determine what options are available to address these impacts.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1785 and recommends that it pass Second Reading and be referred to the Committee on Transportation and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Hemmings).

SCRep. 361 Energy, Environment, and International Affairs on S.B. No. 1554

The purpose of this measure is to permanently establish the Emergency Environmental Workforce Program to assist the counties in their fight against invasive species, such as miconia, the coqui frog, and the fire ant.

Testimony in support of the measure was received from the Department of Agriculture, a member of the Maui County Council, and the Nature Conservancy. The Department of Land and Natural Resources and the Hawaii Pest Control Association support the intent of the measure and provided comments.

Your Committee finds that the emergency environmental workforce established by Act 4, Third Special Session of 2001, was effective in providing meaningful employment opportunities to those impacted by the economic downturn in the wake of the September 11, 2001 national tragedy. The program was also effective in combating invasive species such as the miconia plant and the coqui frog. Your Committee believes the same benefits will accompany a permanent Emergency Environmental Workforce Program, especially given the magnitude of the invasive species problem in Hawaii.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1554 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 (Hanabusa, Hemmings).

SCRep. 362 Energy, Environment, and International Affairs on S.B. No. 1114

The purpose of this measure is to provide a tax credit for the cost of energy storage systems installed for the storage of electricity, or another useful energy product created by electricity, in order to shift electric load to off-peak periods.

Testimony in support of the measure was received from Hawaiian Electric Company, Inc., PowerLight Corporation, St. Francis Hospital, the Building Industry Association, Economy Plumbing & Sheet Metal, Inc., the Plumbing & Mechanical Contractors Association of Hawaii, three private schools, the Hawaii Association of Independent Schools, the Waikiki Beach Marriott Resort, Off-Peak/Elite Energy Group, LLC, Elite Mechanical, Inc., and Chaney Brooks. Testimony in opposition to the measure was received from the Department of Taxation. Comments were received from the Department of Commerce and Consumer Affairs, the Gas Company, and the Tax Foundation of Hawaii.

Your Committee finds that energy storage technologies are an important element of demand-side management, and can help alleviate peak electric loads by shifting these loads to off-peak hours. Thus, energy storage technologies merit a tax credit to provide an incentive to build these systems. Your Committee recognizes the Department of Taxation's concern that, in its estimation, the tax credit may result in \$2 million less in tax revenue for fiscal year 2007. Your Committee believes that there will be further opportunity to review the fiscal implications of this measure.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1114 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Hemmings).

SCRep. 363 Health on S.B. No. 130

The purpose of this measure is to authorize the Department of Health to adopt rules to establish an administrative process allowing involuntary medication of psychiatric patients institutionalized at the Hawaii state operated or funded psychiatric facility in order to alleviate mental illness and restore competency while protecting the rights of patients.

The Hawaii Government Employees Association, the Hawaii Psychiatric Medical Association, and one individual submitted testimony in support of this measure. The Office of the Public Defender, the Hawaii Disability Rights Center, and one individual submitted testimony in opposition. The Department of Health submitted comments.

Your Committee finds that mental health patients deserve the same degree of personal autonomy as other citizens when they receive services. This includes participating in the decision-making process regarding their treatment. However, as the proponents noted, there are limited circumstances when involuntary treatment is appropriate and only if the person is at imminent risk of danger to themselves or others.

The Hawaii Government Employees Association testified that the patient population has changed as more forensic patients come through the prison system and the courts. These patients exhibit some form of prison behaviors, such as intimidation of other patients and staff and violence for the purpose of intimidation and control. While the risk of physical attack is not a new development, there is a difference in the premeditation, motivation, and ferocity of attacks. According to one proponent, there have been several unprovoked, brutal assaults on staff members. This measure establishes a process to allow involuntary medication of certain psychiatric patients institutionalized at the Hawaii State Hospital in order to alleviate mental illness and restore competency while protecting the rights of patients.

Upon further consideration and at the recommendation of several stakeholders, your Committee has amended this measure by establishing a streamlined judicial process, in lieu of an administrative process, by which the Department of Health can seek a court order to permit involuntary medication of mental health patients to ensure safety in Department of Health operated or funded psychiatric inpatient facilities.

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. 130, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 130, 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 (Tsutsui).

SCRep. 364 Media, Arts, Science and Technology on S.B. No. 629

The purpose of this measure is to appropriate funds for legislative proceedings audio and video streaming over the internet.

Your Committee received testimony in support of this measure from the Employers' Chamber of Commerce, the League of Women Voters of Hawaii, and 'Olelo Community Television.

Your Committee finds that media streaming via the internet will provide an opportunity for additional community involvement in the legislative process by enabling access to legislative floor sessions and committee hearings when it is convenient for them. Your Committee believes that this measure will encourage public discussion of important issues and provide insight into the lawmaking process.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 629 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. 365 Media, Arts, Science and Technology on S.B. No. 819

The purpose of this measure is to provide that certain funds collected under chapter 6E, Hawaii Revised Statutes, shall be deposited into the Hawaii historic preservation special fund.

Specifically, this measure provides that:

- (1) All penalties, fines, and other charges collected shall be deposited into the Hawaii historic preservation special fund;
- (2) Special fund moneys may be expended for staff positions and operational and administrative costs.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and the Office of Hawaiian Affairs. Your Committee received comments from the Native Hawaiian Legal Corporation.

Your Committee finds that recent legislation authorized the department to assess penalties, fines, and other administrative charges under chapter 6E, Hawaii Revised Statutes. Your Committee finds that this measure clarifies that the Department of Land and Natural Resources shall deposit penalties, fines, and other collected charges into the Hawaii Historic Preservation Special Fund and that the department may expend special fund moneys to defray operating and administrative costs. Your Committee believes that this measure will improve the department's ability to administer the state historic preservation program.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 819 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. 366 Media, Arts, Science and Technology on S.B. No. 1699

The purpose of this measure is to increase the Hawaii State Foundation on Culture and the Arts' general fund appropriation.

Your Committee received testimony in support of this measure from the Honolulu Academy of the Arts, the Musicians' Association of Hawaii, the Hawaii United Okinawa Association, Douglas Trade Shows, the Portuguese Association of Maui, and seventeen individuals. Your Committee received comments on this measure from the Department of Accounting and General Services.

Your Committee finds that the Hawaii State Foundation on Culture and the Arts biennium grants program is the largest source of public funding for arts programming in the State. The foundation supports cultural, artistic, historical, and humanitarian programs in Hawaii communities, with funds disbursed statewide. The state arts foundation's grants support projects that provide access to the arts for residents and visitors alike, preserve and perpetuate the arts and culture of native Hawaiians, enhance and promote cultural tourism efforts, encourage young audiences, and develop young talent. Your Committee finds that this measure demonstrates the strong legislative support for culture and the arts in Hawaii's communities and in the quality of life of Hawaii's people.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1699 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, Ige).

SCRep. 367 (Joint) Education and Military Affairs and Transportation and Government Operations on S.B. No. 1825

The purpose of this measure is to exempt members of the National Guard and Reserves from county vehicular taxes and fees for noncommercial motor vehicles.

Testimony in favor of this measure was submitted by the Department of Defense, Department of Transportation, and The Chamber of Commerce of Hawaii.

Your Committees find that the nation's National Guard and Reserves make up more than fifty percent of the U.S. military. As a result, members of the Hawaii National Guard and reserves are being recalled to active duty on a frequent basis. Incentives and benefits such as this exemption demonstrate our support of their sacrifices on behalf of our nation.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1825 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, 12. Noes, none. Excused, 1 (Kanno).

SCRep. 368 Education and Military Affairs on S.B. No. 1671

The purpose of this measure is to provide funds for the construction of new public school facilities.

Testimony in support of the measure was submitted by the Department of Education and Land Use Research Foundation of Hawaii. The Department of Accounting and General Services, State Procurement Office, and Department of Taxation submitted comments on this measure.

Your Committee finds that although there is a long list of backlog school construction projects, the large gap between the amount needed each year and the amount actually appropriated remains. Alternative sources of funding need to be explored. This measure contains provisions that will assist the department in reducing the backlog of projects.

Your Committee further finds that exemptions to chapters 42F, 103, and 103D, Hawaii Revised Statutes are not necessary and has amended the measure to delete those provisions.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1671, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1671, 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, none.

SCRep. 369 Education and Military Affairs on S.B. No. 638

The purpose of this measure is to propose a state constitutional amendment to allow the student member of the Board of Education to vote, except on issues pertaining to personnel of fiscal matters.

Testimony in support of the measure was submitted by the Department of Education and Board of Education.

Your Committee finds that the student Board of Education member provides a valuable perspective and insight on educational needs that adult board members may not have. While student board members enhance the board's understanding and knowledge of current school issues and student concerns, they are not afforded a vote as are all the other official members. Throughout the years, the student board members have shown themselves equally committed to the public education system and should be allowed a more practical role as an official member of the board.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 638 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, 6. Noes, none. Excused, none.

SCRep. 370 Education and Military Affairs on S.B. No. 1483

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Waimea Country School to finance or refinance the planning, acquisition, construction, or improvement of its educational facilities.

Testimony in support of the measure was submitted by the Hawaii Association of Independent Schools and Waimea Country School. The Department of Budget and Finance submitted comments.

Your Committee finds that the State allows the issuance of special purpose revenue bonds for private school construction and renovation. This method of funding provides a worthy school such as Waimea Country School with the necessary resources to fund a variety of school projects to minimize its reliance on alumni contributions, parents, and friends or other financial services. Your Committee notes that special purpose revenue bonds such as this do not have an impact on, or detract from, public school funding.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1483 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, none.

SCRep. 371 Education and Military Affairs on S.B. No. 1093

The purpose of this measure is to authorize the issuance of special purpose revenue bonds of no more than \$30 million for Hualalai Academy.

Testimony in support of this measure was submitted by the Hawaii Association of Independent Schools and Hualalai Academy. Comments on this measure were also submitted by the Department of Budget and Finance.

Your Committee finds that the issuance of special purpose revenue bonds for Hualalai Academy serves a valuable public purpose by making much-needed educational facilities available to the students of Hawaii. Specifically, Hualalai Academy is planning to add a twelfth grade in 2006, and the school requires substantial improvements to campus facilities in order to better serve the student body population as well as the community as a whole. Your Committee notes that special purpose revenue bonds of this type do not take funding away from public education.

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 Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1093, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1093, 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, none.

SCRep. 372 Education and Military Affairs on S.B. No. 1705

The purpose of this measure is to reduce the amount of general excise tax revenues deposited into the state educational facilities improvement special fund by the amount of certificates of participation authorized for that fiscal year.

Testimony in support of the measure was submitted by an individual. The Department of Education testified in opposition the measure. The Department of Taxation and the Tax Foundation of Hawaii submitted comments.

Your Committee finds that the scarcity of funding provided to public school facilities may easily become a crisis if the State does not explore alternative funding sources. As facility needs increase, your Committee recognizes that it may be beneficial to have alternatives to traditional general bond financing available. However, the Department of Education has expressed concerns regarding the reduction of revenues to the special fund which provides funding for public school facilities.

Upon further consideration, your Committee would like to continue exploring this alternative funding source.

Your Committee has amended the bill by changing its effective date to June 30, 2005.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1705, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1705, 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, none.

SCRep. 373 Education and Military Affairs on S.B. No. 873

The purpose of this measure is to require the Department of Education to staff qualified pre-school teachers and pre-school teacher aides in junior kindergartens beginning with the 2007-2008 school year.

Testimony in support of the measure was submitted by the Department of Education, University of Hawaii, Hawaii Teacher Standards Board, Hawaii Association for the Education of Young Children, and an individual. The Hawaii State Teachers Association and Good Beginnings Alliance submitted testimony in opposition.

Your Committee finds that junior kindergarten is not a pre-school and thus it would not be appropriate to employ pre-school teachers for junior kindergarten classrooms. The most current policy recommendations call for teachers in early childhood programs to have at least a bachelor's degree and specialized training in early childhood education.

Upon further consideration, your Committee has amended this measure to require the Hawaii Teacher Standards Board to consider requiring junior kindergarten teachers to have a bachelors degree in elementary education and junior kindergarten aides to have at least an associate's degree in early childhood education for an accredited program.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 873, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 873, 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 (Chun Oakland, Tsutsui).

**SCRep. 374 (Joint) Energy, Environment, and International Affairs and Transportation and Government Operations
on S.B. No. 1427**

The purpose of this measure is to require all state agencies to purchase electric vehicles, hybrid electric vehicles, or fuel cell vehicles for their use, beginning January 1, 2006, to the extent that these types of vehicles are available.

Testimony in support of the measure was received from the Rocky Mountain Institute and the Sierra Club. The Department of Accounting and General Services offered comments.

Your Committees find that the reduction of greenhouse gas emissions from vehicles is important to the health of Hawaii's citizens and the environment, and that the State can lead by example by purchasing energy-efficient vehicles for its use. Your Committees acknowledge the concern of the Comptroller that energy efficient vehicles of the type enumerated in the measure may not be available at a cost equal to comparable gas powered vehicles. Your Committees find, however, that a provision in the measure requiring purchases only to the extent that high energy-efficient vehicles are available addresses this concern.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1427 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 (Hanabusa, Kanno, Menor, Hemmings, Whalen).

SCRep. 375 (Joint) Energy, Environment, and International Affairs and Business and Economic Development on S.B. No. 1000

The purpose of this measure is to require the Public Utilities Commission to establish a renewable energy credits trading program, direct the Department of Business, Economic Development, and Tourism to analyze the feasibility of the State becoming a member of the Chicago Climate Exchange, and establish an advisory committee on renewable energy credits trading.

Testimony in support of the measure was received from the Hawaii Renewable Energy Alliance. Testimony in opposition to the measure was received from the Department of Business, Economic Development, and Tourism. The Public Utilities Commission, the Department of Commerce and Consumer Affairs, and Covanta Energy Group provided comments.

Your Committees find that the establishment of a renewable energy credits trading program locally, and investigation as to the feasibility of participating in the Chicago Climate Exchange, will help provide a market-based incentive system to reduce the production of greenhouse gases by allowing its members to bank and trade renewable energy credits. Your Committees also find that the formation of a Renewable Energy Credits Trading Program Advisory Committee, coupled with a study to determine the feasibility of the State becoming a member of the Chicago Climate Exchange, is aimed at providing further analysis so that decisions regarding these programs are made with all necessary information.

Your Committees have amended this measure by making a technical, nonsubstantive amendment for clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1000, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1000, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Hanabusa, Sakamoto, Hemmings).

SCRep. 376 Water, Land, and Agriculture on S.B. No. 925

The purpose of this measure is to require the Governor to appoint one member of the Land Use Commission from a list of three nominees submitted by the Office of Hawaiian Affairs.

Testimony in support of this measure was submitted by the Land Use Commission and Office of Hawaiian Affairs. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources and Office of Planning.

Your Committee finds that the sound and prudent management of all state land resources is of critical importance to Hawaiians both as a revenue source for their self-determination and for the preservation of their cultural and religious practices. The State's decisions concerning land use directly affect native Hawaiians. The Office of Hawaiian Affairs, as the agency charged with the betterment of native Hawaiians, needs to contribute to the State's stewardship over these resources. Thus, this measure will allow the Office of Hawaiian Affairs to play a part in the process of selecting members of the Land Use Commission.

Your Committee has amended this measure by applying the new requirements to new appointments and reappointments after the measure's effective date.

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. 925, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 925, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 377 Water, Land, and Agriculture on S.B. No. 669

The purpose of this measure is to authorize the Board of Agriculture to rent the animal quarantine property and facilities to third parties.

Testimony in support of this measure was submitted by the Department of Agriculture, the Chamber of Commerce of Hawaii, the Hawaii Business Roundtable, and the Hawaiian Humane Society.

Your Committee finds that recent modifications to the animal quarantine program have lowered the number of cats and dogs requiring long-term confinement in quarantine. This reduction has left much of the property, including the kennels, empty.

This measure provides alternative uses for the animal quarantine property and facilities by allowing the Board of Agriculture to rent unused space. Specifically, this measure:

- (1) Allows the Board of Agriculture to contract with third parties for the use or rental of animal quarantine property or facilities; and
- (2) Requires all money collected from the use or rent of the property or facilities to be deposited into the Animal Quarantine Special Fund.

Your Committee has amended this measure by:

- (1) Clarifying that all revenues generated by the use or rental of the animal quarantine property or facilities be used to defray operational costs of the animal quarantine program, as well as minimize the animal quarantine fees;
- (2) Making technical amendments for the purposes of clarity, 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 S.B. No. 669, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 669, 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 (Fukunaga, Hooser).

SCRep. 378 Water, Land, and Agriculture on S.B. No. 917

The purpose of this measure is to require the Governor to appoint one member of the Commission on Water Resource Management from a list of three nominees submitted by the Office of Hawaiian Affairs.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources.

Your Committee finds that the sound and prudent management of all state lands and coastal resources is of critical importance to native Hawaiians both as a revenue source for their self-determination and for the preservation of their cultural and religious practices. The State's decisions concerning water use directly affect native Hawaiians. The Office of Hawaiian Affairs, as the agency charged with the betterment of native Hawaiians, needs to contribute to the State's stewardship over these resources. Thus, this measure will allow the Office of Hawaiian Affairs to play a part in the process of selecting members of the Commission on Water Resource Management.

Your Committee has amended this measure by:

- (1) Removing one of the Governor's appointments on the nominating committee for the Commission on Water Resource Management;
- (2) Providing that the Office of Hawaiian Affairs shall appoint one member of the nominating committee for the Commission on Water Resource Management; and
- (3) Requiring this measure to be applied to new appointments and reappointments after its effective date.

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. 917, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 917, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 379 Labor on S.B. No. 740

The purpose of this measure is to clarify and correct existing language in chapter 88, Hawaii Revised Statutes, and to conform the law to current practices.

Testimony in support of this measure was submitted by the Employees' Retirement System (ERS) and the Hawaii State Teachers Association.

Your Committee finds that within chapter 88, Hawaii Revised Statutes, clarification is needed to correct existing language and to conform the law to current practices. This measure makes several housekeeping amendments that provide as follows:

- (1) Includes language to comply with federal income tax limits on compensation in determining ordinary death benefits;
- (2) Specifies which appointed county positions qualify for contributory plan membership;
- (3) Conforms the law to current practices and allows the ERS to calculate a retiree's pension based on the benefit formula at the time of retirement rather than separation from service;
- (4) Requires the counties to remit employer contributions to the ERS on a monthly rather than semimonthly basis;
- (5) Specifies that the cost to convert noncontributory plan service to hybrid plan service will be based on the member's age in full years and the member's basic rate of pay as of June 30, 2006; and
- (6) Eliminates the deadlines for claiming and purchasing hybrid plan membership service and allows for the acquisition of qualifying service at any time prior to retirement, in line with current contributory plan procedures.

Your Committee has amended this measure by making technical, nonsubstantive amendments to change formatting and 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. 740, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 740, 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, 1 (Taniguchi).

SCRep. 380 (Joint/Majority) Labor and Transportation and Government Operations on S.B. No. 933

The purpose of this measure is to clarify the law regarding the requirement of the payment of prevailing wages to apply to all laborers, mechanics, required assistants, helpers, tenders, and apprentices on a public works project.

Testimony in support of this measure was submitted by the Hawaii Building and Construction Trades Council, AFL-CIO and the Hawaii State Association of Electrical Workers.

Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations (DLIR), the General Contractors Association of Hawaii, and the Hawaii Chapter of the Associated Builders and Contractors, Inc.

Your Committees find that prevailing wage standards exist in order to prevent contractors from unfairly depressing the wages of those working on public works projects, thereby enabling them to unfairly underbid such projects. Under the current law, all laborers and mechanics working onsite at a public works project are entitled to prevailing wages, as determined by the Director of DLIR; however, the law does not extend to those laborers and mechanics working on the project but not at the job site. Your Committees further find that the payment of prevailing wages to required assistants, helpers, tenders, and apprentices of those laborers and mechanics, whether on or off the job site, is also not required under the law at present. These individuals, however, should also be receiving the payment of prevailing wages to ensure uniformity in the execution of public works projects. Therefore, your Committees determine that the establishment of clear standards in the law will provide equally patent guidelines for DLIR to follow in its enforcement of prevailing standards.

Your Committees believe that this measure should continue to advance throughout the legislative session and have amended this measure by changing the effective date of the Act to July 1, 2050 in order to facilitate further discussion on the matter.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 933, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 933, 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 (Slom). Excused, 4 (Hee, Menor, Taniguchi, Whalen).

SCRep. 381 (Joint/Majority) Labor and Transportation and Government Operations on S.B. No. 935

The purpose of this measure is to require any state funded construction project to establish certified payroll and comply with the Davis Bacon Act.

Testimony in support of this measure was submitted by the International Brotherhood of Electrical Workers Local Union 1186 and the Hawaii State Association of Electrical Workers. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations.

Your Committees find that it is crucial to ensure that minimum standards of prevailing wages and that proper reporting and monitoring, including through certified payroll, are maintained for public works projects. In order to affect the greatest number of

projects possible where government funds are utilized, your Committees determine that the law should be expanded to include projects funded by special purpose revenue bonds and to remove the requirement that a governmental contracting agency be a party to the contract.

Your Committees have amended this measure by deleting the definition of “governmental contracting agency” in section 104-2(a), as applicable to that subsection.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 935, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 935, 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 (Slom). Excused, 4 (Hee, Menor, Taniguchi, Whalen).

SCRep. 382 (Majority) Labor on S.B. No. 1053

The purpose of this measure is to appropriate funds to increase efforts to educate employers and employees of the requirements of the Prepaid Health Care Act (PHCA) and to increase compliance with the PHCA through monitoring and auditing of employers.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations (DLIR).

Your Committee finds that although Hawaii mandates health coverage for employees within the State under the PHCA, which was enacted in 1974, many employers and employees are unaware of many of the requirements and benefits provided for under the law. Your Committee determines that increased efforts are necessary in order to better educate the public regarding their rights and responsibilities under the PHCA. Additionally, funds are necessary to allow the DLIR to ensure compliance with the PHCA through enhanced monitoring and auditing of employers.

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. 1053 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, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 383 Labor on S.B. No. 61

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 and net compensation, deductions, 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.

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. However, with the advancements in technology in the workplace, the law must also evolve to accommodate additional forms of transmitting and receiving information. Therefore, 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 those employees who request electronic records.

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. 61 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, 1 (Taniguchi).

SCRep. 384 (Majority) Labor on S.B. No. 579

The purpose of this measure is to allow for the establishment of a three-year volunteer employees' beneficiary association (VEBA) trust pilot program that allows public employee organizations to provide health benefits to its 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, and eight individuals. Testimony in opposition to this measure was submitted by the Department of Human Resources Development and 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 help to encourage increased competition and result in lower premium rates for public employee health insurance.

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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 579, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 579, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 385 (Majority) Labor on S.B. No. 977

The purpose of this measure is to provide protection for public employees who report information on the misuse or waste of public funds or the commission of fraud by other public employees or public bodies.

Testimony in support of this measure was submitted by the Department of Human Resources Development and the Hawaii Government Employees Association. Comments on this measure were also submitted by the Department of Labor and Industrial Relations.

Your Committee finds that although the law provides for the protection of employees against discharge, threats or other discrimination as the result of the employee's act of whistleblowing, additional protection should be afforded to public employees. Many public employees are reluctant to report the misuse of public funds or the commission of fraud by other public employees or a public body for fear of retaliation. Your Committee determines that the law must encourage public employees to come forward and report these types of acts in order to promote efficient, effective and honest government, through the protection of public employees who report such acts.

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. 977 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, 2. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 386 Labor on S.B. No. 1052

The purpose of this measure is to provide coverage under the employer-union health benefits trust fund (EUTF) for children who are in a parent-child relationship with an employee-beneficiary and qualify as a dependent under the federal tax laws.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association and the EUTF. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations and the Department of Budget and Finance.

Your Committee finds that under the current law, a child is considered a dependent beneficiary, eligible for EUTF benefits, if the child is "a legally adopted child, stepchild, foster child, or recognized natural child who lives with the employee-beneficiary." The law does not, however, recognize other children in a parent-child relationship with an employee-beneficiary if they do not fall under the above definition. In Hawaii, many individuals are involved in relationships where they are raising a grandchild, niece, nephew, sibling, or hanai child. Your Committee believes that we must also take care of these children by ensuring that they do not become one of the many individuals who are currently uninsured. Therefore, your Committee determines that because these children are in a parent-child type relationship with the employee-beneficiary, the employee-beneficiary provides financial support for these children, and these children may otherwise be without health care coverage, their inclusion in the EUTF should be permitted.

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. 1052 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, 1 (Taniguchi).

SCRep. 387 Labor on S.B. No. 1044

The purpose of this measure is to clarify when the Director of Labor and Industrial Relations shall commence proceedings for penalties for violations of the law relating to the payment of wages and other compensation.

This measure also imposes a fine of not less than \$500 for violations and not less than \$1000 for wilful or repeat violations of the law.

Testimony in support of this measure was submitted by the Hawaii State AFL-CIO and the Labor Democrats. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations.

Your Committee finds that under the current law there is little to deter an employer from violations of the wages and compensation law, as all that is required of an employer who fails to pay wages in accordance with chapter 388, Hawaii Revised Statutes (HRS), is back pay plus interest. Enforcement by the Director is also inadequate, as the Director's ability to seek penalties for violations of chapter 388, HRS, is wholly discretionary. Your Committee believes that stronger penalties are necessary in order not only to punish, but also to deter employers from violating chapter 388, HRS, and by requiring the Director to take appropriate action against violators.

Accordingly, your Committee has amended this measure by deleting its contents and replacing it with a new section regarding fines, which provides that:

- (1) A fine imposed shall be \$25 or ten percent of wages due for the first complaint;
- (2) A fine imposed shall be not less than \$100 or the amount of the wages due for a second complaint within two years of the first; and
- (3) A hearing on an appeal of a fine shall be held by a hearings officer in conformance with chapter 91, 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. 1044, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1044, 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, 1 (Taniguchi).

SCRep. 388 Labor on S.B. No. 1190

The purpose of this measure is to provide members of collective bargaining unit (12), police officers, with a state income tax exemption for salaries and wages as set forth in the collective bargaining agreement for unit (12).

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 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. During these difficult financial times, innovative methods for attracting and retaining qualified candidates must be explored. Therefore, your Committee determines that exempting the wages and salary of police officers from the state income tax provides an attractive benefit and incentive for our existing dedicated police officers and new recruits.

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. 1190 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, 1 (Taniguchi).

SCRep. 389 (Majority) Labor on S.B. No. 1192

The purpose of this measure is to require the number of exempt positions not to exceed one percent of the number of full-time equivalent civil service positions.

This measure also 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 Hawaii Government Employees Association. Testimony in opposition to this measure was submitted by the Judiciary. Comments on the measure were also submitted by the Department of Human Resources Development.

Your Committee finds that in order to ensure that the rights and privileges of civil service are provided whenever possible, it is important for the number of exempt positions within the State to be both limited and monitored. However, due to the nature of the work and personnel involved, your Committee believes that the Judiciary should be excluded from this limitation. Your Committee further finds that the Department of Human Resources Development is the appropriate entity to monitor and report the appropriate information to the Legislature. Furthermore, it is unclear as to the specific percentage of exempt employees that would be desirable at

this time; however, your Committee also believes that this measure should continue to advance in the Legislature as further discussion on the issue will eventually produce a appropriate percentage amount.

Accordingly, your Committee has amended this measure by:

- (1) Excluding the Judiciary from the limitation on the number of exempt employees allowed within the State;
- (2) Including a blank percentage amount for the number of exempt positions allowed within the State; and
- (3) Making a technical, nonsubstantive amendment 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. 1192, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1192, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 390 Labor on S.B. No. 1194

The purpose of this measure is to provide for the election of members to the Board of Trustees (Board) of the Deferred Compensation Plan pursuant to rules adopted by the Board.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association. Comments on the measure were submitted by the Department of Human Resources Development.

Your Committee finds that under the current law, aside from the ex officio members of the Board, the remaining five members of the Board are appointed by the Governor, with the advice and consent of the Senate. However, to better represent the interests of the members of the deferred compensation plan, the remaining Board members should instead be elected by the plan members themselves. Your Committee determines that this method of selection will allow the decision making of the Board to be brought closer to its own constituency.

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. 1194 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, 1 (Ihara).

SCRep. 391 Labor on S.B. No. 1277

The purpose of this measure is to extend the protection of the Whistleblowers' Protection Act to employees who report violations or information demonstrating danger to public health or safety to their employers or to government agencies.

This measure also provides that the statute of limitations period of two years does not begin to run until a physically or mentally incapacitated aggrieved employee is able to return to work.

Testimony in support of this measure was submitted by the Department of Human Resources Development. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, the Chamber of Commerce of Hawaii, and the Society of Human Resource Management.

Your Committee finds that although it is in the best interest of the public in general for employees to report observed violations of laws or situations that may pose a danger to public health and safety, many employees choose not to due to the fear of retaliation by their employers. The current law provides some protection for employees who are brave enough to speak out against observed illegalities in the workplace; however, the law does not protect individuals who report violations that may pose a danger to health or public safety. Your Committee determines that the law should provide protection for employees who report such violations as this will help to preserve and promote efficient and safe workplaces.

Additionally, your Committee finds that currently, the statute of limitations continues to run for individuals who are physically or mentally incapacitated and unable to work, and thus unable to adequately prosecute a claim for a violation of the Whistleblowers' Protection Act. In order to provide such individuals with an adequate opportunity to properly prepare and defend a claim under the law, the statute of limitation period should be tolled during the time of the individual's incapacity.

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. 1277 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, 1 (Ihara).

SCRep. 392 (Majority) Labor on S.B. No. 58

The purpose of this measure is to prohibit public and private hospitals from requiring nurses to work overtime, except in the case of a publicly declared state of emergency.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, the Hawaii Nurses' Association, and four individuals.

Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, the Department of Health, Kapiolani Medical Center for Women and Children, Kapiolani Medical Center at Pali Momi, the Queen's Medical Center, Kaiser Permanente, and the Healthcare Association of Hawaii.

Your Committee finds that nurses perform a very vital function in the provision of quality health care to patients. Nurses are highly dedicated individuals who work lengthy shifts, often volunteer for additional shifts, and at all times exhibit a high level of skill and professionalism. Your Committee further finds that due to the demanding nature of the job and the long shifts involved, nurses should not be required to work overtime to cover routine personnel shortages. The practice compromises both the level of patient care provided and a nurse's ability to adequately perform the nurse's duties. Hospitals should instead practice alternative means of covering routine personnel shortages rather than automatically resorting to forcing nurses to work overtime and placing nurses in danger of losing their jobs or facing other adverse action resulting from patient abandonment.

However, your Committee believes that certain circumstances necessitate the use of mandatory overtime, including when a state of emergency exists within a particular health care facility. Your Committee determines that should circumstances arise, such as a power failure, or a natural disaster or traffic accident that may prevent nurses from attending work, the health care facility should be permitted to declare a state of emergency and require mandatory overtime for the duration of the emergency.

Accordingly, your Committee has amended this measure by:

- (1) Including language in the purpose section to allow for mandatory overtime when a state of emergency is declared within a health care facility;
- (2) Including language to authorize the use of mandatory overtime when the appropriate authority has declared a state of emergency within a health care facility; 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 S.B. No. 58, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 58, S.D. 1, and be referred to the Committee on Health.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 393 (Majority) Labor on S.B. No. 1578

The purpose of this measure is to maximize the weekly benefit amount that an eligible individual who is unemployed is entitled to receive, regardless of the wages earned by the eligible individual.

Testimony in support of this measure was submitted by the ILWU Local 142 and the Hawaii State Teachers Association. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations and the Hawaii Chamber of Commerce.

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 work 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 receive earnings from other part-time employment, they are penalized for their employment through the reduction in their weekly benefit. As a result, the existing law presents a deterrent for those individuals seeking employment or individuals with multiple employers who are eligible for unemployment benefits. Your Committee determines that these eligible individuals should be allowed to maximize their employment opportunities while at the same time being encouraged to resume work to the fullest extent possible by allowing them to receive their weekly benefit amount unreduced for any wages earned.

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. 1578 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, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 394 Labor on S.B. No. 1783

The purpose of this measure is to change the composition of the Board of Trustees (Board) of the Employer-Union Health Benefits Trust Fund (EUTF) from ten to fourteen members.

This measure also:

- (1) Amends the appointment procedures by requiring six trustees to be selected by each of the six exclusive representatives of the bargaining units in section 89-6(a), Hawaii Revised Statutes, with a seventh to represent retirees, selected by the aforementioned six exclusive representatives;
- (2) Changes the term of a trustee from four years to a term that is determined at the pleasure of the appointing or selecting authority;
- (3) Amends procedures for filling vacancies to be in the same manner in which the trustee who vacated the position was appointed or selected; and
- (4) Amends the number of members necessary for quorum.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association and the Hawaii State Teachers Association. Testimony in opposition to this measure was submitted by the Department of Budget and Finance. Comments on this measure were also submitted by the Department of Human Resources of the City and County of Honolulu.

Your Committee finds that better representation of the employee-beneficiaries of the EUTF is necessary to protect the interests of the employee-beneficiaries. The expansion of the Board will provide fairer representation by allowing a trustee to be selected by each of the six exclusive representatives of the bargaining units under section 89-6(a), Hawaii Revised Statutes. Your Committee further finds that the current four-year term limit does not allow for ample time to truly benefit from a trustee's knowledge and abilities obtained and developed regarding the complex subject matters involving in the health care industry and plan administration. Therefore, at will terms will better serve the EUTF and its members.

Your Committee has amended this measure by changing the number of trustee votes representing the employee-beneficiaries from five to four for the matter to be handled by dispute resolution.

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. 1783, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1783, 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, 1 (Ihara).

SCRep. 395 (Joint) Education and Military Affairs and Human Services on S.B. No. 35

The purpose of this measure is to create a one-year pilot program for universal access to early childhood education for children age five or younger whose families are unable to afford quality early childhood education. This measure also appropriates funds for the pilot program and the preschool open doors program.

Testimony in support of this measure was submitted by the Department of Education, Department of Human Services, Good Beginnings Alliance, Institute for Native Pacific Education and Culture, Blueprint for Change, Family Support Services of West Hawaii, Hawaii Association for the Education of Young Children, and twenty individuals. The Atherton Family Foundation submitted comments.

Your Committees find that the movement towards universal childhood education is consistent with trends around the nation. More communities are realizing how critical pre-kindergarten services are to the proper development and preparation of young children to succeed in school. The initiatives in this measure will further the State's efforts in providing quality early childhood education to families that are unable to afford programs.

In consideration of the supportive testimony submitted, your Committees have amended this measure to extend the pilot project to two years and include the development of a quality rating system.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 35, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 35, 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 (Ihara, Kokubun, Tsutsui).

SCRep. 396 (Joint) Education and Military Affairs and Judiciary and Hawaiian Affairs on S.B. No. 1533

The purpose of this measure is to propose a constitutional amendment to require a seventeen-member Board of Education.

Specifically:

- (1) The Board of Education would be composed of seventeen voting members elected in a nonpartisan manner;
- (2) Each school board district would be composed of three representative districts; and

- (3) The chief election officer would delineate districts until the 2010 reapportionment plan is adopted.

Testimony in support of the measure was submitted by the Hawaii State Teachers Association, one member of the Board of Education, and an individual. The Office of Elections, and Hawaii Government Employees Association submitted comments.

Your Committees find that this measure allows for the exploration of alternative structures to provide the voter a better opportunity to communicate their needs and issues to a Board of Education member. This alternative direction will allow the board members to be more easily identifiable and accountable to their constituents.

Although there were relevant concerns raised by testifiers, your Committees find merit in the proposed structure. It is the intention of your Committees to approve this measure so as to continue the discussion of the need for improving the structure of the board.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs 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. 1533 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 (Hee, Ihara).

SCRep. 397 Media, Arts, Science and Technology on S.B. No. 1171

The purpose of this measure is to establish a method by which the State can collect current use taxes now being lost on electronic commerce sales.

Testimony in support of the measure was received from the Retail Merchants of Hawaii, the Hawaii Government Employees Association, and the law firm of Chun, Kerr, Dodd, Beaman, and Wong. The Department of Taxation took no position on the measure. The Tax Foundation of Hawaii submitted comments.

Specifically, the measure requires the Department of Taxation (Department) to study issues dealing with the Streamlined Sales Tax Project and make recommendations to the Legislature through informational briefings by November 2005. The measure also requires the Department to submit proposed legislation to the Legislature prior to the convening of the 2006 Regular Session to implement a streamlined sales and use tax.

Your Committee finds that, according to the National Conference of State Legislatures, in 2003, Hawaii lost approximately \$112,000,000 to \$117,000,000 in state and local revenues due to the State's inability to capture tax revenues from electronic commerce transactions. The National Conference of State Legislatures, based on a study conducted by the University of Tennessee, estimates that, by 2008, Hawaii will lose between \$157,000,000 and \$245,500,000, and states that, if nothing is done by that time, Hawaii stands to be one of the top ten states in terms of tax revenues lost in electronic commerce transactions.

A February 11, 2005, Honolulu Advertiser article reported that, according to a study conducted by Scarborough Research, a New York-based media research firm, fifty-two per cent of homes, or a projected 316,380 people in Honolulu, access the Internet via a pricier broadband connection, compared with a national average of thirty-three per cent. The Honolulu Advertiser article noted that this is the second time Honolulu has ranked first in broadband use on the survey conducted by the New York-based media research firm.

According to the Scarborough study, ten per cent of Honolulu's broadband users spent \$2,500 or more in the past year, compared with a national average of nine per cent. Seventeen per cent of local broadband users spent between \$1,000 and \$2,499 a month, versus fifteen per cent nationally. The Honolulu Advertiser article concluded from the study's findings that Honolulu internet users with broadband connections spend more money online per month than high-speed surfers in other major cities across the United States.

The article stated that the most shopped-for items by Honolulu users were airline tickets, clothing or accessories, books, computer hardware and software, and CDs, tapes, and other music. Your Committee notes that all these transactions are retail transactions and, as such, would be subject to the State's existing use tax. Unfortunately, because no uniform means of collecting the State's use tax exists for electronic commerce transactions, the use taxes on the vast majority of these transactions go uncollected.

Your Committee also finds that, as of January 1, 2003, the Department of Taxation established a use tax project to collect more use tax on automobiles imported into the State. The use tax project involved the development and issuance of a new G-27 (Motor Vehicle Use Tax Certification) tax form by the Department of Taxation in order to make it easier for registrants of vehicles imported into the State to pay for the use tax at the same time they register the vehicle with a county. In the 2002 tax year, prior to the use tax project's establishment, the Department of Taxation collected \$48,913 from non-business taxpayers registering imported vehicles. In the 2003 tax year, after the implementation of the use tax project, the Department of Taxation's collections for the same category jumped over seven hundred per cent to \$385,079. The results of this project show the potential of how the State can capture a greater amount of uncollected tax revenue if the State adopts a mechanism that provides a more efficient means of tax identification and collection. Your Committee believes that the uniform streamlined sales and use tax can be that mechanism.

Your Committee further finds that the 2001-2003 Hawaii Tax Review Commission recommended that the State participate in the Streamlined Sales Tax Project. To this end, the Legislature enacted Act 173, Session Laws of Hawaii 2003, which authorized the State to engage in interstate discussions to develop a simplified sales and use tax system.

Act 173, Session Laws of Hawaii 2003, codified as Chapter 255D, Hawaii Revised Statutes, is substantially similar to the model legislation drafted and recommended by the National Conference of State Legislatures for adoption by the states. The model legislation and Chapter 255D, Hawaii Revised Statutes, direct the revenue departments of participating states to engage in multi-state discussions to develop a simpler, uniform, and fairer system of sales and use taxation, that removes the burden imposed on retailers, preserves state sovereignty, and enhances the ability of the United States firms to compete in the global economy.

To assist the Department of Taxation, Chapter 255D, Hawaii Revised Statutes, also established an advisory council that was to be appointed by the Governor with whom the Department was to confer with when developing and advocating the State's streamlined sales and use tax policy.

To date, no advisory council members have been appointed and the advisory council has yet to be convened. Therefore, your Committee has amended the measure by adding provisions that amend Chapter 255D, Hawaii Revised Statutes, by repealing the establishment of the advisory council and all references appertaining thereto.

Your Committee believes that, based on the estimated revenue losses to the State attributable to uncollected electronic commerce transactions that are subject to Hawaii's existing use taxes, the State should immediately act upon the agreement of Project participating states to enact a uniform streamlined sales and use tax. Your Committee further believes that the provisions of the amended measure accomplish this purpose.

Your Committee has also made a few technical nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1171, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1171, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Ige).

SCRep. 398 Labor on S.B. No. 424

The purpose of this measure is to prohibit weekly unemployment benefit payments from being reduced by pension payments received under the Social Security Act or the Railroad Retirement Act of 1974.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations and the Hawaii State Teachers Association.

Your Committee finds that under the current law, pension benefits are deducted from an individual's unemployment insurance weekly benefit amount based upon the amount the employee contributed to the pension plan. Therefore, if the employee has made a zero to forty-nine percent contribution to the pension plan, then one hundred percent of the pension benefit is deducted; if the employee has made a fifty to ninety-nine percent contribution to the pension plan, then fifty percent of the pension benefit is deducted; and if the employee has made a one hundred percent contribution to the pension plan, there is no deduction.

In Hawaii, the age of the workforce is increasing. Many retired individuals return to the workforce due to economic reasons or due to a need for knowledgeable and skilled workers that cannot otherwise be fulfilled. In either situation, your Committee determines that these individuals should not be penalized when they are collecting Social Security benefits earned after years of work and contributions.

Accordingly, in order to ensure that the intent of the measure is appropriately accomplished, your Committee has amended the measure by:

- (1) Clarifying that notwithstanding subsections (a) and (b) of section 383-23.5, Hawaii Revised Statutes, weekly unemployment benefits shall not be reduced by payments received under the Social Security Act or the Railroad Retirement Act of 1974; and
- (2) Changing the effective date of the Act to January 1, 2006 in order to ensure proper and accurate application of the new requirements.

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. 424, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 424, 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, 1 (Taniguchi).

SCRep. 399 (Majority) Labor on S.B. No. 533

The purpose of this measure is to amend the definition of "sick leave" under the family leave law and to allow the use of sick leave in excess of the statutory minimum amount for temporary disability benefits for family leave purposes.

Testimony in support of this measure was submitted by the Hawaii State AFL-CIO, the United Public Workers, AFSCME, Local 646, AFL-CIO, the Hawaii State Teachers Association, and the ILWU Local 142. Testimony in opposition to this measure was

submitted by the Society for Human Resource Management. Comments on this measure were submitted by the Department of Labor and Industrial Relations (DLIR) and the Department of Human Resources Development.

Your Committee finds that in 2003, the Legislature enacted Act 44, Session Laws of Hawaii 2003, which allowed employees with sick leave benefits to utilize up to ten days of accrued and available sick leave for family leave purposes. Subsequent to this enactment, the Legislature further determined that the intent of Act 44 was not being effectuated by DLIR in its enforcement. The denial of the use of sick leave benefits for family leave purposes was apparently due to a loophole wherein the statutory minimum amount of temporary disability insurance 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 amendments to the current law are necessary in order to reflect the true intent of Act 44.

Additionally, your Committee finds that DLIR has indicated that it has or will be seeking an Attorney General's opinion regarding the issue of whether the further extension of the application of Act 44 to benefits plans subject to the Employee Retirement Income Security Act would be preempted. Your Committee believes that this measure should continue to move forward through the legislative process; however, it also finds that this issue should continue to be monitored to determine whether further amendments to the law are necessary.

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. 533 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, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 400 Labor on S.B. No. 741

The purpose of this measure is to authorize the Board of Trustees of the Employees' Retirement System (ERS) to include the post retirement allowance as an actuarial assumption in the calculation of a member's retirement benefit.

Testimony in support of this measure was submitted by the Employees' Retirement System, the Hawaii State Teachers Association, and the Hawaii Fire Fighters Association.

Your Committee finds that beneficiaries of the ERS are entitled to a post retirement allowance providing for a fixed annual increase in the benefits payable to them. The ERS, unlike most public pensions with similar retirement benefit provisions, does not include the effect of post retirement adjustments in the actuarial assumptions on which the actuarial equivalency of benefit options are determined. However, the effect of the post retirement allowance is one of the assumptions which the ERS' actuary utilizes to value the system's assets and liabilities. Your Committee determines that the current law should specifically authorize the Board to approve the effect of post retirement allowances as an assumption for the purpose of establishing amounts payable under the benefit options available pursuant to sections 88-83, 88-283, and 88-333, Hawaii Revised Statutes.

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. 741 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, 1 (Taniguchi).

SCRep. 401 Labor on S.B. No. 1566

The purpose of this measure is to exclude members of collective bargaining unit (12) from participation in the employer-union health benefits trust fund (EUTF).

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 Hawaii Government Employees Association. Comments on the measure were also submitted by the EUTF and the Department of Budget and Finance.

Your Committee finds that members of collective bargaining unit (12), police officers, provide a unique and invaluable service to the community. Over the years, a shortage of police officers and viable candidates for becoming police officers has existed within the State, and efforts must be made to equitably compensate, retain, and recruit qualified individuals to fill these positions. Due to financial constraints, alternative methods for adequately compensating these individuals must be explored.

Your Committee further finds that the cost of health care benefits has and will continue to increase over the years. The provision of affordable health care presents an attractive benefit both for retaining existing police officers and recruiting new police officers.

Additionally, your Committee determines that, based upon representations by SHOPO, more affordable health care benefits can be obtained if police officers are excluded from the EUTF and allowed to obtain health coverage on their own.

Accordingly, your Committee has amended this measure by:

- (1) Including an amendment to section 87A-32, Hawaii Revised Statutes, to provide for county contributions to SHOPO for health care coverage outside of the EUTF; and
- (2) Changing the effective date of the Act 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 S.B. No. 1566, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1566, 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, 1 (Taniguchi).

SCRep. 402 (Joint) Labor and Education and Military Affairs on S.B. No. 1640

The purpose of this measure is to limit the State's ability to recover moneys from a public school teacher, due to an overpayment error of the Department of Education (DOE), to two years from the date of the overpayment.

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 DOE and the Department of Accounting and General Services.

Your Committees find that overpayments may occur within the DOE for a number of different reasons, including reclassification errors, incorrect payment of shortage differentials, payment after the employee has terminated service, or duplicative payments when a teacher transfers between school systems. Your Committees further find that these errors may not always be readily detectable. Thus, if the DOE does not detect the error, then the teacher will most likely not detect the error as well. As a result, the repayment of an overpayment by a teacher can cause an unexpected financial burden, particularly in light of the current economic climate. Therefore, your Committees determine that a reasonable limit on the time within which the DOE can recover overpayment moneys should be imposed in order to balance the interests of both the DOE and the teachers.

As affirmed by the records of votes of the members of your Committees on Labor and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1640 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 (Chun Oakland, Hooser).

SCRep. 403 (Joint) Labor and Education and Military Affairs on S.B. No. 1865

The purpose of this measure is to amend the composition of the workforce development council (WDC) to include the private business sector chairpersons from the four county workforce investment boards, or their designees.

This measure also:

- (1) Limits the term of the four members of the WDC from the legislature to two years;
- (2) Amends the duties of the WDC to include job training program funding disbursement and a determination of the actual time required to complete programs; and
- (3) Appropriates funds for job training and education programs of the Department of Education and the University of Hawaii.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations, the WDC, and the University of Hawaii.

Your Committees find that in 2004, the Legislature passed H.C.R. 112, H.D. 1, which sought 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. In response, the WDC indicated that increased numbers of individuals must continue on to post-secondary education because jobs in the future will require advanced education. Therefore, your Committees find that the WDC's comprehensive state plan should be amended to include provisions aligning job training and education programs in the K-12 grades and post-secondary settings with needs in today's labor market and by obtaining an assessment on the length of time for the completion of these types of programs.

Additionally, your Committees determine that in order to ensure that the local workforce investment boards are adequately represented and that open communication exists, the chairpersons of the county workforce investment boards should be members of the WDC.

Your Committees have amended this measure by:

- (1) Including language to provide for the appropriation of funds for the entire 2005-2007 biennium;
- (2) Changing the effective date of the Act to July 1, 2050 in order to facilitate further discussion on the matter; and

- (3) Making a technical, nonsubstantive amendment for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Labor and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1865, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1865, 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 (Chun Oakland, Hooser).

SCRep. 404 Transportation and Government Operations on S.B. No. 505

The purpose of this measure is to exclude Piers 1 and 2 from the Kakaako Community Development District.

Your Committee received testimony in support of this measure from the ILWU Local 142, The Chamber of Commerce of Hawaii, Matson Navigation Company, Young Brothers, Limited, North West Cruiseship Association, Waldron Steamship Co., Ltd., Maritime Consultants of the Pacific, Inchcape Shipping Services, Aloha Cargo Transportation, and one individual. Testimony in opposition was received from the Department of Transportation (DOT), Department of Business, Economic Development and Tourism (DBEDT), and Hawaii Community Development Authority (HCDA).

Your Committee notes the difference of opinion as to whether Honolulu's main waterfront should be a part of the comprehensive development plan for the Kakaako area or be a part of the DOT. Testimony of the DOT, DBEDT, and HCDA indicates that they recognize the importance and need for expanding commercial cargo space in Honolulu Harbor. However, they also recognize the competing importance of people-oriented maritime uses such as cruise ship activities that create the greatest return on investment to the State.

There are currently two significant and perhaps irreconcilable approaches to planning for Honolulu Harbor. One approach would emphasize cargo shipping, container space, and related parking. The other approach would emphasize holistic planning to meld the waterfront with the surrounding community development. The latter approach would plan for cruise ships and terminals. Both uses are of utmost importance. As an island state, Hawaii depends upon moving cargo and people in a constant stream of economic flow. The main artery of this flow is Pier 1 and Pier 2. The root of the problem is a lack of space.

Your Committee urges the DOT to plan prudently for Hawaii's future by ensuring there are sufficient cargo ship and container facilities, if not at Honolulu Harbor then at Barbers Point and Kalaeloa. Your Committee passes this measure on the basis that Hawaii must maintain the flow of shipping into and out of the State. Shipping is the lifeline of our citizens.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 505 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, 5. Noes, none. Excused, 2 (Kanno, Whalen).

SCRep. 405 Transportation and Government Operations on S.B. No. 706

The purpose of this measure is to require the suspension of driver's licenses of persons under age twenty-one for violating the law prohibiting consumption, possession, or use of alcohol by minors.

Your Committee received testimony in support of this measure from the Office of the Lieutenant Governor, State Attorney General, Department of Education, Department of Health (DOH), Department of Human Services, Honolulu Prosecuting Attorney, Honolulu Police Department, a State Representative, a Kauai County Council member, Hawaii Food Industry Association, Mothers Against Drunk Driving Hawaii, University of Hawaii Parent Association, Sassy Magazine, and one individual. Testimony in opposition was received from the Public Defender.

This measure is part of the Hawaii Drug Control Plan, the framework for the State to move forward with a coordinated and comprehensive approach to address illicit drug use and underage drinking. Alcohol is the number one drug of choice for teens in Hawaii and is commonly recognized as a gateway drug. The continued use of alcohol often leads to illicit drug use. It has been reported that underage drinking cost the State \$182 million in 2001.

Excessive amounts of alcohol can impair judgment, provoke risky and violent behavior, and slow down reaction time. An intoxicated person behind the wheel of a car is a lethal weapon on the road. Furthermore, according to the DOH, researchers have associated drinking with early sexual intercourse and, as a result, unintended pregnancies and sexually transmitted diseases. When alcohol is consumed in combination with other drugs, the results can be even more devastating.

Underage drinking is an extremely prevalent problem. It has been estimated that a higher percentage of youths between ages twelve and twenty use alcohol (twenty-nine percent) than use tobacco (23.3 percent) or illicit drugs (14.9 percent). National statistics show that in 2002, about two million minors age twelve to twenty drank five or more drinks on an occasion, five or more times a month. Alcohol consumption is responsible for death and injury in motor vehicle accidents, as well as homicides, suicides, sexual assaults, and unintentional injuries.

A driver's license is the prized possession of teenagers. Knowledge that a conviction for underage possession of alcohol will result in temporary loss of driving privileges is likely to deter many potential underage drinkers from possessing alcohol until they are legally entitled to do so. This measure can save lives by deterring underage drinking and drunk driving.

Your Committee has amended this measure by:

- (1) Increasing the license suspension period to a minimum of one hundred eighty days;
- (2) Requiring seventy-five hours of community service;
- (3) Requiring an eight to twelve hour program of alcohol abuse education and counseling, with the costs to be borne by the offender or the offender's parent or guardian; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 706, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 706, 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, Whalen).

SCRep. 406 (Joint/Majority) Transportation and Government Operations and Intergovernmental Affairs on S.B. No. 963

The purpose of this measure is to create a county highways task force within the Department of Transportation (DOT) to oversee the transfer of all state highway functions to the counties.

Your Committees received testimony in support of this measure from the Honolulu Department of Transportation Services. Testimony in opposition was received from the DOT.

This measure would make each county responsible for the highways that are located in that county, and to transfer funding for state highways to the counties. The intent of your Committees is for the task force to determine the feasibility of a transfer and the elements of implementation. Your Committees do not intend that federal highway funding be placed at risk, and request the task force to address this issue as well.

Your Committees have amended this measure by requiring the task force to conduct a comprehensive review of the functions of the state division of highways and the transportation functions of the counties to determine the pros and cons of consolidation, with recommendations relating to the feasibility of a transfer.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 963, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 963, 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 (English, Kanno, Nishihara, Whalen).

SCRep. 407 Transportation and Government Operations on S.B. No. 1127

The purpose of this measure is to delete the requirement that small purchase contracts require offerors to produce documents to the procurement officer to prove that they are incorporated or organized under, or registered to do business in, the State, and comply with business regulations.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services (DAGS), Department of Budget and Finance, Hawaii County, Honolulu Department of Budget and Fiscal Services, and Kauai Water Department. Comments were received from the State Procurement Office (SPO).

This measure reduces the administrative burden on state and county agencies by eliminating the need to verify vendor and contractor compliance in procurement procedures for purchases less than \$25,000.

Your Committee has amended this measure on the recommendation of DAGS and SPO by repealing references to incorporation, registration, and organization under Hawaii law as being unnecessary if the other requirements under the law are met.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1127, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1127, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 408 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.B. No. 1222

The purpose of this measure is to authorize actions by the State and counties to recover the costs of search and rescue against a person whose failure to exercise reasonable care or failure to comply with the law or public safety warnings necessitated the search and rescue.

Your Committees find that search and rescue operations are enormously expensive, depending on the degree of difficulty, involving personnel and search craft. Oftentimes, the rescue was necessitated by the victim's own heedless and careless behavior. This measure clarifies current law to allow recovery in those kinds of situations.

Your Committees have amended this measure by making a technical, nonsubstantive amendment.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1222, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1222, 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 (English, Kanno, Nishihara, Whalen).

SCRep. 409 (Joint) Transportation and Government Operations, Water, Land, and Agriculture and Intergovernmental Affairs on S.B. No. 1595

The purpose of this measure is to repeal the automatic permit approval law set forth in section 91-13.5, Hawaii Revised Statutes.

Your Committees received testimony in support of this measure from the University of Hawaii Environmental Center, Life of the Land, Sierra Club, Protect Ohana, and Ilio'ulaokalani Coalition. Testimony in opposition was received from the Department of Land and Natural Resources, Land Use Research Foundation of Hawaii, and Building Industry Association-Hawaii. Comments were submitted from the Public Utilities Commission.

Your Committees find that the automatic permit approval law was intended to expedite the permit approval process. Delays are most commonly caused by a heavy caseload or by a failure to obtain a quorum for board voting. The law was adopted to ensure that the administrative failure to timely consider a permit did not cause the applicant to suffer lengthy and costly delays.

Automatic approvals are most controversial in cases involving construction projects because of the potential detrimental effect on the environment. Developers incur mounting costs with longer delays, yet automatically approving their permits can have a seriously negative impact on the public.

Your Committees believe that this measure needs further discussion to balance the competing interests to reach a fair and reasonable result. Therefore, your Committees have amended this measure by changing the effective date to July 1, 2020.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1595, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1595, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 5 (Baker, Hooser, Kanno, Nishihara, Slom).

SCRep. 410 Health on S.B. No. 784

The purpose of this measure is to clarify and specify the management and control of service provided by the twelve hospitals of the Hawaii Health Systems Corporation.

Hawaii Health Systems Corporation submitted testimony in support of this measure. The Hawaii Government Employees Association submitted testimony in opposition.

Your Committee finds that the business of health care is not only highly competitive, it is dynamic and constantly changing. As Hawaii Health Systems Corporation noted in its testimony, the changing environment creates many opportunities for improving on quality of care, increasing the services that can be offered and for enhancing the delivery of that care. However, if a health care organization does not have the flexibility and authority to make prudent operational and management decisions, that same dynamic health care delivery environment can also result in the loss of millions of dollars in revenue, or result in millions of dollars in unnecessary costs.

Upon further consideration, your Committee has amended this measure by adding a provision that establishes a decision-making process before making the determination to substantially reduce or eliminate any direct patient care services, including that any action recommended as a result of the process be reported to the Legislature within ten days of board 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 S.B. No. 784, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 784, 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 (Tsutsui).

SCRep. 411 Health on S.B. No. 1310

The purpose of this measure is to add violence against health care professionals to the offenses of assault in the second degree and terroristic threatening in the first degree.

The Healthcare Association of Hawaii and one individual submitted testimony in support of this measure. The Office of the Public Defender submitted testimony in opposition.

Your Committee finds that health care workers face a high level of risk of work-related assaults and threats stemming from several factors, including the increasing presence of handguns and other weapons among patients, their families, and friends. The Healthcare Association of Hawaii cited one national study that revealed in a ten year period, one hundred and six occupational violence-related deaths occurred among pharmacists, physicians, registered nurses, nurses' aides, and health care workers in other occupational categories. Violence and threats are also a problem among emergency medical service personnel. Many of the threats are the result of mental illness, emotional distress, lack of the provider's medical capabilities, drug or alcohol abuse, or a manifestation of a medical condition. This measure will promote awareness and act as a deterrent to help ensure the safety of health care workers.

Your Committee has amended this measure by making technical, non-substantive amendments for 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. 1310, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1310, 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 (Tsutsui).

SCRep. 412 Health on S.B. No. 115

The purpose of this measure is to appropriate funds to the Department of Health to provide cost-effective medical care for uninsured Hawaii residents.

The Healthcare Association of Hawaii and Hawaii Primary Care Association submitted testimony in support of this measure. The Department of Health submitted comments.

Your Committee finds that approximately ten percent of the population of the State has no public or private health insurance. As the Healthcare Association of Hawaii testified, nonprofit, community-based, health care centers in particular have proven to be effective in providing comprehensive primary care services to residents of poor and disadvantaged communities. This measure appropriates funds that will enable these providers to serve Hawaii's relatively large population of uninsured 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. 115 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 (Tsutsui).

SCRep. 413 Health on S.B. No. 1469

The purpose of this measure is to establish a surcharge for each marriage license granted for additional benefit and compensation for non-civil service agents who issue the licenses.

The Department of Health submitted comments.

Your Committee finds that the current benefit and compensation rate for a non-civil service marriage license agent is nine dollars per license. This rate has not changed since 1998. The legislature finds that the current benefit and compensation is insufficient to meet the operating costs of an agent. This measure will increase the benefit and compensation for a non-civil service agent and ensure that these services remain readily available to people throughout 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. 1469 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 (Hanabusa, Whalen).

SCRep. 414 Health on S.B. No. 1624

The purpose of this measure is to exempt physicians licensed in the State of Hawaii from the requirement of obtaining preauthorization prior to treating Medicaid recipients suffering from human immunodeficiency virus, acquired immune deficiency virus, hepatitis C, or transplant patients in need of immunosuppressives.

Testimony in support of the measure was received from the National Association of Hepatitis Task Forces, the Hepatitis Hale Treatment & Support Program and the Hepatitis Prevention, Education, Treatment, and Support Network of Hawaii, and two individuals. Testimony in opposition to the measure was received from the Department of Human Services.

Your Committee finds that the present requirement of preauthorization in order to treat a Medicaid patient suffering from human immunodeficiency virus, acquired immune deficiency virus, hepatitis C, or being a transplant patient in need of immunosuppressives, hinders the ability of a physician to quickly respond to the sometimes rapidly deteriorating health of a patient afflicted with these illnesses and conditions. Your Committee also finds that a preauthorization exemption for physicians licensed in this State will allow these physicians to promptly respond to the medical needs of these patients and will afford them the flexibility to tailor medication treatment to meet patients' needs.

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. 1624 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, 1 (Tsutsui).

SCRep. 415 (Joint) Media, Arts, Science and Technology and Transportation and Government Operations on S.B. No. 33

The purpose of this measure is to implement a statewide telecommuting policy for state employees in order to reduce Hawaii's dependence on fossil fuel, significantly reduce traffic congestion on Hawaii's roadways, and afford Hawaii residents more time with their families.

Your Committees received comments regarding this measure from the Department of Human Resources Development, which supports the intent of the measure.

Your Committees heard testimony that the Department of Human Resources Development has implemented alternative measures to help achieve the same goals as telecommuting, while affording employees more time with their families, by promoting flexibility in employees' work schedules through an alternative workweek program and flexible working hours policy and procedure for full-time and part-time employees. Your Committees find that the Department of Human Resources Development's strategies are a good first step to reaching the stated goals. Your Committees believe that adopting a statewide telecommuting policy will expedite the reduction of Hawaii's dependence on fossil fuel, reduce traffic congestion, and support Hawaii's families.

Your Committees have amended this measure by transferring its provisions to chapter 78, Hawaii Revised Statutes, in order to apply to all state employees and by deleting subsection (c) on rulemaking as it is unnecessary. Your Committees also have amended this measure by making technical, non-substantive amendments for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 33, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 33, 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, English, Kanno).

SCRep. 416 (Joint) Media, Arts, Science and Technology and Transportation and Government Operations on S.B. No. 1547

The purpose of this measure is to authorize the Governor to establish a fair access commission and to require the fair access commission and the joint legislative access committee to review, evaluate, and make recommendations for improving the level of access by neighbor island and rural Oahu residents.

Your Committees received testimony in support of this measure from Citizen Voice.

Your Committees find that although a centralized government provides for efficient coordination of state functions and services, information accessibility for neighbor island and rural Oahu residents remains an ongoing challenge. A statewide fair access commission was last convened in 1989, and your Committees believe that the commission will prove useful again. Your Committees further believe that this commission, working in conjunction with the joint legislative access committee, would ensure fair access to legislative proceedings and information for all of Hawaii's communities, including neighbor island and rural Oahu residents.

Your Committees have amended this measure by adding fair access to the judiciary, subject to public access limitations as provided in chapter 92F, Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1547, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1547, S.D. 1, and be referred to the Committees on Judiciary and Hawaiian Affairs and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Baker, English, Kanno).

SCRep. 417 Transportation and Government Operations on S.B. No. 608

The purpose of this measure is to require every physician and surgeon attending or treating a traumatic injury to report that injury to the police if the injury was caused in a motor vehicle collision resulting in serious injury or death.

Your Committee received testimony in support of this measure from the Honolulu Prosecuting Attorney, Honolulu Police Department, and The Queen's Medical Center. Testimony in opposition was received from the Board of Medical Examiners.

Section 453-14, Hawaii Revised Statutes, mandates the reporting of certain suspicious injuries or wounds by physicians or surgeons to the police. This measure would add the reporting of those kinds of injuries as a result of a motor vehicle collision resulting in serious injury or death. The information required to be reported is the name of the injured person, description of the nature, type, and extent of the injury, and other pertinent information useful to the police.

This measure is an outgrowth of concerns raised about the privacy prohibitions in the federal Health Insurance Portability and Accountability Act (HIPAA) and the possibility of liability for disclosure of information. Your Committee notes that HIPAA already provides an exemption for the release of health care or medical information for legitimate law enforcement purposes.

The information sought by law enforcement is extremely critical, particularly in cases involving motor vehicle crashes where evidence of drug or alcohol use is necessary to prove impaired driving and negligent homicide cases.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 608 and recommends that it pass Second Reading and be referred to the Committees on Commerce, Consumer Protection, and Housing and Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Kanno).

SCRep. 418 Transportation and Government Operations on S.B. No. 773

The purpose of this measure is to provide protections to law enforcement officers when they are engaged in civil defense functions of protecting vital facilities, critical infrastructure, or public properties from a potential or actual terrorist threat or act, or by engaging in operations or otherwise responding to any potential or actual terrorist threat or act.

Your Committee received testimony in support of this measure from the State Department of Defense and Hawaii County Police Chief.

Under current law, law enforcement officers engaged in civil defense are not afforded the same protections as members of the state militia, National Guard, active duty military, and Coast Guard even though they are asked to engage in the same role in a civil defense function.

Your Committee believes that law enforcement officers need to have the same protections and immunities as the National Guard enjoys during the exercise of civil defense functions. It is well known that police are the first responders and are on the scene even before the National Guard is called in.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 773 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 (Baker, Kanno).

SCRep. 419 Transportation and Government Operations on S.B. No. 1343

The purpose of this measure is to require all emergency shelters in the State to be in compliance with recommended Federal Emergency Management Agency (FEMA) hurricane standards for doors and windows.

Your Committee received testimony in support of this measure from the State Department of Defense (DOD), Oahu Civil Defense Agency, and Select Building Products Hawaii, LLC.

The primary objective for providing community shelters is ensuring the safety of the occupants within the shelters, most commonly in hurricanes. FEMA has conducted studies to determine design parameters for shelters intended to provide protection from tornadoes, hurricanes, and other extreme wind events. FEMA has found that, to a large extent, wind damage and building failure are preventable

through compliance with up-to-date building codes and engineering standards and the use of construction techniques proven to minimize wind damage.

Testimony on this measure indicates that windows and doors are the most important elements of a shelter. Secure windows and doors prevent the roof from flying off, causing flying debris. Your Committee notes the recommendation of the DOD that this measure be amended to change the FEMA standards to "modern standards". FEMA standards are more stringent than modern standards. However, your Committee is not satisfied with the vague terminology of "modern standards" that could mean anything. Your Committee encourages the DOD to rework the language as this measure continues through the legislative process.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1343 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. 420 Transportation and Government Operations on S.B. No. 1477

The purpose of this measure is to make an appropriation to the Department of Labor and Industrial Relations to develop a feasibility study for a Hawaii state fire and emergency training facility.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations.

Your Committee finds that it is imperative that Hawaii's first responders be adequately trained and prepared to respond to terrorist attacks. The proposed study would develop a needs assessment, operations plan, cost-benefit analysis, and site requirements. The study would also make recommendations concerning specialized training that is not currently provided by county fire departments. This training includes urban search and rescue operations, hazardous materials handling and disposal, weapons of mass destruction detection and safety protocols, and combating terrorism.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1477 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. 421 (Joint) Energy, Environment, and International Affairs and Health on S.B. No. 680

The purpose of this measure is to clarify an ambiguity caused by the current language in section 342H-30(c), Hawaii Revised Statutes, which inadvertently may be read to apply to solid waste of less than one cubic yard.

Testimony in support of the measure was received from the Department of Health, which indicated that it was working with the Attorney General on this matter. The Attorney General supported the measure and offered proposed amendments.

Your Committees find that the measure clears up an ambiguity caused by the current language in section 342H-30(c), Hawaii Revised Statutes, regarding the amount of solid waste that is subject to the prohibitions of that section. Your Committees also find that the proposed amendments offered by the Attorney General to remove the criminal offense from section 342H-30 and create a new section for it, thus distinguishing between civil enforcement and criminal prosecution, offer further clarity. Your Committees find that the proposed amendments offered by the Attorney General address the concern for greater clarity in the solid waste control law.

Your Committees have amended the bill by moving all criminal penalties into a new, separate petty misdemeanor section.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 680, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 680, 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, 2 (Hemmings, Whalen).

SCRep. 422 (Joint) Higher Education and Health on S.B. No. 116

The purpose of this measure is to establish a nursing scholars program to attract baccalaureate-prepared nurses into master's and doctoral programs that will prepare them for academic careers in nursing.

Your Committees received testimony from the University of Hawaii School of Nursing and Dental Hygiene, Hawaii Government Employees Association, The Queens Medical Center, and Healthcare Association of Hawaii. The Department of Taxation provided comments.

This measure is intended to encourage baccalaureate-prepared nurses to enter graduate programs by providing the financial security to allow them to decrease the amount of paid work they undertake while in the program. This will not only decrease financial worries, but will empower students to be successful.

Nurses are primary caregivers of patients in settings such as hospitals and long-term care facilities, so a nurse shortage will be damaging to health care quality. It is imperative for a sufficient number of Hawaii residents to be educated to become nurses.

Hawaii's registered nurse workforce is aging. The 2005 projected shortage of registered nurses is 1,518, and this is expected to grow to 2,267 by 2010.

Providing assistance to students is an important part of a multifaceted response to the nursing shortage. This measure provides an incentive and added opportunity for men and women of the State to enter a graduate nursing program which will give them the educational preparation to teach nurses.

Your Committees find that the shortage of registered nurses will threaten the health and welfare of Hawaii's citizens. Hawaii's nursing schools are turning away applicants. One of the primary reasons for this is a lack of qualified faculty. The faculty shortage is attributed to various factors, such as limited financial incentives to pursue a career in nursing education, a need to maintain one's income while pursuing a graduate degree, and significant tuition and loan expenses for students who pursue graduate studies in nursing. Increasing faculty positions is an essential step towards training the next generation of nurses and reversing the nursing shortage.

Your Committees further find that it is necessary to increase the number of qualified nursing faculty to meet the demand for registered nurses in the next decade. It is necessary to increase the number of graduate students pursuing master's degrees and doctoral degrees in nursing so that they may become qualified nursing educators upon completion of their advanced degrees.

Your Committees have amended this measure by deleting the duplicate appropriation and expending agency sections. Your Committees did not appropriate funds at this time.

As affirmed by the records of votes of the members of your Committees on Higher Education and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 116, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 116, 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, 2 (Hanabusa, Trimble).

SCRep. 423 Labor on S.B. No. 54

The purpose of this measure is to allow any elective officer who attains the age of sixty-five to retire and receive a service retirement allowance while continuing to fill an elective position.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, the Hawaii State Teachers Association, one Honolulu City Council member, one Kauai County Council member, and two Maui County Council members. The Employees' Retirement System submitted comments on this measure.

Your Committee finds that under the current law, only members of the Legislature are eligible to receive pensions upon attaining the age of sixty-five while continuing to serve in elective positions. However, no similar right is afforded to the executive branch or to elected officials at the county level. Your Committee determines that in order to provide parity among elected officials throughout the State, this same right should be extended to include all elective officers, as defined under section 88-21. This amendment to the law will serve to provide equity as well as attract a more diverse group of candidates for elected public service.

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 S.B. No. 54, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 54, 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, 1 (Taniguchi).

SCRep. 424 (Majority) Higher Education on S.B. No. 1538

The purpose of this measure is to propose amendments to article X, section 6, and article XVIII of the Constitution of the State of Hawaii to modify the University of Hawaii Board of Regents' appointment process.

Your Committee received testimony in support of the measure from the University of Hawaii Professional Assembly.

The present system of direct nomination of members of the Board of Regents by the Governor has the potential for being overly political and thus interfering with the desire of the Legislature to increase the autonomy of the University of Hawaii system. The system of nomination could be considerably improved by narrowing the choice of nominees to a list of individuals who have been carefully chosen by a knowledgeable nominees evaluation commission of the Board of Regents.

Your Committee finds that there is a need for a constitutional amendment for the modification of the appointment process of the Board of Regents. Your Committee further finds that this measure will provide the University of Hawaii with greater autonomy to attain its long-range objectives, strengthen the selection process for regents, and provide an independent screening body to assist in identifying outstanding candidates.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1538 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 (Trimble). Excused, 1 (Chun Oakland).

SCRep. 425 Higher Education on S.B. No. 1399

The purpose of this measure is to make an appropriation of funds to improve safety and security measures on all of the University of Hawaii (UH) campuses.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, University of Hawaii Student Caucus, Parents and Friends of the University of Hawaii at Manoa, and one individual. The University of Hawaii supports the intent of the bill.

Your Committee finds that, in order to encourage and foster academic achievement and personal growth, the UH campuses must remain safe and productive environments. Safety and security issues have been long standing concerns on UH campuses statewide. With the growth of the university system, an increase in crimes against persons and property has become a concern. Your Committee believes that, in order to encourage and foster academic achievement and personal growth, all of the campuses within the UH system must remain safe and productive environments.

Approval of this measure will help address problems on all the campuses of the University that make students feel intimidated, apprehensive and afraid. The University must promptly reduce, and in the longer term, end property crimes, assaults and other serious incidents in order to create a safe and secure campus.

Your Committee has amended this measure by making an appropriation of \$200,000 for improvements to safety and security on all campuses of the UH system.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1399, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1399, 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 (Chun Oakland, Trimble).

SCRep. 426 (Majority) Higher Education on S.B. No. 1257

The purpose of this measure is to establish a candidate advisory council to screen and propose candidates for appointment to the Board of Regents of the University of Hawaii.

Your Committee received testimony in support of the measure by the University of Hawaii Professional Assembly and the University of Hawaii Student Caucus.

The present system of direct nomination of members of the Board of Regents by the Governor has the potential for being overly political and thus interfering with the desire of the Legislature to increase the autonomy of the University of Hawaii system. The system of nomination could be considerably improved by narrowing the choice of nominees to a list of individuals who have been carefully chosen by a knowledgeable candidate advisory council representing diverse interests and concerns of the people of Hawaii relative to their public university system.

This measure is intended to establish a candidate advisory council to assist the Governor in determining criteria for, screening of, and proposing qualified candidates for membership on the board. The advisory council would recommend two to four candidates for each place on the Board of Regents within thirty days of a vacancy occurring. The Governor would select one nominee from that list. The advisory council would have to follow specified criteria for candidate qualifications.

Your Committee has amended this measure by:

- (1) Changing the number of members to serve on the advisory commission from eleven to twelve and adding a representative from the Hawaii Government Employees Association Bargaining Unit 8; and
- (2) Changing the University of Hawaii's student government name from the Associated Students of the University of Hawaii to the Systemwide Student Association, to reflect the new name of that entity.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1257, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1257, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (Trimble). Excused, none.

SCRep. 427 (Majority) Higher Education on S.B. No. 1256

The purpose of this measure is to propose an amendment to article X, section 6, of the Constitution of the State of Hawaii to modify the University of Hawaii Board of Regents' appointment process.

Your Committee received testimony in support of the measure from the University of Hawaii Professional Assembly, Hawaii Government Employees Association Bargaining Unit 8, the University of Hawaii Student Caucus, and one individual.

The present system of direct nomination of members of the Board of Regents by the Governor has the potential for being overly political and thus interfering with the desire of the Legislature to increase the autonomy of the University of Hawaii system. The system of nomination could be considerably improved by narrowing the choice of nominees to a list of individuals who have been carefully chosen by a knowledgeable candidate advisory council.

Your Committee finds that modifying the selection process for the Board of Regents as provided in this measure will increase the regents' autonomy, modernize the University's governance, and strengthen the selection process by providing an independent screening body to identify outstanding candidates.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1256 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, 1 (Trimble). Excused, none.

SCRep. 428 Higher Education on S.B. No. 905

The purpose of this measure is to consolidate fifteen existing special and revolving funds into four new special funds and modify another.

The University of Hawaii testified in support of this measure.

The University of Hawaii has over forty special and revolving funds systemwide. This measure repeals fifteen of those funds and transfers the balance into five special funds. The five special fund accounts will then continue to receive revenue from the originating purposes. The University further stated that this measure supports certain recommendations made by the Auditor in her 2004 report, "Review of Revolving Funds, Trust Funds, and Trust Accounts of the Department of the Attorney General, the Department of Business, Economic Development and Tourism, and the University of Hawaii."

Your Committee expressed concern that programs previously benefiting from the revenue generated will not have access to their funds under the new consolidated special fund account. In response, University officials stated that internal accounts will be maintained to identify revenue attributed to specific programs. The University believes that consolidation of these individual accounts will lead to increased efficiency and lower the administrative cost of managing multiple special and revolving funds.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 905 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 (Chun Oakland).

SCRep. 429 (Joint/Majority) Higher Education and Labor on S.B. No. 1402

The purpose of this measure is to prohibit fringe benefits costs from being calculated in the University of Hawaii budget.

Your Committees received testimony in support of the measure from the University of Hawaii. Your Committees received testimony in opposition to the measure by the Department of Budget and Finance.

Your Committees find that the fringe benefits for the University of Hawaii personnel should be calculated as part of its budget. The University of Hawaii testified that it could not reconcile the amount of fringe benefits charged to their budget and argued that inclusion of this amorphous amount created the incorrect perception that their budget had been increasing over time. Your Committees are concerned about the impact that inclusion of fringe benefit costs have on the University budget.

As affirmed by the records of votes, with two reservations and one nay, of the members of your Committees on Higher Education and Labor, that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1402 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 (Slom). Excused, none.

SCRep. 430 (Joint/Majority) Education and Military Affairs and Labor on S.B. No. 1636

The purpose of this measure is to establish annual increment salary increases for teachers and creates a comprehensive evaluation process for teachers.

The Department of Education submitted testimony in support of the measure. The Department of Budget and Finance and Hawaii State Teachers Association submitted testimony in opposition.

Your Committees find that in order to successfully retain qualified and quality educators, the Department of Education should offer competitive incentives. Furthermore, to ensure a quality educational system, staff evaluation and teacher improvement is an essential element. This measure provides necessary programs to improve both teacher retention and recruitment, as well as the educational system as a whole.

Upon further consideration, your Committees have amended the measure to:

- (1) Include language to require teachers to receive their normal annual increase except as provided by law;
- (2) Provide a 3.14% annual increment for teachers who earn less than \$50,000 and have completed a year's satisfactory service;
- (3) Establish that teachers with an annual salary of \$50,000 or more with positive evaluations shall automatically receive a 3.14% biannual increment; and
- (4) Change the effective date to July 1, 2020.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1636, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1636, 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, 2 (Chun Oakland, Hooser).

SCRep. 431 (Joint) Education and Military Affairs and Human Services on S.B. No. 1634

The purpose of this measure is to expand early childhood education facilities.

Specifically, this measure would:

- (1) Require the Department of Education to use empty classrooms and identify construction sites for early childhood education facilities;
- (2) Authorize the department to inspect early childhood education facilities;
- (3) Request studies on the progress of various early childhood education programs and the age limits for public school junior kindergarten; and
- (4) Appropriate funds.

Testimony in support of this measure was submitted by the Department of Education, Department of Human Services, Hawaii State Teachers Association, Good Beginnings Alliance, and Hawaii Association for the Education of Young Children. The Legislative Reference Bureau submitted comments.

Your Committees find that there has been a great demand for early childhood education facilities. As more parents become aware of the importance of preschool education, the demand for programs and facilities will increase further. There are a variety of options available for parents to send their children to early childhood education programs. However, no matter which program is chosen, it is of critical importance to ensure that the facilities are safe and conducive to learning. This measure will assist in the improvement and further development of early childhood education.

Upon further consideration, your Committees have amended this measure to include the following provisions:

- (1) Adding the Hawaii Association of Independent Schools and Good Beginnings Alliance to the task force;
- (2) Providing the foundation for a future office of early education;
- (3) Studying the feasibility of required pre-kindergarten;

- (4) Directing the Department of Human Services to work with the counties on streamlining the permitting process for early education facilities; and
- (5) Adding an appropriation section for Department of Education facilities renovations and classroom supplies.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1634, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1634, 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 (Ihara, Kokubun).

SCRep. 432 Education and Military Affairs on S.B. No. 1663

The purpose of this measure is to establish a per pupil allocation funding mechanism based on the consolidated annual financial report plus known, quantifiable supplemental requirements to new century charter schools. This measure also appropriates funds for the per pupil allocations.

Testimony in favor of the measure was submitted by the Charter School Administrative Office, Kualapuu Elementary School, Waimea Middle School, Halau Ku Mana, Kamehameha Schools, and Hookakoo Corporation. The Department of Education and Governor submitted comments.

Your Committee finds discrepancies in the funding of new century charter schools. Inappropriate figures reported at the Department of Budget and Finance inadvertently reduced appropriations to the charter schools. As a result, charter schools did not receive funding for fringe benefits and increases in collective bargaining. This measure will allocate sufficient funding to charter schools comparable to regular public schools to provide all public students with equitable resources.

Upon further consideration, your Committee has amended this measure by requiring, rather than allowing, the Legislature to make additional quantifiable appropriations to the charter schools.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1663, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1663, 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 (Chun Oakland).

SCRep. 433 (Joint) Education and Military Affairs and Human Services on S.B. No. 38

The purpose of this measure is to appropriate funds to non-school hour programs for children or youth enrolled in school.

Testimony in support of the measure was submitted by the Department of Education, Office of Youth Services, and Blueprint for Change. The Department of Human Services submitted testimony in opposition to the measure.

Your Committees find that the State lacks sufficient options for non-school hour structured programs and activities for students in grades six to eight. Structured learning environments and social activities during non-school hours, while parents or guardians may still be at work, are valuable programs that strengthen protective factors for youth.

Your Committees believe that providing optional quality non-school hour programs should be open to all youth regardless of their educational situation. Therefore, this measure has been amended to include:

- (1) Provisions to allow home school students to participate in extracurricular activities in public schools;
- (2) Establishment of a task force to review the State's after-school activities programs; and
- (3) \$4,000,000 each for the Department of Education, Office of Youth Services, and the counties for non-school hour programs.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 38, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 38, 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 (Ihara, Kokubun).

SCRep. 434 Commerce, Consumer Protection and Housing on S.B. No. 763

The purpose of this measure is to authorize the payment of a flat fee to a physician who serves on an external review panel that reviews health coverage disputes.

The Department of Commerce and Consumer Affairs testified in support of this measure. The Hawaii Medical Service Association presented comments on the measure.

The Patients' Bill of Rights and Responsibilities Act, codified in chapter 432E, Hawaii Revised Statutes, established external review panels to review health coverage disputes. The three-member panels include a physician licensed to practice medicine in the State. Participation on the panel requires physicians to take time off from their medical practices for anywhere from four to eight hours, and this loss of work time is a disincentive for participation.

This measure establishes an incentive for a physician to serve by authorizing payment of a flat \$400 fee. Your Committee finds that this fee will help to encourage broader participation by the medical community and promote more diverse representation on the panels. Your Committee further finds that, with typically fewer than twenty-five hearings scheduled per year, the total annual cost of the fee payment is not expected to exceed \$10,000.

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. 763, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 763, 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 (Espero, Sakamoto).

SCRep. 435 Commerce, Consumer Protection and Housing on S.B. No. 770

The purpose of this measure is to replace the current law regulating mortgage brokers and solicitors with a new regulatory program that transfers oversight of the mortgage brokering industry within the Department of Commerce and Consumer Affairs from the Professional and Vocational Licensing (PVL) Division to the Division of Financial Institutions (DFI).

The Department of Commerce and Consumer Affairs, Hawaii Bankers Association, Mortgage Bankers Association of Hawaii, and Hawaii Association of Mortgage Brokers testified in support of this measure. Hawaii Lending Specialists, Commercial and Business Lending, Donald Lau Mortgage Broker, Inc., Cendant Timeshare Resort Group, and Primerica Financial Services Home Mortgages, Inc. testified in opposition to the measure. The Hawaii Financial Services Corporation presented comments on the measure.

This measure repeals chapter 454, Hawaii Revised Statutes, the law regulating the practice of mortgage brokering and mortgage soliciting, and replaces it with a new law that regulates mortgage brokers only and places the program under the jurisdiction of DFI, rather than PVL. The program's key provisions require licensing of mortgage brokers, establish pre-licensing and periodic examination requirements, mandate continuing education for licensees, increase bonding requirements, require compliance with federal and state lending laws, and establish mandatory disclosure requirements.

Your Committee finds that this measure proposes broad changes in the regulation of mortgage brokering that have raised concerns among those it proposes to regulate. Testimony received from your Committee indicated that some of the measure's provisions are ambiguous, overlap with federal law, and may have unintended consequences resulting in overly broad penalties and restricted practices.

Your Committee further finds that the proposed regulatory scheme warrants a more detailed review and discussions between DFI and members of the industry, and, therefore, the parties should convene during the legislative interim to develop enabling legislation for consideration by the 2006 Legislature.

Additionally, and in consideration of the above, any changes effected this session to the current regulatory program should be narrowly drawn, pending further review of the proposed new law. Accordingly, your Committee has amended this measure by replacing its contents with language that, rather than establishing a new regulatory program, transfers jurisdiction of the current program from PVL to DFI by:

- (1) Redefining "mortgage commissioner" or "commissioner" to mean the Commissioner of Financial Institutions, rather than the Director of Commerce and Consumer affairs;
- (2) Requiring an applicant for a mortgage broker or solicitor license to register with the Commissioner of Financial Institutions, rather than with the Business Registration Division; and
- (3) Authorizing the Commissioner of Financial Institutions, rather than the Director of Commerce and Consumer Affairs, to establish regulatory fees applicable to mortgage brokers and solicitors.

Your Committee has also amended this measure to take effect on July 1, 2006, rather than July 1, 2005.

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. 770, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 770, 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 (Ige, Sakamoto).

SCRep. 436 Commerce, Consumer Protection and Housing on S.B. No. 801

The purpose of this measure is to repeal the Kalapana Disaster Relief Program.

The Department of Human Services testified in support of the measure. The County of Hawaii opposed the measure. The Hawaii County Economic Opportunity Council submitted comments.

The Kalapana Disaster Relief Program was established in 1991 to provide low-interest acquisition, home construction, and mortgage loans to Kalapana residents who were dispossessed of their homes and land by the Kilauea eruptions. One mortgage loan was made under the program and this loan has since been paid off. Therefore, this measure repeals the program.

Your Committee has amended this measure to include an appropriation of \$350,000 for each year of the 2005-2007 fiscal biennium to the Kikala-Keokea Revolving Fund. The Fund was established in 2001 to provide low-interest home construction loans to displaced Kalapana residents with long-term leases on ceded lands in the Kikala-Keokea homestead area. Your Committee finds that this measure supports home ownership and preservation of native culture and rights.

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. 801, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 801, 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 (Espero, Sakamoto).

SCRep. 437 (Joint) Commerce, Consumer Protection and Housing and Human Services on S.B. No. 1198

The purpose of this measure is to establish a state policy to develop and provide affordable housing for grandparents raising children.

Testimony in support of this measure was submitted by the Kokua Council and two individuals. The Office of Planning and the Housing and Community Development Corporation of Hawaii submitted testimony in opposition to this measure.

The Hawaii State Planning Act provides general objectives and policies for housing based on both income and community needs. However, your Committees find that the provisions in the state plan are not specific enough to address the growing housing needs of grandparents who raise children. This measure amends the Hawaii State Planning Act to create specific objectives and policies to develop affordable and adequate housing for families with children being raised by grandparents.

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 are in accord with the intent and purpose of S.B. No. 1198 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 (Espero, Ihara, Sakamoto, Trimble).

SCRep. 438 (Joint) Commerce, Consumer Protection and Housing and Human Services on S.B. No. 1717

The purpose of this measure is to require full reimbursement of costs to agencies that provide shelter to the homeless under the Housing and Community Development Corporation of Hawaii's homeless shelter stipend program.

The Hawaii Youth Services Network and an individual testified in support of this measure. The Housing and Community Development Corporation of Hawaii opposed the measure.

Your Committees find that stipend payments made by the State to provider agencies under a contract to provide emergency and transitional shelter to homeless families and individuals do not fully reimburse the agencies' costs. This measure would require full reimbursement.

Your Committees further find that current funding levels for the State's homeless shelter stipend program do not support full reimbursement to providers and that this requirement would force the State to terminate some of its shelter contracts.

Your Committees have amended this measure by replacing its contents with language that appropriates funds for homeless shelter stipend payments.

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 are in accord with the intent and purpose of S.B. No. 1717, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1717, 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 (Espero, Ihara, Sakamoto, Trimble).

SCRep. 439 Commerce, Consumer Protection and Housing on S.B. No. 1805

The purpose of this measure is to require the convening of a committee to develop legislation to bifurcate the public housing administration and housing finance and development functions of the Housing and Community Development Corporation of Hawaii (HCDCH), and to establish the functions in two separate agencies.

The Hawaii Association of Realtors, Pacific Housing Assistance Corporation, and Hawaii Community Reinvestment Corporation testified in support of this measure. The Housing and Community Development Corporation of Hawaii submitted comments on the measure.

One of the recommendations made by the Affordable Housing Task Force created pursuant to Senate Concurrent Resolution No. 135, Senate Draft 1 (2004) was to separate HCDCH into two agencies, one whose function was to administer public housing in the State, and another responsible for housing finance and development. One of the Task Force's working groups found that only Alaska and Hawaii have a combined housing finance and public housing agency and concluded that the operations of a combined agency are cumbersome, inefficient, and slow the allocation of resources for the production of new housing units.

This measure establishes a committee of representatives from government, housing developers, financial institutions, the real estate industry, affordable housing advocacy groups, and other stakeholders in the State's affordable housing situation to develop legislation to effectuate the Task Force's recommendation of separating HCDCH into two separate entities. The committee is required to make recommendations on organizational structure and functions, staffing and budgetary needs, and develop an implementation timeline that targets a January 2007 operational date for the two agencies. This measure further requires a report to the 2006 Legislature and appropriates funds for the committee's operations.

Your Committee has amended this measure:

- (1) To include HCDCH on the committee's membership;
- (2) To identify the Department of Human Services, rather than HCDCH, as the expending agency for the appropriation; and
- (3) By making technical, stylistic 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. 1805, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1805, 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 (Espero, Sakamoto).

SCRep. 440 Commerce, Consumer Protection and Housing on S.B. No. 1852

The purpose of this measure is to authorize the issuance of general obligation bonds for the repair, renovation, and construction of low-income housing.

This measure also requires the Housing and Community Development Corporation of Hawaii (HCDCH) to repair all vacant low-income units by December 31, 2008.

Testimony in support of this measure was submitted by the Affordable Housing and Homeless Alliance and two individuals. Testimony in opposition to this measure was submitted by HCDCH.

Your Committee finds that currently, the supply of local low-income housing is far outweighed by the demand. A waiting period of two to five years currently exists for both state and federal low-income housing projects. Your Committee further finds that there are many vacant state and federal low-income housing units within the State; however, many of them are also uninhabitable. Your Committee believes that if these units were repaired and renovated, they could be made available to house those individuals who have been placed on waiting lists. This measure provides for the financing of necessary repairs and renovations through the authorization of the issuance of general obligation bonds and the application of federal capital fund program grants administered by the U.S. Department of Housing and Urban Development (HUD). Grant moneys from HUD are designated for improvements to federal low-income housing units, including the redesign, reconstruction, and reconfiguration of public housing projects, reduction of vacancies, and the demolition and replacement of existing low-income housing units.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1852, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1852, 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 (Ige).

SCRep. 441 Health on S.B. No. 1100

The purpose of this measure is to permit only registered pharmacists to dispense, distribute, or sell pseudoephedrine, an over-the-counter cold remedy that is increasingly used in the clandestine manufacture of crystal methamphetamine, or “ice.”

This bill would also require that pseudoephedrine be displayed and stored behind the counter under the direct supervision of a registered pharmacist, permit the registered pharmacist to dispense, distribute, or sell not more than six grams of pseudoephedrine to an individual within any thirty day period, except by prescription, and similarly limit the amount of pseudoephedrine a customer may purchase. The bill would also require purchasers to produce identification prior to a purchase of pseudoephedrine and require the pharmacist to keep a log of purchases made.

Your Committee received testimony in support of this measure from the Community Work Day Program and eleven private individuals. Testimony supporting the intent of the bill, but requesting amendments, was provided by the State Drug Control Liaison, the Interim Director of Public Safety, the Hawaii Pharmacists Association, and Kaiser Permanente. The Board of Pharmacy and Longs Drugs provided comments and suggested amendments. Testimony in opposition to the bill was received from Legislative Information Services of Hawaii, the Hawaii Food Industry Association, Times Super Market, the Community Alliance on Prisons, and a private individual.

Your Committee finds that, in the course of Hawaii’s ongoing “ice” epidemic, there has been an increase in complaints of suspicious odors produced by individuals manufacturing illicit drugs like crystal methamphetamine in clandestine laboratories. The latest generation of these makeshift laboratories is easily set up in kitchens, garages, apartments, and hotel rooms where they pose a serious threat of fire, explosion, toxic pollution, and exposure to deadly chemicals and gases. These laboratories have a severe impact on our community, the most devastating of which is the abuse and neglect of children.

Your Committee further finds that pseudoephedrine has been the primary precursor chemical used to manufacture crystal methamphetamine in Hawaii and is readily available in over-the-counter cold remedies. It is diverted to these clandestine laboratories by individuals purchasing multiple boxes of these products or by stealing them off the shelves of retail stores. Over thirty states and the United States Congress are considering or have acted to place over-the-counter pseudoephedrine products behind the counter or to limit the quantity that a customer can purchase in a single retail transaction, or both.

Presently, Hawaii’s law on the sale and distribution of over-the-counter pseudoephedrine or combination products is less stringent than federal law and contains a loophole that permits individuals hired by street chemists to obtain these products and later sell them to individuals who use them to manufacture methamphetamine. By contrast, in 2004, Oklahoma enacted a new pseudoephedrine regulation that contains four critical components:

- (1) Removal of pseudoephedrine products from all retail shelves (by addition to the list of Schedule V controlled substances);
- (2) Limit on sales of pseudoephedrine products to nine grams or three packages over a thirty-day period to any single customer;
- (3) Permit sales only through a pharmacist at a licensed pharmacy, with a customer photo identification, signature, and a written record for each sale; and
- (4) Exempt certain liquid and gel-cap products containing pseudoephedrine and other products that are extremely difficult or impossible to convert to methamphetamine.

As a result of this new regulation, Oklahoma has realized a fifty to seventy per cent reduction in the incidence of methamphetamine laboratories throughout communities in that state. Not only did the regulation reduce the number methamphetamine laboratories almost immediately, but equally important, it has continued to be effective: April saw a forty-eight per cent reduction; May a fifty-one per cent reduction; June a fifty-one per cent reduction; July a fifty-five per cent reduction; and August a sixty-five per cent reduction.

At the same time, consumers do not feel inconvenienced. A 2003 study conducted by the University of Northern Iowa, Center for Social and Behavioral Research, indicated the following with regard to consumer’s retail purchases of pseudoephedrine products:

- Eighty-four per cent purchased pseudoephedrine products at least once in the past year;
- Seventy-three per cent purchased pseudoephedrine products less than six times a year;
- Ninety-five per cent purchased one package of pseudoephedrine products at a time;
- Eighty-five per cent said limiting the amount of pseudoephedrine products that could be purchased would be of little or no inconvenience and eighty-two per cent support that idea.
- Eighty-two per cent said showing identification to purchase pseudoephedrine products would be of little or no inconvenience, and seventy-nine per cent support that idea.
- Seventy-six per cent said asking a pharmacist for the pseudoephedrine products would be little or no inconvenience, and seventy-nine per cent support that idea.

The results of this study have been confirmed by the actual experience in Oklahoma, where very few complaints have been received from consumers, retailers, or pharmacists.

Accordingly, your Committee has amended the measure by:

- (1) Adding pseudoephedrine to the list of stimulant controlled substances in Schedule V;
- (2) Permitting only a registered pharmacist, or a clerk or technician under the supervision of a registered pharmacist, to dispense, sell, or distribute pseudoephedrine;
- (3) Limiting the amount of pseudoephedrine that a pharmacist may dispense, sell, or distribute and that a customer may purchase, other than by prescription;
- (4) Requiring identification of the purchaser and maintenance of a log of purchases;
- (5) Exempting liquid forms of pseudoephedrine and permitting the Department of Public Safety to exempt other products by rule; and
- (6) 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 S.B. No. 1100, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1100, 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, 1 (Tsutsui).

SCRep. 442 (Joint) Health and Human Services on S.B. No. 127

The purpose of this measure is to provide that the plans of care for developmentally disabled persons provide for “support” and not training, of persons in the licensed developmental disabilities domiciliary homes, and to require the Department of Health to determine the rate of payment for residents in licensed homes without specifying the methodology.

The Department of Health, the State Council on Developmental Disabilities, the Disability and Communication Access Board, Kona Krafts, the Arc in Hawaii, and two individuals submitted testimony in support of this measure. The Department of Human Services submitted comments.

Your Committees find that broadening the term “training” to “support” more accurately reflects the nature of residential programming. This measure also clarifies the Department of Health’s responsibility in the licensure and oversight of these homes. It also allows the Department of Health to establish a fee schedule for the reimbursement of such residential services and requires the department to set the rate of payment.

Upon further consideration and at the recommendation of the Department of Health, your Committees have amended this measure by keeping the language that determines the rate of payment for residents in the developmental disabilities domiciliary homes pursuant to section 346-53, Hawaii Revised Statutes, and added a provision that the rate of any additional subsidy payment for the reimbursement of developmental disabilities domiciliary homes services shall be determined by 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 are in accord with the intent and purpose of S.B. No. 127, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 127, 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, Kokubun, Whalen).

SCRep. 443 (Joint) Health and Human Services on S.B. No. 1482

The purpose of this measure is to appropriate funds for Bay Clinic, Inc. for the construction of a new medical building and repairs and renovations to reopen an existing building.

The Hawaii County Department of Research and Development, Bay Clinic, Inc., and Hawaii Primary Care Association submitted testimony in support of this measure. The Department of Human Services submitted comments.

Your Committees find that the County of Hawaii has the largest proportionate share of people on welfare and food stamps, and on fixed incomes such as Social Security, disability, and pensions, than the other counties. All of Bay Clinic’s health centers target the uninsured and the Medicaid population, which makes them a vital part of the health system on the island of Hawaii.

According to Bay Clinic, Inc., the Hilo Bay Clinic’s building is no longer adequate for the provision of medical services to a growing Hilo community. During the last twelve years that Bay Clinic has been in the building providing services, onsite medical visits have increased four hundred percent from three thousand visits per year in 1993 to over twelve thousand visits in 2004. In addition, the dental clinic that Bay Clinic operates in Keaau, Puna district, is taxed to capacity with low-income or uninsured Hilo, Puna, and Ka’u residents trying to access care. The dental clinic has a waiting list and a waiting period of over four months to accept a new patient with non-emergency needs. Bay Clinic proposes to construct a new building in Hilo dedicated to the provision of medical services. The current medical services building will be renovated and used for dental services.

Your Committees have amended this measure by making technical, nonsubstantive amendments for 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 are in accord with the intent and purpose of S.B. No. 1482, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1482, 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 (Kokubun, Tsutsui, Trimble).

SCRep. 444 (Joint) Health and Commerce, Consumer Protection and Housing on S.B. No. 1237

The purpose of this measure is to provide a tax credit to employers who provide health care coverage for their part-time employees at the lesser of fifty percent of premiums paid or a dollar amount per part-time employee.

Hawaii Medical Service Association submitted testimony in support of this measure. The Tax Foundation of Hawaii submitted comments.

Your Committees find that Hawaii's prepaid health care law does not require employers to provide health care coverage for their part-time employees. As a result, many workers who are not regular or full-time employees in one job but instead work a combined twenty hours or more at two or more part-time jobs are left without health care coverage. As the proponent noted, this measure strikes a fair balance between encouraging employers to do the right thing for their employees while not compelling them to do so.

Your Committees have amended this measure by making technical, non-substantive amendments for clarity and style.

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. 1237, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1237, 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 (Hanabusa, Ige, Whalen).

SCRep. 445 (Joint) Health and Commerce, Consumer Protection and Housing on S.B. No. 131

The purpose of this measure is to authorize and fund the creation of a captive insurance company by the Hawaii Health Systems Corporation to provide medical malpractice and hospital professional and general liability coverage to the Hawaii Health Systems Corporation, the Department of Health, the University of Hawaii's John A. Burns School of Medicine, and their physicians.

The Department of Health, the Department of Commerce and Consumer Affairs; Hawaii Health Systems Corporation; medical staff members of Leahi Hospital, Maui Memorial Medical Center, Kona Community Hospital, Hilo Medical Center, and Hawaii Health Systems Corporation; Healthcare Association of Hawaii; and the University of Hawaii's John A. Burns School of Medicine submitted testimony in support of this measure.

Your Committees find that the cost of medical malpractice and hospital professional and general liability coverage continues to rise and that stability in risk financing is needed for the Hawaii Health Systems Corporation, and the physicians serving this entity. The escalating costs of premiums, lack of insurers providing coverage in Hawaii, decreased limits of available coverage, and coverage restrictions, make it important to establish a captive insurance company to insure and control exposure to the liability risks of the aforementioned entity.

Upon further consideration, your Committees have amended this measure by specifying the Hawaii Health Systems Corporation only and as a five-year pilot project, and by making technical, non-substantive amendments for clarity and style.

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. 131, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 131, 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 (Hanabusa, Ige, Whalen).

SCRep. 446 Water, Land, and Agriculture on S.B. No. 1081

The purpose of this measure is to provide funding to develop an education and job training program center for the Pouhala marsh.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, a City and County of Honolulu council member, Hawaii Nature Center, and the Waipahu Community Association.

The Pouhala marsh consists of a remnant fishpond and coastal marsh located in the western lagoon of Pearl Harbor on Oahu. Over the years, the marsh has severely and significantly suffered from urban development, water pollution, and alien plant invasion. Recently, the Pouhala Marsh Ecosystem Restoration and Community Development Project has worked to restore the habitat for Hawaiian and migratory birds and to develop a comprehensive natural resources management education and training program.

However, your Committee finds that more work needs to be done to restore the marsh. This measure appropriates moneys to:

- (1) Develop an education and job training center;
- (2) Provide safe access for local high school students involved in wetland research projects;
- (3) Serve as the staging area for ongoing volunteer work programs; and
- (4) Serve as a base of operations for interns and youth job-corps participants working on research and maintenance project in the marsh.

Your Committee has amended this measure by deleting the dollar amount of the appropriation and has left it blank for the Committee on Ways and Means to determine at a later date.

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. 1081, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1081, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Hooser).

SCRep. 447 Water, Land, and Agriculture on S.B. No. 1891

The purpose of this measure is to amend the fee requirements for small boat harbors.

Testimony in opposition to this measure was submitted by Alii Nui, Aqua Lung Pacific, Expedition, Frogman Charters, Jack's Diving Locker, Lahaina Divers, Maui Dive Shop, Maui-Molokai Sea Cruises, Ocean Tourism Coalition, and Trilogy Excursions. Comments were also submitted by the Department of Land and Natural Resources.

The purpose of this measure is to require:

- (1) Owners of commercial vessels moored in state small boat harbors to pay fees of at least three per cent of their gross revenues derived from the use of the vessel; and
- (2) Fees and penalties collected through rules relating to harbors to be deposited into the Boating Special Fund.

Your Committee noted overwhelming testimony in opposition to this measure. However, all of the testimony in opposition requested that changes be made to this measure to accommodate their unique commercial boating activities industry.

Based on the testimonies received, your Committee has amended this measure by:

- (1) Requiring owners to pay a fee based on a percentage of the gross revenues derived from the use of the vessel or three per cent of the gross revenues, whichever is greater;
- (2) Expanding the types of fees and penalties that shall be deposited into the Boating Special Fund;
- (3) Inserting an effective date of July 1, 2050 to ensure further discussions on this measure; and
- (3) 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. 1891, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1891, 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, Hooser).

SCRep. 448 (Joint/Majority) Higher Education and Labor on S.B. No. 464

The purpose of this measure is to amend chapter 78, Hawaii Revised Statutes, by adding a new section that would require the Board of Regents of the University of Hawaii to pay a penalty to its employees for late payments of wage.

Your Committees received testimony in support of this measure from the University of Hawaii Student Caucus. Your Committees received testimony in opposition from the University of Hawaii.

This measure attempts to encourage the University of Hawaii to pay its employees within one pay period following the designated pay day by penalizing the University \$100 for each instance of a violation. According to the UH Student Caucus, it is not unusual for newly hired graduate students, regardless of national origin, to go for months without receiving their first pay check. These graduate students are typically hired to conduct research, serve as teaching assistants, as well as assist with other services as hired by the University.

Your Committees received testimony from the University of Hawaii that non-payment of wages typically is the result of incomplete information provided by the graduate student and other circumstances beyond the control of the University.

In recognition of the fact that the University does not deny that graduate students are paid well beyond a reasonable time frame, but claims it is something that is beyond their control, the Committee would like to encourage that a resolution be found and has amended the effective date of this bill to July 1, 2010.

As affirmed by the records of votes of the members of your Committees on Higher Education and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 464, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 464, 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 (Slom). Excused, none.

SCRep. 449 Media, Arts, Science and Technology on S.B. No. 1379

The purpose of this measure is to require a complete inventory of Hawaii's World War II bunkers and their entry into the Hawaii Register of Historic places as appropriate.

Your Committee received testimony in support of this measure from three individuals, including two World War II veterans, and comments from the Department of Land and Natural Resources.

Your Committee believes that creating an inventory of World War II bunkers is an important step toward preserving these historic structures, and remembering and honoring Hawaii's veterans. Your Committee finds that, because the State does not maintain a record of the exact number and location of its World War II bunkers, more information is required to determine the time required to conduct a survey and complete the inventory.

In order to reduce the burden on the limited staff resources of the state historic preservation division, it is your Committee's intent that the Department of Land and Natural Resources shall establish partnerships with the military, volunteer organizations, and veterans groups to complete the survey and inventory of Hawaii's World War II bunkers.

Your Committee has amended this measure by changing the effective date to July 1, 2020, for purposes of further discussion. Your Committee also has amended this measure by 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 Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1379, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1379, 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 (English).

SCRep. 450 (Joint) Media, Arts, Science and Technology and Business and Economic Development on S.B. No. 1792

The purpose of this measure is to appropriate funds to establish an international business and technology incubator program in Hawaii.

Testimony in support of this measure was submitted by the High Technology Development Corporation and one individual.

Your Committees find that the international business and technology incubator program will attract and assist foreign technology companies seeking to establish a presence in the United States by providing a one-stop service center with business formation services, merchant banking, and expert assistance throughout the public offering cycle. The incubator program also will attract corporations from China, Japan, Korea, Singapore, and other Asia Pacific nations that already are established and profitable.

Your Committees find that because the incubator is operated by an agency of the Hawaii State government, it will be more attractive to companies in China and Japan, which are accustomed to working almost exclusively with and among government entities. Hawaii also offers the advantages of location, time zone, a multi-lingual population, and quality of life that make it an attractive alternative to other locations in the United States.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1792 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 (English, Trimble).

SCRep. 451 Transportation and Government Operations on S.B. No. 590

The purpose of this measure is to clarify that when the mandatory forty-eight hour term of imprisonment for operating a vehicle under the influence of an intoxicant is added to the mandatory term of imprisonment, the total does not exceed the maximum terms of imprisonment permitted for the degree of offense.

Your Committee received testimony in support of this measure from the Honolulu Prosecuting Attorney.

This measure clears up current ambiguity in the law, which has been the subject of court rulings.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 590 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. 452 Transportation and Government Operations on S.B. No. 1387

The purpose of this measure is to make an appropriation to assist the State Civil Defense Division to add staffing to provide the state emergency operating center with an around the clock, year round watch capability.

Your Committee received testimony in support of this measure from the State Department of Defense, Honolulu Police Department, Oahu Civil Defense Agency, and Hawaiian Electric Company, Inc.

Your Committee finds that Hawaii is at risk to every conceivable natural and man-made disaster, many of which may strike at any moment with little or no advance warning. With the ongoing war on terrorism, our nation also faces the risk of terrorist attacks.

Your Committee further finds that every available minute is needed to assess potentially dangerous situations and be in a position to coordinate warnings and actions to protect lives and property. In order to strengthen Hawaii's emergency management system, the expansion of Hawaii's emergency operations is essential, including providing an around the clock, year round emergency operating center. A 24/7 operation provides the watch capability to monitor threat information and to disseminate that capability to monitor threat information and to disseminate that information, and provides early warning for natural and man-made hazards.

Currently, by agreement, the Honolulu Police Department Communications Division has provided the State since 1975 an early warning system (State Warning Point) through the 911 call center and radio dispatching. Your Committee finds that this function should rightfully belong to the State.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1387 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. 453 Judiciary and Hawaiian Affairs on S.B. No. 433

The purpose of this measure is to establish an election by mail pilot project in one or more precincts to be conducted during the 2006 federal or state primary or general election and make an appropriation for the administration and implementation of this pilot project.

The Office of Elections offered comments on the measure.

Your Committee finds that to reduce a steady three-decade decline in voter participation among Hawaii voters as well as eliminate "barriers" to voting, the Legislature must adopt and implement additional voter friendly initiatives such as voting by mail. Election by mail is used exclusively in Oregon and this program's effectiveness in getting people to vote is evidenced by Oregon's high voter participation rate, which is among the highest in the nation.

Your Committee has amended this measure so that it conforms more closely to the absentee ballot procedure and process currently utilized by the Office of Elections.

Specifically your Committee has:

- (1) Eliminated the election by mail pilot project and made this election by mail program permanent and applicable to all federal, state, county primary, general and special elections to be conducted at an unspecified future primary election date;
- (2) Established the procedures and processes for the mailing of ballot packages to eligible voters and handling undeliverable ballot packages;
- (3) Required public notice before an election by mail is conducted;
- (4) Established requirements for voting by mail, including procedures for returning the return identification envelope either by mail or at designated places of deposit;
- (5) Created procedures for obtaining a replacement ballot; and

- (6) Established the method of counting mail-in ballots.

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. 433, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 433, 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 (Hee, Ihara).

SCRep. 454 Judiciary and Hawaiian Affairs on S.B. No. 467

The purpose of this measure is to promote parity in treatment options and social service programs that are available for female offenders and female adjudicated youth in relation to their male counterparts.

Specifically, this measure:

- (1) Requires the enactment of a range of similar high quality prison-based programs for female offenders and female adjudicated youth that are offered to their male counterparts;
- (2) Enacts standards relating to the type of prison programs available for women that are responsive to the health, psychological, social, economic, and educational needs of women;
- (3) Institutes a grant-in-aid program to allow private agencies to be actively involved in the development and implementation of programs tailored specifically for female offenders and female adjudicated youth;
- (4) Imposes duties upon the Director of Public Safety regarding the implementation of the grant-in-aid program, requiring increased collaboration with women advocacy groups to ensure the success and viability of these initiatives, and providing an annual report to the Legislature on both the progress as well as issues that have arisen in the area of female offender treatment programs; and
- (5) Enacts gender responsive community-based programs for female adjudicated youth and women and makes appropriations for both programs.

Testimony in support of this measure was submitted by the Hawaii Women Lawyers, the Hawaii State Coalition Against Domestic Violence, the Hawaii Juvenile Justice Project, the ACLU of Hawaii, Ka Hale Ho'ala Hou No Na Wahine, the Community Alliance on Prisons, Hawaii Youth Services Network, the League of Women Voters of Hawaii, and ten individuals. The Department of Public Safety testified in opposition to the measure. The Hawaii Paroling Authority offered comments on the measure.

Your Committee finds that parity issues relating to the treatment and social services available for female offenders and female adjudicated youth both in prison and in the community have been ignored for far too long by Hawaii's criminal justice system. These women and young women must be given access to at least the same level of care and programs currently provided for their male counterparts in order to break the cycle of recidivism and enable them to become productive members of society.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity.

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. 467, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 467, 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. 455 Judiciary and Hawaiian Affairs on S.B. No. 824

The purpose of this measure is to make the two part-time positions of the Hawaii Paroling Authority full-time and increase the level of compensation paid to reflect this full-time status.

Testimony in support of this measure was submitted by the Hawaii Paroling Authority, two members of the Hawaii Paroling Authority, and the Department of the Prosecuting Attorney for the City and County of Honolulu.

Your Committee finds that the workload and responsibilities placed on board members of the Hawaii Paroling Authority is not only significant, but also increasing. Parole board members are responsible for setting minimum terms of imprisonment, granting parole and setting conditions for parole, determining whether to discharge an individual from parole, determining whether parole should be revoked, and making recommendations for pardons and commutations. This workload is extremely daunting and the two part-time parole board members are expected to handle these responsibilities in addition to their full-time jobs. By making these part-time positions full-time and the salary of parole board members commensurate with this full-time status, parole board members will be able to devote their full attention and energies to the various duties and responsibilities entrusted to them.

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. 824 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. 456 Judiciary and Hawaiian Affairs on S.B. No. 1551

The purpose of this measure is to enhance the administration and enforcement of the State's "Sunshine Law" codified in chapter 92, Hawaii Revised Statutes.

Specifically, this measure:

- (1) Authorizes the Office of Information Practices to be responsible for the enforcement of the Sunshine Law;
- (2) Eliminates the need to prove that an agency's final action was taken in violation of an agency's rulemaking authority or ruled in a willful manner to void the agency's final action;
- (3) Allows the Office of Information Practices to waive the fees assessed to access a government record if the Office of Information Practices determines that the waiver is in the public's interest and the costs will not unduly interfere with or disrupt the operations of the agency for which the waiver is requested; and
- (4) Modifies the appointment process for the Director of the Office of Information Practices by requiring the Judicial Council to screen and select two or more candidates for the Director position, one of whom will then be appointed by the Governor for a six-year term.

Testimony in support of this measure was submitted by the Office of Information Practices and the League of Women Voters for Hawaii. Testimony in opposition to the measure was submitted by the Department of Education and the Society of Professional Journalists-Hawaii Chapter.

Your Committee finds that the Office of Information Practices is currently responsible for administering the State's Sunshine Law, but lacks any enforcement authority. This measure would address this shortcoming. Further, this measure makes it easier to void the final action of the agency that may have been taken in violation of the Sunshine Law. The requirement that the violation be willful before a final action can be voided is changed so that proof of a violation is all that is necessary to void the agency's final action.

Your Committee also finds that costs associated with accessing a public document are prohibitive in nature and act as a "barrier" that discourages individuals with a legitimate request for the government document from accessing it based solely on financial concerns. This measure would permit the Office of Information Practices to make appropriate waivers of fees where the waiver is in the public's interest and the waiver will not disrupt the operations of the agency. Your Committee is aware of the concerns expressed by the Office of Information Practices in its testimony with respect to being responsible for the waiver of all fees. Notwithstanding the Office of Information Practices' reluctance, it is critical that the Office of Information Practices acts as the final arbiter regarding the waiver of fees to ensure a consistent and fair determination as to whether the waiver of fees is in the public interest.

Your Committee also finds that the change in the manner of appointment as well as the term of appointment for the Director of the Office of Information Practices is appropriate, given the scope and duties of that 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 is in accord with the intent and purpose of S.B. No. 1551 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 (Hee).

SCRep. 457 Judiciary and Hawaiian Affairs on S.B. No. 1781

The purpose of this measure is to appropriate funds for community-based reintegration programs for former inmates transitioning back into the community.

Testimony in support of the measure was submitted by the ACLU of Hawaii, the Community Alliance on Prisons, Victory Ohana Prison Ministries, and four individuals. The Department of Public Safety and the Hawaii Paroling Authority offered comments on the measure.

Your Committee finds that there is a lack of sufficient community-based reintegration programs available for former inmates making the transition back into the community. These programs are vital to the long-term success of these individuals in becoming productive members of society as well as helping to break the cycle of recidivism. The investment that is made into these programs is not only worthwhile, but also cost-effective when compared to the cost of incarcerating former inmates repeatedly for committing additional offenses.

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. 1781 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. 458 (Joint/Majority) Tourism and Business and Economic Development on S.B. No. 1186

The purpose of this measure is to adjust the hotel construction and remodeling tax credit to eight percent on January 1, 2006, to four percent on July 1, 2009, and to repeal the tax credit on July 1, 2012.

Testimony in support of this measure was provided by Cendant Corporation/Fairfield Resorts, Hawaii Hotel and Lodging Association, Hawaii Resort Developers Conference, the Hawaii Tourism Authority, Outrigger Hotels, ARDA-Hawaii, and the Subcontractors Association of Hawaii. Testimony in opposition to this measure was provided by the Department of Taxation. Comments were submitted by the Department of Business, Economic Development, and Tourism and the Tax Foundation of Hawaii.

Your Committees find that a tax credit is an excellent means to boost Hawaii's tourism and construction industries, and that extension of this tax credit is warranted. This tax credit will not only provide an incentive to hotel owners and contractors to remodel or build new hotels, it will also provide a wide range of employment positions that offer other opportunities for economic growth. A targeted tax credit aimed at full service hotels offers an option to offset the financial incentive of a conversion. Your Committees believe that this measure will encourage improvement and enhancement of the tourism industry, which includes improving the physical infrastructure for the comfort and enjoyment of visitors.

Your Committees have amended this measure by:

- (1) Targeting the tax credit to qualified full service hotel facilities only;
- (2) Defining qualified full service hotel facility; and
- (3) Sunsetting the hotel construction and remodeling tax credit on July 1, 2012.

As affirmed by the records of votes of the members of your Committees on Tourism and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1186, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1186, 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, 1 (Trimble). Excused, 2 (Hee, Sakamoto).

SCRep. 459 Tourism on S.B. No. 1729

The purpose of this measure is to redistribute the transient accommodations tax to facilitate the Hawaii Tourism Authority with existing and expanded programs, and to clarify the administrative authority of the Hawaii Tourism Authority.

Testimony in support of this measure was submitted by the Hawaii Hotel and Lodging Association, the Hawaii State Foundation on Culture and the Arts, and the Hawaii Tourism Authority. Testimony in opposition to this measure was submitted by the Department of Business, Economic Development and Tourism, the Department of Budget and Finance, and the Tax Foundation of Hawaii. Comments were submitted by the Department of Taxation.

Your Committee finds that the State's investment in tourism is critical to ensure that Hawaii maintains a successful and sustainable tourism industry. It is imperative that the Authority be given additional resources to effectively and efficiently implement its programs, which will contribute to an increased focus in areas such as safety and security, workforce development, communications, and state parks and trails. Your Committee believes that redistributing the transient accommodations tax will aid the Hawaii Tourism Authority to fulfill its mission and strategic plan.

Your Committee has amended this measure by:

- (1) Requiring that moneys that are placed in interest bearing accounts are in accordance with statutory securities and investment guidelines;
- (2) Allocating transient accommodations tax revenues to be deposited into the state parks special fund, the special land and development fund, a sub-account in the tourism special fund for safety and security, and the general fund;
- (3) Limiting the oversight of the Hawaii Tourism Authority's hiring of personnel by the Governor and executive agencies to times when the Authority receives general funds from the State;
- (4) Changing the date from January 1, 2002 to January 1, 2006 as the time that excess deposits in the convention center enterprise special fund are deposited into the general fund;
- (5) Repealing the transient accommodations tax trust fund; and
- (6) Changing statutory cross references to the Hawaii statewide trail and access program and to the state parks special 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 S.B. No. 1729, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1729, 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 (Espero, Hee).

SCRep. 460 Health on S.B. No. 1447

The purpose of this measure is to authorize the issuance of general obligation bonds and appropriate funds for the planning, development, and construction of a medical facility in West Maui to provide expanded urgent care, emergent/emergency care, and long-term care services.

Specifically, this bill authorizes the issuance of an unspecified amount of general obligation bonds for this purpose.

Your Committee received testimony in support of this bill from a member of the Maui County Council, Maui Memorial Medical Center, West Maui Improvement Foundation, Maui County Planning Department, Maui Land & Pineapple Company, Inc., and four individuals. Two individuals submitted comments.

Your Committee finds that a total of \$16,250,000 previously appropriated for the Kulamalu skilled nursing/intermediate care facility in the General Appropriations Act of 2003, as amended by the Supplemental Appropriations Act of 2004, will lapse as of June 30, 2006. Your Committee believes that this money, previously appropriated out of the general obligation bond fund, should be made available for the purpose of funding the planning, development, and construction of the medical facility in West Maui.

Accordingly, your Committee has amended this bill by:

- (1) Deleting reference to any specific site for the facility on page 2, lines 9-11, and replacing the reference with “on donated land”;
- (2) Adding a section that lapses the general obligation bond authorization and any funds appropriated under Act 200, Session Laws of Hawaii 2003, as amended by Act 41, Session Laws of Hawaii 2004, for the purpose of constructing the Kulamalu skilled nursing/intermediate care facility;
- (3) Inserting \$16,250,000 as the amount of general obligation bonds to be authorized for issuance and appropriating the moneys therefrom for the planning, development, and construction of the medical facility in West Maui;
- (4) Requiring the Hawaii Health Systems Corporation to partner with Maui Memorial Medical Center to carry out the project in cooperation with health care providers and other stakeholders in West Maui; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency, including appropriately re-numbering the sections of 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. 1447, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1447, 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 (Whalen).

SCRep. 461 Health on S.B. No. 1704

The purpose of this measure is to authorize the issuance of revenue bonds in a principal amount not to exceed \$22,000,000 to finance the design and construction of a nine hundred car parking facility at the Maui Memorial Medical Center.

Your Committee received testimony from two members of the Maui County Council, Healthcare Association of Hawaii, Maui Memorial Medical Center, and Hawaii Government Employees' Association in support of this measure. The Departments of Budget and Finance and Accounting and General Services both submitted testimony recommending that the measure be amended to authorize the Hawaii Healthcare Systems Corporation to be the issuer of the bonds.

Your Committee has amended this measure:

- (1) To provide that the bonds authorized to be issued in the amount of \$22,000,000 shall be reimbursable general obligation bonds and not revenue bonds;
- (2) To make an appropriation of \$22,000,000, or so much thereof as may be necessary, for fiscal years 2005-2006 and 2006-2007 to be expended by the Hawaii Healthcare Systems Corporation for the purpose of this measure; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1704, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1704, 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 (Whalen).

SCRep. 462 (Joint) Energy, Environment, and International Affairs and Transportation and Government Operations on S.B. No. 1002

The purpose of this measure is to establish standards for the discharge of graywater, other wastewater, and air emissions from cruise ships and commercial passenger vessels into the marine waters and air of the State. The measure provides for monitoring and recordkeeping, and provides criminal penalties for violations.

Testimony supporting the measure was received from two individuals. The Department of Health, which attached testimony provided by the Attorney General during the 2004 Legislature, Norwegian Cruise Lines, NCL America, and the North West Cruiseship Association offered testimony in opposition to the measure. The Office of Hawaiian Affairs and the Sierra Club provided comments.

Your Committees find that increased scrutiny of cruise ship and commercial passenger vessel voyages is necessary to protect the waters of the State from environmental degradation due to discharge of graywater and other wastewater, and air pollution. Your Committees further find that the measure provides a sensible regulatory scheme to protect the marine environment in the State. This measure has taken into account the concerns raised previously by the Attorney General regarding jurisdictional issues. Your Committees recognize that creating a regulatory scheme is an ongoing process, and this measure incorporates the work done in conjunction with the Environmental Protection Agency, Region 9, to address federal preemption concerns.

Your Committees have amended this measure by deleting language that would establish an environmental compliance fee and a commercial passenger vessel environmental compliance special fund. Your Committees have also amended the measure to delete reference to appropriations into, or out of, the proposed commercial passenger vessel environmental compliance special fund.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1002, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1002, 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, 7. Noes, none. Excused, 5 (Hanabusa, Kanno, Menor, Hemmings, Whalen).

SCRep. 463 (Joint) Business and Economic Development and Media, Arts, Science and Technology on S.B. No. 1378

The purpose of this measure is to recognize the Pearl Harbor historic trail to meet the necessary requirements for federal funding opportunities to support the planning, construction, and completion of the trail.

Testimony in support of this measure was submitted by the Windward Ahupua'a Alliance, the Hawaii Bicycling League, and five individuals.

Your Committees find that the Pearl Harbor historic trail will create a multi-use path that runs from Halawa landing to Waipahu for use by Oahu residents and visitors alike. The multi-use path will offer a transportation corridor for pedestrians and bicyclists, create an outdoor recreation and transportation network, foster historic and environmental preservation and education, and create economic opportunities for community businesses. Your Committees believe that this measure supports completion of the trail by enabling the Pearl Harbor historic trail to qualify for federal funding opportunities.

Your Committees have made technical, non-substantive amendments for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1378, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1378, 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, 2 (English, Trimble).

SCRep. 464 (Joint) Business and Economic Development and Water, Land, and Agriculture on S.B. No. 1414

The purpose of this measure is to exempt voyaging canoes from moorage fees charged by the Department of Land and Natural Resources.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs, the 'Aha Punana Leo, and three individuals. Your Committees also received comments from the Department of Land and Natural Resources.

Your Committees believe that voyaging canoes, which are designed, built, and operated in the traditional manner of Pacific Islanders, play an important role in preserving the traditional Hawaiian culture. Voyaging canoes also are dynamic models of

Hawaiian culture at work, which can be used as a platform for education and language preservation and revitalization. Your Committees find that this measure supports the educational and cultural value of traditional Polynesian voyaging canoes.

It is your Committees' intent that the Board of Land and Natural Resources give consideration to a permanent mooring site for the voyager canoe Hokule'a, and work with the Polynesian Voyaging Society to determine appropriate sites for establishing a permanent mooring.

As introduced, this measure exempts voyaging canoes from state moorage fees. Your Committees have amended the measure to clarify that the exemption applies to inter-island moorage fees only.

As affirmed by the records of votes of the members of your Committees on Business and 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. 1414, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1414, 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 (English, Sakamoto, Hemmings).

SCRep. 465 (Joint) Business and Economic Development and Transportation and Government Operations on S.B. No. 1697

The purpose of this measure is to fund start-up operations of an integrated airline training center.

Your Committees received testimony in support of this measure from the University of Hawaii and Global Flyers Corporation. Your Committees also received comments from the Department of Business, Economic Development, and Tourism.

Your Committees find that the projected worldwide doubling of commercial aircraft will lead to a substantial increase in the demand for trained commercial pilots. Your Committees further find that a unique opportunity exists to establish Hawaii as a preferred source of training for new airline pilots in the Asia-Pacific region. Hawaii is ideally situated to take advantage of this opportunity because of its central-Pacific location, the presence of ideal flight training weather, excellent training facilities already in existence at Kalaeloa airport, participation by Alton Training L.L.C. (the largest provider of airline flight simulator training), integrated courseware from Global Flyers Corp. that reduces training time and cost while also improving student success rates, the availability of experienced airline training managers to operate the program, and a unique cultural environment that will be comfortable for pilot trainees from the Asia-Pacific region. Your Committees believe that an investment in the start-up costs of this program will yield significant future benefits including the creation of new jobs and increased tax revenues.

Your Committees have amended this measure to clarify that appropriated funds shall be expended for the initial start-up costs associated with the program, and to require the Department of Business, Economic Development, and Tourism to establish benchmarks and prepare a detailed report of program progress.

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1697, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1697, 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 (Hee, Kanno, Sakamoto, Whalen).

SCRep. 466 (Joint) Business and Economic Development and Transportation and Government Operations on S.B. No. 1734

The purpose of this measure is to establish investment tax credits for Hawaii taxpayers who invest in the private development of the motor sports recreation and public safety training and educational facility at Kalaeloa, Parcel 9.

Your Committees received testimony in support of this measure from Pacific Karting Club, Hawaii Motor Sports Center, Acquisition Research Corporation, and eleven individuals. Your Committees received testimony in opposition from the Department of Taxation and the Chamber of Commerce of Hawaii, and comments from the Hawaii Community Development Authority.

Your Committees recognize the importance of a motor sports facility for racing events, keeping street racers off of public highways, and police and safety training programs. Your Committees further recognize the growing popularity of motor sports racing throughout the world, and its potential for revenue generation. During the closure process of Naval Air Station, Barbers Point, the State and the City and County of Honolulu recognized the need to replace the existing motor sports facility at Campbell Industrial Park with a state of the art motor sports recreation and public safety training and educational facility and set aside a parcel of land for this purpose.

Your Committees believe that creating a tax credit for qualified investments in a new motor sports facility will continue to reduce street racing and its inherent dangers, provide a safe environment for racing, create jobs during the design, planning, and construction of the facility, and provide a facility for safety training programs for state and county law enforcement officials.

Your Committees have amended this measure to prohibit a taxpayer from claiming more than one tax benefit for the same construction costs. Your Committees further have amended this measure by incorporating certain provisions of House Bill No. 994 that:

- (1) Limit the availability of the tax credit to the general excise tax and transient accommodation tax generated by the construction and operation of the motor sports recreation and public safety training and educational facility; and
- (2) Direct the Department of Business, Economic Development, and Tourism to calculate the amount of tax credit to be allowed in any one year using existing models to determine the rate of general excise tax and transient accommodations tax earned as a percentage of construction and operation of the motor sports recreation and public safety training and educational facility.

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1734, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1734, 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 (Hee, Kanno, Sakamoto, Whalen).

SCRep. 467 (Majority) Higher Education on S.B. No. 1788

The purpose of this measure is to extend the terms of members of the University of Hawaii's Board of Regents from four to ten years.

The University of Hawaii Professional Assembly (UHPA) testified in support of this measure.

Your Committee finds that, while there are a variety of term lengths found among universities across the country, on average governing officials serve between six to eight years. The University of Hawaii has sought and received increased levels of autonomy over the last 18 years. The responsibility of managing a state university system comprising more than 10 major campuses, over 50,000 students and an \$800 million budget can be a daunting task for volunteers. Your Committee finds that responsibility to ensure successful management of the University requires a length of term that will allow regents the opportunity to learn the "ins and outs" of the University's operations. Such a length of term will not only provide the governing body with experienced members, but will also send the message that the regents have made a full commitment to time and effort.

Your Committee has amended this measure to clarify that the term of office, other than that of the student member, shall be limited to one ten-year term, and that the appointment process is subject to Senate confirmation pursuant to the Hawaii State Constitution.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1788, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1788, 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 (Trimble). Excused, 1 (Chun Oakland).

SCRep. 468 Media, Arts, Science and Technology on S.B. No. 1168

The purpose of this measure is to authorize the issuance of general obligation bonds for renovations to the Hawaii State Art Gallery.

Your Committee received testimony in support of this measure from the Hawaii State Foundation on Culture and Arts and the Hawaii Consortium of the Arts. Your Committee also received comments regarding this measure from the Department of Accounting and General Services.

Your Committee finds that the Hawaii State Foundation on Culture and the Arts is continuing to bring culture and the arts into the lives of Hawaii's people. Since its opening in 2002, the Hawaii State Art Museum has received thousands of visitors, including residents, artists, educators, government officials, lawmakers, and school children. Your Committee finds that the facilities are a popular venue for social and charitable gatherings. When finalized, renovations to the Hawaii State Art Gallery will include a visitors center, gift shop, and café. Your Committee finds that completing renovations to the kitchen and cafeteria will enable the gallery to procure food concessionaire services, which will generate revenue to support the gallery.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1168 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, Ige).

SCRep. 469 (Joint/Majority) Health and Human Services on S.B. No. 1468

The purpose of this measure is to ban smoking in all areas of airports and hospitals.

The Department of Health, Hawaii County Council members, American Heart Association, American Cancer Society, the American Lung Association of Hawaii, Coalition for a Tobacco Free Hawaii, and seven individuals submitted testimony in support of this measure.

Your Committees find that airports and hospitals should be free of second-hand smoke. According to the Coalition for a Tobacco Free Hawaii, second-hand smoke is the third leading cause of preventable death in this country, killing fifty-three thousand nonsmokers in the United States each year, and even a half-hour of second-hand smoke exposure can cause heart damage similar to that of habitual smokers.

A ban on smoking in all areas of airports and hospitals protects visitors, patients, and employees alike. This more stringent measure will prevent unnecessary and unwanted exposure to the harmful chemicals and carcinogens that are present in cigarette smoke.

Your Committees have amended this measure by expanding the ban on smoking in an airport to cover all areas from curb to cabin at all state airports, to close any potential loopholes.

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. 1468, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1468, 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, 1 (Trimble). Excused, 3 (Hooser, Kokubun, Whalen).

SCRep. 470 Health on S.B. No. 1535

The purpose of this measure is to make an appropriation for a grant to the Oral Health Institute of the Pacific for continued operations of dental clinics and services on the island of Maui.

The State Planning Council on Developmental Disabilities, and eight individuals submitted testimony in support of this measure. The Department of Health and the Maui County Dental Society submitted comments.

Your Committee finds that the Oral Health Institute of the Pacific provides increased access to oral health services by providing clinical dental services and case management to special needs patients, and under-served children and adults. These underserved children and adults are Medicaid, QUEST, or SCHIP recipients, or are uninsured and have not had access to oral health services in many years. This measure is necessary to provide much needed dental services that are not being provided in the private sector to these populations on Maui.

Upon further consideration, your Committee has amended this measure by redrafting the findings section and adding a purpose section to specify that the purpose of the measure is to make an appropriation to the Oral Health Institute of the Pacific so that it can continue to provide much needed dental services for QUEST, SCHIP, and Medicaid recipients, as well as the uninsured, who cannot obtain dental services from the private sector on Maui.

Your Committee also has amended this measure by making technical, non-substantive amendments for 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. 1535, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1535, 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 (Whalen).

SCRep. 471 Health on S.B. No. 1239

The purpose of this measure is to authorize trained and supervised medical psychologists working in federally qualified health centers or other licensed health clinics located in federally designated medically underserved areas to prescribe psychotropic medications for the treatment of mental illness.

The Hawaii Psychological Association, the Hawaii Primary Care Association, the American Psychological Association, the National Association of Social Workers, Molokai Community Health Center, Hana Community Health Center, Napu'uwai Native Hawaiian Health Care System, Kokua Kalihi Valley Comprehensive Family Services, Argosy University, Health Psychology Associates, Inc., Waimanalo Health Center, and twenty-seven individuals submitted testimony in support of this measure.

The Hawaii Medical Association, the American Association of Applied and Preventive Psychology, the National Alliance for the Mentally Ill Oahu, the Hawaii Psychiatric Medical Association, and forty-six individuals submitted testimony in opposition. The Board of Medical Examiners, the Board of Psychology, and one individual submitted comments.

Your Committee finds that Hawaii suffers a significant shortage of available mental health care services in certain areas. As the Hawaii Primary Care Association noted, community health centers are at a distinct disadvantage when recruiting mental health professionals. They have limited resources. Their salary scales are generally not competitive with other health settings. And they tend to serve challenging patients, with multiple risk factors, in geographically isolated areas.

Psychologists with appropriate credentials have been allowed to prescribe medication to active duty personnel and their families in federal facilities and the Indian Health Service for years. These psychologists actively collaborate with primary care physicians to provide combined therapy and psychopharmacological care of native Hawaiians at seven federally qualified health centers. To date,

thousands of native Hawaiians and other ethnic minorities have received the necessary combined therapy and psychopharmacological care that was solely lacking to address significant mental and behavioral health care needs.

The delivery of comprehensive, accessible, and affordable medical care may be enhanced by providing trained medical psychologists, licensed in Hawaii, with limited prescriptive authority. Appropriately trained prescribing psychologists can provide badly needed psychological and psychopharmacological treatment to the underserved populations of Hawaii. The measure is set to be repealed on July 1, 2013, which provides sufficient time to determine the impact of this authorization and gauge its effectiveness.

Upon further consideration, your Committee has amended this measure by increasing the minimum number of didactic classroom instruction for a conditional prescription certificate to five hundred hours; increasing the requisite supervised practicum to at least two years; and increasing the number of requisite patient contact hours to four hundred and fifty hours.

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. 1239, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1239, 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 (Hanabusa, Whalen).

SCRep. 472 Water, Land, and Agriculture on S.B. No. 212

The purpose of this measure is to appropriate funds to the Commission on Water Resource Management for two new positions.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, Office of Hawaiian Affairs, Earthjustice, Hanalei Watershed Hui, Native Hawaiian Legal Corporation, Sierra Club, and one individual.

Your Committee finds that the Commission on Water Resource Management's Stream Protection and Management Branch and the Survey Branch are in need of one position each to carry out their extensive duties. Specifically, this measure appropriates funds to provide for a:

- (1) Hydrologist IV position to assist the Stream Protection and Management Branch's Instream Use Protection Section with testing to establish necessary instream flow standards; and
- (2) Geologist I position to assist the understaffed Survey Branch with accomplishing its tasks of data analyses for aquifer tests, groundwater and surface water interaction, and groundwater interpretation, and advising other departments on geological 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. 212, 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, 3. Noes, none. Excused, 2 (English, Hooser).

SCRep. 473 Water, Land, and Agriculture on S.B. No. 361

The purpose of this measure is to appropriate funds for three positions to service the lower Hamakua ditch project on the island of Hawaii.

Testimony in support of this measure was submitted by the Department of Agriculture, Big Island Farm Bureau, and Hawaii Farm Bureau.

Your Committee finds that currently, work on the lower Hamakua ditch project on the island of Hawaii is serviced by a private contractor. However, your Committee further finds that the same work could be performed using the Agricultural Resource Management Division's personnel at a cost that is lower than what the current contractor is charging. This measure provides an appropriation to fund three positions, two irrigation service worker II positions and one supervisor position, and the necessary equipment to service the lower Hamakua ditch 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. 361, 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, 3. Noes, none. Excused, 2 (English, Hooser).

SCRep. 474 Water, Land, and Agriculture on S.B. No. 386

The purpose of this measure is to explore for potential water sources in the Ocean View area on the island of Hawaii.

Testimony in support of this measure was submitted by the County of Hawaii Mayor, a Hawaii County Council member, Big Island Farm Bureau, Hawaii Ranchos Road Maintenance Corporation, Ocean View Community Association, Inc., Ocean View Community Development Corporation, Vitulli's Iki Plantation, and five individuals.

The Ocean View area on the island of Hawaii is growing rapidly with the development of over eleven thousand affordable vacant subdivided lots. With this type of growth potential, your Committee finds that it is imperative that potential water sources for this area are explored. This measure authorizes the issuance of general obligation bonds for the exploration of potential water sources and to establish an exploratory and production well in the Ocean View area on the island of 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 is in accord with the intent and purpose of S.B. No. 386, 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, 3. Noes, none. Excused, 2 (English, Hooser).

SCRep. 475 (Joint/Majority) Labor and Education and Military Affairs on S.B. No. 1250

The purpose of this measure is to require the Board of Education to develop a classification/compensation plan for substitute teachers' pay commensurate with their educational training and academic qualifications.

Testimony in support of this measure was submitted by the Department of Education (DOE), the Hawaii State Teachers Association – Retired, and two individuals. Testimony in opposition to this measure was submitted by the Laborers' International Union of North America Local 368, AFL-CIO; Substitute Teachers Professional Alliance; and five individuals.

Your Committees find that the Legislature, in 1996, adopted Act 89, Session Laws of Hawaii 1996, and intended that substitute teachers be paid a specific per diem rate based on the annual entry salary step rate established for licensed Class II teachers, with increases based on the most current teachers' salary schedule. In so doing, the Legislature intended that this single rate for substitute teachers would increase as licensed teachers' raises were negotiated, ensuring that the pay for substitute teachers would increase fairly over time.

Your Committees further find that the DOE has failed to pay the required per diem rate required in section 320A-624(e), Hawaii Revised Statutes. Since 1996, the pay for a new Class II teacher has increased by more than forty percent, from approximately \$25,436 to \$36,851. During that same period, substitute teachers' pay has risen from \$100.94 to only \$112.53 – barely eleven percent. Your Committees believes that it was clearly not the intent of the Legislature to have such a disparity in pay increases between substitute teachers and licensed teachers. Substitute teachers are essential to the efficient and effective operation of our public schools; however, they have not been getting their due under the current law.

Accordingly, your Committees have amended this measure by:

- (1) Ensuring that the minimum per diem rate for substitute teachers is based on the current per diem rate formula in section 302A-624(e), Hawaii Revised Statutes;
- (2) Specifying that the Board of Education may utilize a list of criteria in determining the compensation rate beyond the minimum per diem rate for substitute teachers;
- (3) Including language to specify that the appropriation for retroactive pay owed to the substitute teachers shall be utilized to pay for in the class action lawsuits of Garner v. Department of Education (Civil No. 03-1-000305), and Klitternick v. Hamamoto (Civil No. 05-1-0031-01); and
- (4) Changing the effective date of the Act to July 1, 2050, and section 3 of the Act to take effect on July 1, 2060, in order to facilitate further discussion on the matter.

As affirmed by the records of votes of the members of your Committees on Labor and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1250, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1250, 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, 2 (Hogue, Slom). Excused, 3 (Hooser, Taniguchi, Tsutsui).

SCRep. 476 Human Services on S.B. No. 572

The purpose of this measure is to require open hearings in family court child protective services matters unless the parent of the child determines that it is not in the best interest of the child, and further allows the parent to determine whether the presence of a non-lawyer advocate is in the best interest of the child.

Testimony in favor of this measure was submitted by four individuals. The Department of Human Services and Judiciary submitted comments on this measure.

Your Committee finds that currently a neutral judicial officer determines the best interest of a child during family court proceedings. Although the Department's and Judiciary's testimony take no position on the issue, your Committee feels that it is a legislative policy decision and has approved this measure in order to continue this important 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. 572 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 (Ihara, Kokubun).

SCRep. 477 (Joint/Majority) Human Services, Health and Commerce, Consumer Protection and Housing on S.B. No. 841

The purpose of this measure is to provide employers with a non-refundable tax credit for the purchase of qualified long-term care insurance premiums paid for their employees.

The Governor, the Department of Health, the Department of Taxation, the American Council of Life Insurers, Healthcare Association of Hawaii, the Chamber of Commerce of Hawaii, AssistGuide, Inc., and the National Association of Insurance and Financial Advisors submitted testimony in support of this measure.

Your Committees find that the rapid growth of the elderly and disabled populations will result in extraordinary demands on the delivery of long-term care services. Providing long-term care to family members in need negatively impacts worker productivity in the workforce. This measure encourages employers to purchase qualified long-term care insurance contracts for their employees and ensures that such qualified long-term care insurance contracts cover both home and community-based care in addition to coverage for long-term care in intermediate care facilities and skilled nursing facilities.

Upon further consideration, your Committees have amended this measure by changing the effective date to July 1, 2010 to encourage further discussion of this matter, including a drop-dead provision, and making technical, non-substantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and 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. 841, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 841, 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, 1 (Trimble). Excused, 4 (Hanabusa, Ige, Ihara, Kokubun).

SCRep. 478 (Joint/Majority) Labor and Higher Education on S.B. No. 1889

The purpose of this measure is to amend the standards for apprenticeship agreements to provide for assurances of qualified training personnel, adequate job supervision, and the requisite licenses.

This measure also requires the Director of Labor and Industrial Relations to establish an apprenticeship council whose purpose shall be to promote and approve apprenticeship programs.

Testimony in support of this measure was submitted by the International Brotherhood of Painters and Allied Trades, Drywall Tapers, Finishers and Allied Workers Local Union 1944, AFL-CIO. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations (DLIR), the Associated Builders and Contractors, Inc., and Building Industry Association of Hawaii.

Your Committees find that under the current law, the Director of DLIR has the discretion to convene an apprenticeship council which, if established, serves in only an advisory capacity. Your Committees determine that although the Director should have the discretion of determining the composition of an apprenticeship council, the law should mandate the establishment of an apprenticeship council whose purpose should be more than advisory, but instead to promote and approve of apprenticeship programs. Furthermore, your Committees believe that it is prudent to include in the standards for apprenticeship agreements that assurances of qualified training personnel, adequate job supervision, and the requisite specialty licenses be provided for in order to maintain the highest standards in apprenticeship programs. Equally, assurances that a need continues to exist for parallel programs is essential to ensure that only necessary and appropriate programs that meet the "equal to or better than" standard are approved.

As affirmed by the records of votes of the members of your Committees on Labor and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1889 and recommend that it pass Second Reading and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chairs on behalf of the Committees.
Ayes, 5. Noes, 2 (Slom, Trimble). Excused, 3 (Ihara, Inouye, Sakamoto).

SCRep. 479 (Majority) Labor on S.B. No. 32

The purpose of this measure is to increase the minimum wage amount and to provide for an automatic annual adjustment for cost-of-living increases.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association, the United Public Workers, ILWU Local 142, the Hawaii State AFL-CIO, the Labor Democrats of Oahu County, and one individual. Testimony in opposition to this measure was submitted by the Department of Business, Economic Development and Tourism; the Chamber of Commerce of Hawaii; the Retail Merchants of Hawaii; the Hawaii Business League; and three individuals. Comments on the measure were submitted by the Department of Labor and Industrial Relations.

Your Committee finds that although the minimum wage amount was recently increased, effective in 2003, the increase has failed to keep pace with the escalating rate of inflation. As a result, a worker's purchasing power has continued to diminish over time. In Hawaii, the cost of living is higher than that of much of the rest of the nation, which compels many individuals to work two jobs just to make ends meet. As we have turned the corner, heading towards improved economic times, your Committee believes that it is necessary to assist entry-level workers to allow them to share in this period of economic growth and prosperity. Prior to the most recent increase, no previous adjustment had been made to the minimum wage amount since 1993. In order to avoid the Legislature's need to continually revisit the issue year after year and to prevent the necessity for large increases when no adjustment has been made for several years, an automatic annual adjustment should be instituted. Furthermore, your Committee's intent is that the Department of Business, Economic Development and Tourism shall annually calculate and publish the gross state product deflator to be utilized in making the annual adjustment.

Your Committee further finds that some concern exists regarding the current tip credit law. The law currently allows an employer to presume that tipped employees are receiving a certain level of tips each pay period, thereby allowing the employees' pay to be reduced accordingly. A majority of the states across the nation have tip credit laws. Of those states with tip credit laws, the amount of the tip credit ranges from about one to three dollars, well over the twenty-five cents allowed here in Hawaii. Testimony received by your Committee indicates that one way in which to address the financial burden imposed upon employers due to increases in the minimum wage amount is to raise the tip credit amount to offset the additional costs. Your Committee believes that the issue should be further examined throughout the session so as to determine whether such an increase is appropriate.

Accordingly, your Committee has amended this measure as follows:

- (1) By adding a purpose section to explain the need for an increase in the minimum wage;
- (2) By including language to increase the minimum wage amount to \$7.00 per hour beginning July 1, 2005;
- (3) By amending the formula for calculating the annual automatic adjustment to the minimum wage amount to provide that the minimum wage amount shall:
 - (A) Increase annually based upon the percent increase in the gross state product deflator published annually by the Department of Business, Economic Development and Tourism; and
 - (B) Not be adjusted if there is no increase in the gross state product deflator; and
- (4) By requiring that the automatic annual adjustment be effective on April 1 of each year.

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. 32, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 32, 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, none.

SCRep. 480 (Majority) Labor on S.B. No. 55

The purpose of this measure is to require the provision of a rest or meal period of at least thirty consecutive minutes for an employee who works five or more continuous hours, unless a collective bargaining agreement provides an express provision for meal breaks.

Testimony in support of this measure was submitted by the Department of Education, the Hawaii Civil Rights Commission, the Hawaii State AFL-CIO, the Hawaii State Teachers Association, the United Public Workers, the ILWU Local 142, and an individual.

Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, the Hawaii Business League, the Society for Human Resource Management - Hawaii Chapter, and the Retail Merchants of Hawaii.

Comments on this measure were also submitted by Covanta Energy Group and the Hawaii Transportation Association.

Your Committee finds that pursuant to Act 172, Session Laws of Hawaii (SLH) 1999, the Legislature provided for the right to employees to express breastmilk during a meal period or other break. Specifically, Act 172, SLH 1999 provided that an employee could not be prohibited from expressing breastmilk during any meal or other break required by law. However, your Committee further finds that neither federal nor state wage and hour laws currently require an employer to provide employees over the age of sixteen a meal period irrespective of the number of consecutive hours employees work.

Therefore, your Committee determines that employees who work more than five consecutive hours should be provided at least a thirty-minute meal break, which will safeguard the health and safety of employees, promote work efficiency and productivity, and permit employees to express breastmilk during any meal break. Furthermore, your Committee believes that this provision should not be applicable if a collective bargaining agreement already provides for meal breaks or under certain other circumstances.

Accordingly, your Committee has amended this measure by:

- (1) Including language to indicate that no rest or meal period need be provided to an employee who elects not to utilize a rest or meal period;
- (2) Creating an exception for an employer who is the operator of a continuously operating facility regulated by an environmental permit; 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 S.B. No. 55, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 55, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 481 (Joint) Labor and Education and Military Affairs on S.B. No. 87

The purpose of this measure is to establish a new collective bargaining unit for substitute teachers and other part-time employees of the Department of Education.

This measure also provides the members of the new collective bargaining unit the right to strike.

Testimony in support of this measure was submitted by the Office of the Governor, the Hawaii State AFL-CIO, the Substitute Teachers Professional Alliance, the Laborers' International Union of North America Local 368, AFL-CIO, and seven individuals.

Testimony in opposition to this measure was submitted by the Department of Education (DOE), the Department of Budget and Finance, the Hawaii Government Employees Association, and the Hawaii State Teachers Association – Retired. Comments on the measure were also submitted by the Department of Human Resources Development.

Your Committees find that under the existing law, substitute teachers lack the necessary representation to protect, preserve, and promote their rights. However, substitute teachers fulfill an important role in bridging the gaps between shortages that arise from the absence of full-time, permanent teaching staff and any additional interim teaching staff needs within the DOE. Your Committees believe that substitute teachers should be afforded representation equal to that of their bargaining unit (5) equivalents.

Your Committees further find that in 2003, the Legislature passed SB1426, which created a separate collective bargaining unit for substitute teachers; however, the measure was vetoed by the Governor. Among the Governor's concerns with the measure was the fact that the scope of the measure was overly broad in that the Governor believed that the measure covered all casual workers within the DOE. This measure has been appropriately drafted to address the concerns of the administration to limit its application only to substitute teachers.

Additionally, your Committees acknowledge that many retired teachers, who are retired members of collective bargaining unit (5), serve as substitute teachers and may not wish to be part of a new collective bargaining unit for substitute teachers. Your Committees are mindful of the concerns of these retired teachers and of the fact that an exception may be necessary for them in order to protect their unique interests.

Accordingly, your Committees have amended this measure by changing the effective date of the Act to July 1, 2050 in order to facilitate further discussion on the matter.

As affirmed by the records of votes of the members of your Committees on Labor and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 87, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 87, 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, Taniguchi, Tsutsui).

SCRep. 482 (Majority) Labor on S.B. No. 473

The purpose of this measure is to appropriate funds for job training for underemployed and unemployed persons, specifically focusing on training applicants in construction industry vocations and other skilled trades, high technology vocations, maritime industry vocations, culinary arts, general equivalency degree programs, and labor shortage areas.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations. Testimony in opposition this measure was submitted by the Department of Human Services. Comments on this measure were submitted by the University of Hawaii.

The purpose of this measure is to repeal the law that prohibits picketing at the residence or dwelling place of an individual during a labor dispute.

Testimony in support of this measure was submitted by the Hawaii State AFL-CIO, the Hawaii State Teachers Association, the Hawaii Building & Construction Trades Council, and one individual. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, the Honolulu Police Department, the Hawaii Hotel & Lodging Association, the Maui Hotel Association, and the Hilton Hotels Corporation.

Your Committee finds that the enforcement of chapter 379A, Hawaii Revised Statutes (HRS), is unconstitutional and preempted by the National Labor Relations Act (NLRA). The United States Supreme Court has consistently held that state laws are powerless to restrict a labor union's peaceful picketing activity, because the legality of picketing is decided solely under federal law. The Court held in *Garner v. Teamsters, Local 776*, 346 U.S. 485 (1953), that the Pennsylvania state court did not have jurisdiction to enjoin or punish peaceful picketing during the course of a labor dispute because its jurisdiction was preempted by the NLRA and that the state law prohibiting such conduct was void as a matter of law.

Your Committee further finds that in Hawaii, several incidents have occurred wherein the attempted enforcement of chapter 379A, HRS, resulted in the issuance of letters of admonishment by legal counsel for the unions. These letters indicated that the enforcement of section 379A-1, HRS, could result in the filing of a lawsuit against any officer as well as the government for false arrest and constitutional violations. Consequently, no enforcement of this law has resulted. Your Committee determines that if a law is unenforceable and in conflict with federal labor laws and policy, it should not remain in the statutes, as its continued existence places law enforcement officials at risk of lawsuits for false arrest and acts to divest individuals of constitutionally protected rights.

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. 536 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, 2. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 485 (Joint) Labor and Transportation and Government Operations on S.B. No. 807

The purpose of this measure is to adjust the salaries for twenty-three positions set by statute that are not under the review of the Executive Salary Commission.

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;
- (12) Office of the Public Defender; and
- (13) Hawaii State Ethics Commission.

Testimony in support of this measure was submitted by the Department of Budget and Finance, the Department of Health, the Housing and Community Development Corporation of Hawaii, the Hawaii Paroling Authority, the Hawaii State Ethics Commission, and the Advisory Board on Veterans Services.

Your Committees find that in 2004, the Executive Salary Commission adjusted the salary levels for deputy directors within the State. However, the salary levels for the aforementioned positions are currently established by statute and are beyond the review of the Executive Salary Commission. Additionally, the salary ranges for many of these positions have remained unchanged for over a decade. Based upon the current law, it appears that several of these positions were intended by the Legislature to be compensated within the same salary range as deputy directors or assistants; others require adjustment by the proper authority, as appropriate.

Therefore, your Committees determine 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.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 807 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, 4 (Hee, Menor, Taniguchi, Whalen).

SCRep. 486 Labor on S.B. No. 809

The purpose of this measure is to authorize the use of available funds for automation purposes for the administration of benefits.

This measure also appropriates \$5 million dollars from the special fund for disability benefits for automation of the disability compensation division for the processing of workers' compensation claims.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations (DLIR) and the Employers' Chamber of Commerce. Testimony in opposition to this measure was submitted by the ILWU Local 142.

Your Committee finds that under the current law, the special fund for disability benefits is utilized primarily for the payment of claims filed by unemployed disabled individuals and by disabled employees of noncomplying or bankrupt employers in accordance with section 392-65, Hawaii Revised Statutes. Your Committee further finds that there is a great need to upgrade the computer systems and software that is used by the Disability Compensation Division in order to enhance the efficiency of processing workers' compensation claims and to ensure that injured employees will receive their compensation benefits on a timely basis. DLIR has indicated that the fund currently carries a balance in excess of \$8,200,000; however, average expenses paid out of the fund only equal approximately \$156,000 per year. Additionally, DLIR has represented that the Auditor has expressed concern regarding the unnecessary surplus contained within the special fund. Therefore, your Committee determines that purpose of the special fund should be expanded to finance improved automation efforts within the Disability Compensation Division.

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 S.B. No. 809, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 809, 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, 1 (Taniguchi).

SCRep. 487 Labor on S.B. No. 812

The purpose of this measure is to simplify the method of the pension deduction for unemployment benefits to provide for no deduction of pension benefits if the claimant made any contribution to a retirement plan.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations, the Hawaii State Retired Teachers Association, and the AARP Hawaii.

Your Committee finds that under section 3304(a)(15) of the Federal Unemployment Tax Act, for employers to receive credit against the federal unemployment tax, the weekly benefit amount of an individual must be reduced by the weekly amount of "governmental or other pension, retirement or retired pay, annuity, or any other similar period payment which is based on the previous work of the individual." This requirement applies only to payments made under a plan maintained or contributed to by a base-period or chargeable employer.

Your Committee further finds that under the current state law, pension benefits are deducted from an individual's unemployment insurance weekly benefit amount based upon the amount the employee contributed to the pension plan. Therefore, if the employee has made a zero to forty-nine percent contribution to the pension plan, then the pension benefit is deducted by one hundred percent; if the employee has made a fifty to ninety-nine percent contribution to the pension plan, then the pension benefit is deducted by fifty percent; and if the employee has made a one hundred percent contribution to the pension plan, then there is no deduction.

In Hawaii, the age of the workforce is increasing. Many retired individuals return to the workforce due to economic reasons or due to a need for knowledgeable and skilled workers that cannot otherwise be fulfilled. In either situation, your Committee determines that these individuals should not be penalized when they have made some contribution to their pension plans, regardless of the proportion.

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. 812, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 812, 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, 1 (Ihara).

SCRep. 488 Labor on S.B. No. 813

The purpose of this measure is to amend the law relating to the use of unemployment trust fund moneys to conform to P.L. 107-147, Temporary Extended Unemployment Compensation Act of 2002, because the requirements for Reed Act funds distributed in 2002 differ from those of prior special Reed Act distributions.

Additionally, this measure appropriates \$10,000,000 from the unemployment insurance trust fund to:

- (1) Improve the services of the unemployment insurance and workforce development divisions through information upgrades;
- (2) Expand employment services to the unemployed to the State's public libraries and community colleges;
- (3) Provide additional funding to the local workforce investment boards to improve employer outreach and services, labor force pool expansion, and capacity building; and
- (4) Fund shared costs for the operation of one-stop career centers.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations, the Office of Economic Development for the County of Kauai, the Mayor of Kauai, the Kauai Economic Development Board, the Hawaii Flooring Association, the Hawaii Business League, the Roofing Contractors Association of Hawaii, the Kauai Chamber of Commerce, the ILWU Local 142, and eleven individuals.

Comments were also submitted by the Mayor of the County of Hawaii and Department of Community Services for the City and County of Honolulu.

Your Committee finds that in 2002, the Department of Labor and Industrial Relations received approximately \$31,000,000 in federal Reed Act funds. These funds have been placed within the unemployment trust fund, which can be utilized for the payment of benefits and expenses incurred for the administration of the unemployment compensation laws, as well as for public employment offices. Your Committee further finds that Reed Act distributions made prior to P.L. 107-147 were restricted to unemployment insurance administration purposes only. Additionally, under section 303(a)(8) of the Social Security Act, state laws must include provisions for the expenditure of all moneys. Therefore, your Committee determines that the current law must be amended to allow for the utilization of the 2002 Reed Act funds.

Furthermore, your Committee finds that the utilization of these funds is necessary not only to improve the State's automated unemployment insurance and workforce development division services, but also to address the specific needs of the local workforce investment boards of the four counties. Your Committee also determines that another area of concern involves educating and training immigrants from the Freely Associated States so that they may become skilled and qualified members of our workforce.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that the sum of \$6,000,000 shall be allocated to the four county workforce investment boards for the following:
 - (A) Employer outreach and services;
 - (B) Labor force pool expansion;
 - (C) Capacity building; and
 - (D) Servicing and maintaining the America one-stop operating system;
- (2) Specifying that the sum of \$1,000,000 shall be allocated to the Leeward community college workforce development program for job training and education for immigrants from the Freely Associated States; and
- (3) 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. 813, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 813, 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, 1 (Ihara).

SCRep. 489 Labor on S.B. No. 817

The purpose of this measure is to improve the administration of unemployment taxes and eliminate the practice of "dumping" whereby some employers and financial advisors use acquisitions or restructuring schemes, including shifting of workforce and payroll, to pay lower state unemployment taxes.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations.

Your Committee finds that pursuant to the State Unemployment Taxes Act (SUTA) Dumping Prevention Act of 2004, P.L. 108-295, the Social Security Act was amended with respect to the administration of unemployment taxes and benefits. The Act requires, as a condition of state eligibility for grants for unemployment compensation administration, changes to state unemployment compensation laws to prevent SUTA dumping. SUTA dumping involves employers and financial advisors using acquisitions or restructuring schemes, including shifting of workforce and payroll, in order to pay lower state unemployment taxes than their unemployment experience would normally allow. Therefore, in order to maintain federal certification to enjoy the benefits of the Federal Unemployment Tax Act tax offset credit and federal administrative grants for the state unemployment insurance program, changes in the current law must be made.

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. 817, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 817, 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, 1 (Ihara).

SCRep. 490 (Joint) Labor and Judiciary and Hawaiian Affairs on S.B. No. 916

The purpose of this measure is to allow trustees of the Office of Hawaiian Affairs who were in service on July 1, 2002, with fewer than five years of employees' retirement system (ERS) membership service, and who elected to become ERS members prior to October 1, 2002, to purchase their service credit pursuant to section 88-59, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs.

Your Committees find that pursuant to Act 183, Session Laws of Hawaii 2002 (SLH 2002), the OHA trustees were authorized to become members of the ERS; however, the law did not contemplate the manner in which trustees would be able to obtain credit for service rendered during the period between July 1, 1993 and July 1, 2002. As a result, trustees who could claim prior service credit after having served the requisite number of years, were eligible for retirement, and did not wish to seek an additional term in office would be unable to acquire full credit for past service. Your Committees determine that this measure is necessary in order to cure an unintended inequity created by Act 183, SLH 2002, thereby rectifying an oversight in legislation wherein it was intended that the same retirement benefits afforded to other elected salaried officials would be extended to OHA trustees. Thus, this measure will ensure consistency in the retirement benefits extended to OHA trustees.

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. 916 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, 1 (Taniguchi).

SCRep. 491 (Joint/Majority) Labor and Transportation and Government Operations on S.B. No. 942

The purpose of this measure is to amend the law regarding privatization to include restrictions on the privatization of public services and to enhance government accountability.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association. Testimony in opposition to this measure was submitted by the Department of Human Resources Development, the Department of Taxation, and the Office of Collective Bargaining. Comments on this measure were also submitted by the Office of Information Practices.

Your Committees find that government accountability is of paramount importance in order to ensure the continuity of quality public services as well as to improve the delivery of government services. Careful scrutiny should be conducted in determining whether and which privatization contracts should be awarded so as not merely to assume that cost savings will inure to the benefit of the government when this may not be the case. Upon award of a privatization contract, continued monitoring and scrutiny should persist, as often privatization contracts involve less public disclosure than normally involved in the public sector.

Your Committees determine that this measure adequately addresses these issues through the requirement that there be either legislative or county council approval of privatization contracts with a value in excess of \$500,000, the detailed criteria for the award of a privatization contract, the heightened review of contractors and contract costs, increased monitoring and enforcing of privatization contracts, and additional disclosure requirements. This measure also provides for managed competition to allow public employees the opportunity to submit proposals improving the operations, efficiency, or organization of the program to be privatized, thereby assuring fairness as well as efficiency in the privatization process.

Accordingly, your Committees have amended this measure by:

- (1) Deleting the proviso that determinations regarding the disclosure of a particular record or type of record be made by the state or county department;

- (2) Clarifying that the Act does not affect the current sunset date contained within Act 90, Session Laws of Hawaii 2001 by providing that section 2 of the Act shall be repealed on June 30, 2007; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style and to correctly reflect the language in the Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 942, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 942, 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, 2 (Baker, Slom). Excused, 4 (Hee, Menor, Taniguchi, Whalen).

SCRep. 492 (Joint/Majority) Labor and Transportation and Government Operations on S.B. No. 962

The purpose of this measure is to provide for the manner in which the prevailing wages for laborers and mechanics on public work projects and certain private work projects is to be established.

This measure also allows any individual to bring suit for injunctive relief for violations of chapter 104, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by the Hawaii Carpenters Union. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations.

Your Committees find that in order to ensure continuity and equitable standards among laborers and mechanics throughout the State, the applicability of the prevailing wages law should be extended to include certain types of private projects which are subsidized by the State or involve land leased by the State. Under these circumstances, State or county purposes are served, therefore warranting inclusion under the State's Davis Bacon Act, chapter 104, Hawaii Revised Statutes. Your Committees further find that the determination of prevailing wages is currently the responsibility of the Director of Labor and Industrial Relations with a formula and guidelines established in the administrative rules. In order to provide clear guidance on the calculation of prevailing wages, your Committees determine that codification of these rules is necessary.

Additionally, the law currently fails to contemplate a remedy for an aggrieved individual to enjoin a contractor from continuous violations of chapter 104, Hawaii Revised Statute, although recovery of unpaid wages is provided for. Your Committees determine that other forms of redress should be provided to further ensure enforcement of the law and to protect other contractors from falling subject to unfair competition.

Accordingly, your Committees have amended this measure by:

- (1) Amending the definition of "public work" to include:
 - (A) Projects subsidized by state tax credits or county tax exemptions, or those undertaken through the use of state or county land;
 - (B) Contracts between private persons when more than twenty-five percent of the property is leased for use by the State and:
 - (i) The lease is entered into prior to the effective date of the contract; or
 - (ii) Construction work is performed pursuant to plan, specifications, or criteria established by the State or county;
- (2) Deleting language that provided for rate clarification regarding the prevailing wage where there is no majority of those employed by the State who are paid at the same rate as corresponding classes of laborers or mechanics on similar projects; and
- (3) Clarifying that a civil action for injunctive relief may be brought by any individual against any person alleged to be in violation of the chapter 104, or the director for failure to act under any duty imposed by chapter 104.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 962, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 962, 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, 1 (Slom). Excused, 4 (Hee, Menor, Taniguchi, Whalen).

SCRep. 493 Higher Education on S.B. No. 898

The purpose of this measure is to repeal the sunset provision of Act 321, Sessions Laws of 1986, which allowed the University of Hawaii to assume authority for all matters relating to its acquisition of goods and services.

Your Committee received testimony in support of the measure by the University of Hawaii System.

Your Committee finds that the sunset date should be repealed to allow the University of Hawaii to retain its duties rather than relinquish them to the Department of Accounting and General Services. The University of Hawaii has used the greater flexibility in this Act to increase its efficiency in financial administration.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 898 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 (Chun Oakland, Inouye).

SCRep. 494 Labor on S.B. No. 1352

The purpose of this measure is to entitle state and county employees to seven days of paid leave per year if they are bone marrow donors, and thirty days of paid leave if they are organ donors.

Testimony in support of this measure was submitted by the Department of Human Resources Development, the Hawaii State Teachers Association, the National Kidney Foundation of Hawaii, the Transplant Association of Hawaii, and twenty-seven individuals. The Department of Human Resources Development submitted testimony in support of the intent of this measure, but also raised concerns with the measure as introduced.

Your Committee finds that the number of individuals in need of organ and bone marrow transplants far outnumbers the available number of organs and living organ donors. Every day, approximately fifteen Americans will die while awaiting a transplant. In spite of continuing medical and technological advances and breakthroughs, more needs to be done to increase the supply of organs.

Your Committee further finds that under the federal law, in 1999, the Organ Donor Leave Act was enacted, which increased the amount of paid leave time that federal employees are permitted to take if they serve as organ donors to thirty days of paid leave, annually. Your Committee supports and encourages individuals who choose to bravely and generously serve as organ and bone marrow donors throughout the State and wishes to provide its public employees with adequate leave time in order to serve in this capacity.

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. 1352 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, 1 (Taniguchi).

SCRep. 495 (Joint/Majority) Labor and Education and Military Affairs on S.B. No. 1395

The purpose of this measure is to provide civil service benefits in the executive branch civil service system for those employees who are members of the Department of Education (DOE) civil service system.

Testimony in support of this measure was submitted by the DOE and the Hawaii Government Employees Association. Testimony in opposition to this measure was submitted by the Department of Human Resources Development.

Your Committees find that Act 51, Session Laws of Hawaii 2004, mandated the transfer of certain functions from various state agencies to the DOE. Act 51 also provided for the DOE to establish a separate personnel system under the control of the Board of Education. Your Committees believe that the rights and benefits of DOE civil service employees, whether or not transferred pursuant to Act 51, should be maintained and not diminished due to the transfer or the institution of a separate personnel system.

Your Committees have amended this measure by changing the effective date of the Act to July 1, 2050 in order to facilitate further discussion on the matter.

As affirmed by the records of votes of the members of your Committees on Labor and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1395, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1395, 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, 2 (Chun Oakland, Hooser).

SCRep. 496 (Joint/Majority) Labor and Human Services on S.B. No. 1773

The purpose of this measure is to prohibit the Department of Human Resources Development from eliminating the social worker class.

This measure also restores employees transferred from the social worker class and transfers those hired subsequent to the elimination of the social worker class into the appropriate separate classes.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, the School of Social Work of the University of Hawaii at Manoa, the National Association of Social Workers, and eleven individuals. Testimony in opposition to this measure was submitted by the Department of Human Resources Development (DHRD), the Department of Human Services, the Department of Health, the Department of Public Safety, and the Hawaii Paroling Authority.

Your Committees find that on May 1, 2004, DHRD eliminated the social worker classification and replaced it with a social worker/human services professional (SW/HSP) classification. This reclassification occurred subsequent to the Legislature's passage of S.C.R. 127, C.D.1, wherein the Legislature sought the delay of the reclassification pending consultation and coordination with various interested groups. The reclassification was accomplished presumably to address the current shortage of qualified individuals to serve as social workers within the State. However, your Committees determine that the reclassification acts to divest social workers with advanced degrees in social work of their well-earned title, by also allowing individuals without degrees to be referred to as social workers under the SW/HSP class. Your Committees believe that the Legislature has previously recognized the unique services provided by social workers, their specialized education and training, and seeks to restore their status as well as to raise the standards within the State by transitioning the current exempt State social workers into licensed social workers.

Additionally, your Committees determine that the issue regarding the reclassification of social workers to SW/HSP positions must be revisited, as representations by DHRD have indicated that they recognize no appreciable difference between those individuals now serving in SW/HSP positions who hold degrees versus those who do not. Efforts should again be made by DHRD to develop and implement a new plan for the reclassification of SW/HSPs into separate classes and should also ensure that HSP positions do not outnumber newly reclassified SW positions. Instead, your Committees believe that a more even, or fifty-fifty division among the two types of classes should be sought in order to ensure fairness as well as a high level of professional standards.

Finally, your Committees find that the reclassification of the social worker series included a new parole officer series. Your Committees recognize the difficulties faced by the Hawaii Paroling Authority in recruiting qualified individuals and believes that this class should not be affected by any changes in the SW/HSP class.

Accordingly, your Committees have amended this measure by:

- (1) Including language to indicate that a fifty-fifty balance between positions available in a social worker class and a human services professional class;
- (2) Including language which prohibits DHRD from eliminating the social worker classification in the future;
- (3) Requires newly hired state social workers and all federal and county social workers to be licensed beginning July 1, 2007; and
- (4) Including an exemption for individuals who were reclassified in parole officer positions within the Hawaii Paroling Authority.

As affirmed by the records of votes of the members of your Committees on Labor and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1773, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1773, 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, 2 (Slom, Trimble). Excused, 3 (Hooser, Kokubun, Taniguchi).

SCRep. 497 (Majority) Labor on S.B. No. 1784

The purpose of this measure is to amend the definition of employee under the Employer-Union Health Benefits Trust Fund to include part-time employees working twenty or more hours per week.

This measure also provides for membership in the Employees' Retirement System for part-time employees working twenty or more hours per week.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association and the Hawaii State Teachers Association.

Comments on this measure were submitted by the Department of Budget and Finance, the Department of the Attorney General, and the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund.

Your Committee finds that part-time employees serve a valuable function in our state government, providing substitute and seasonal coverage, thereby often reducing operational overtime costs. However, these employees are historically excluded from many of the benefits afforded to full-time public servants, the most important of these benefits being health and retirement benefits. Your Committee determines that in recognition of their dedicated service, part-time employees working at least twenty hours per week should be extended the benefits of health and retirement benefits.

Additionally, your Committee finds that half-time teachers who are members of collective bargaining unit (5), pursuant to subsection 89-6(a), Hawaii Revised Statutes, work only 17.5 hours per week, but believes that these individuals are working a half-time equivalent and should also be afforded the same benefits as part-time employees under this measure.

Accordingly, your Committee has amended this measure by:

- (1) Amending the definition of employee under section 87A-1, Hawaii Revised Statutes, to include half-time teachers who are members of bargaining unit (5); and
- (2) Providing that half-time teachers who are members of bargaining unit (5) are eligible for membership in the Employees' Retirement System.

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. 1784, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1784, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 498 (Majority) Labor on S.B. No. 1808

The purpose of this measure is to amend the law relating to workers' compensation, including mandating further requirements for vocational rehabilitation providers, limiting the Director of Labor and Industrial Relations' rulemaking authority, and specifying procedures for the filing of claims.

Testimony in support of this measure was submitted by the Department of Human Resources Development, the Hawaii State AFL-CIO, the Hawaii Government Employees Association, the Rehabilitation Association of Hawaii, the Hawaii Rehabilitation Counseling Association, Sestak Rehabilitation Services, the ILWU Local 142, the Hawaii State Teachers Association, the Hawaii Chapter of the American Physical Therapy Association, and twelve individuals. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations (DLIR), the Department of Commerce and Consumer Affairs, the Building Industry Association of Hawaii, and one individual. Comments on this measure were also submitted by one individual.

Your Committee finds that this bill incorporates into chapter 386 the substantive definitions, standards, criteria, and policies in effect on January 1, 2005 under currently existing rules and regulations, policies, and case law in the relevant substantive areas in order to preserve and protect the prerogative of the legislative branch of government and to prevent the abuse of power.

Last year the administration proposed an omnibus bill to reform the State's workers compensation system purporting to reduce the average cost of workers' compensation premiums. By seeking the enactment of a workers' compensation omnibus bill during the 2004 legislative session the administration implicitly recognized that without changes in chapter 386, the executive branch lacked sufficient authority to implement policy changes in the foregoing areas. The 2004 Legislature rejected the omnibus bill resoundingly.

Unable to achieve its objective through legislation, it now appears the administration is seeking to do through rulemaking in 2005 what it could not achieve during the 2004 legislative session. On February 7, 2005, DLIR held a hearing on proposed rules to affect major changes in Hawaii's workers' compensation laws regarding compensability, medical care and treatment, vocational rehabilitation and other benefits, attorney's fees, and procedures for investigating and handling claims through arbitration. The proposed rule changes substantially track the areas identified in the 2004 omnibus bill (S.B. 2961), and if adopted would significantly limit the rights and benefits of workers under Hawaii's workers' compensation laws. The administration has given every indication that it intends to cut workers' rights and benefits retroactively by applying their proposed rules to all claims regardless of when they were filed.

Your Committee believes these actions by the Department of Labor and Industrial Relations to make changes to Hawaii Administrative Rules, chapters 12-10, 12-14, and 12-15 represents a usurpation of legislative authority. In a democratic system the role of formulating policy is reserved exclusively for those in the legislative branch. See *Sherman v. Sawyer*, 63 Haw. 55, 621 P.2d 349 (1980) ("Legislative power" is defined as power to enact laws and to declare what law shall be). Under the separation of powers doctrine the authority of the executive branch is restricted to executing and applying the laws enacted by legislators.

Your Committee determines that the law, under the current administrative rules regarding the disability compensation division, should be maintained through codification, as well as amended through the inclusion of provisions that allow for further refinement of the law and the system. In section 7 the measure proscribes changes through rulemaking under section 386-72, HRS, after January 1, 2005, with a drop-dead clause effective January 1, 2011.

Your Committee also believes that this measure appropriately provides for adequate care and assistance for injured individuals, through appropriate vocational rehabilitation, in order for them to return to gainful employment. Furthermore, the measure successfully clarifies issues of discovery, places reasonable limits on the amount of information required to be furnished by treating physicians, provides guidance on the award of attorney's fees, limits the Director's rulemaking authority to ensure that the current rules are maintained, authorizes the insurance commissioner to investigate and prosecute complaints of workers' compensation fraud, and adds language relating to parties successfully bringing a claim of fraud.

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. 1808 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, 2. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 499 (Joint) Labor and Education and Military Affairs on S.B. No. 1824

The purpose of this measure is to require the State to compensate state employees and officers on active duty in hostile fire zones the difference between their higher state pay and their military pay.

Testimony in support of this measure was submitted by the Department of Human Resources Development, the Department of Defense, the Chamber of Commerce of Hawaii, and the Hawaii National Guard Enlisted Association. Testimony in opposition was received from one individual.

Your Committees find that as the war on terrorism rages on, several units of the Hawaii Army National Guard and the Army Reserves have been ordered to active duty. Many of our public employees are also dedicated members of our National Guard and Army Reserves and, as a result, they and their families face multiple forms of hardship, including financial hardship due to the reduction in pay experienced as a result of their service. Your Committees further find that recruiting and retaining members of our state National Guard and Army Reserves is in the best interest of all of the citizens of Hawaii. Therefore, we must support all measures that will facilitate their ability to serve as well as encourage others to participate in such noble service.

Accordingly, your Committees have amended this measure by:

- (1) Clarifying that hostile fire zones are those designated by presidential executive order;
- (2) Placing a cap on the amount of compensation an individual can receive; and
- (3) Making the provisions retroactive to apply to state officers and employees who completed their tours of duty in hostile fire zones during calendar years 2003 and 2004.

As affirmed by the records of votes of the members of your Committees on Labor and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1824, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1824, 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 (Chun Oakland, Hooser).

SCRep. 500 Labor on S.B. No. 1888

The purpose of this measure is to extend the term of the members of the Hawaii Labor Relations Board (HLRB) from six to ten years.

This measure also adjusts the salary of the chairperson of the HLRB to be at least equal to that of the deputy director of the Department of Labor and Industrial Relations and the salary of the other HLRB members to be equal to ninety-five percent of the chairperson's salary.

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 Labor and Industrial Relations and the Department of the Attorney General.

Your Committee finds that HLRB members serve the valuable function of adjudicating cases arising under the State's collective bargaining laws. Service on the HLRB requires individuals to have specialized knowledge and expertise in the area of employee relations. Your Committee further finds that the State is better served by having the members of this type of body serve an extended term of ten rather than six years. Additionally, your Committees determine that it is necessary to provide for the adequate compensation of the individuals serving on the HLRB at a level commensurate with their responsibilities, experience, and performance in order to attract qualified individuals.

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. 1888 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, 1 (Ihara).

SCRep. 501 Judiciary and Hawaiian Affairs on S.B. No. 551

The purpose of this measure is to enact a fee schedule for court appointed fact-finders that assist a family court judge in making child custody and visitation determinations.

Testimony in support of this measure was submitted by the Hawaii State Coalition Against Domestic Violence, the Domestic Violence Clearinghouse and Legal Hotline, and three individuals. The Judiciary offered comments on the measure.

Your Committee finds that the lack of a statutorily established fee schedule for court appointed fact-finders means that there is a lack of uniformity and consistency in which fees are assessed or charged by these individuals. Enacting a uniform fee schedule will not only provide much needed clarity for all parties, but also allow the court to be more actively involved in ensuring that the fees charged by court appointed fact-finders do not exceed statutory caps or, in the event that the statutory cap must be exceeded, that the court is able to impose reasonable conditions based upon the needs of the parties and the type of issues involved in the case.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of consistency and clarity.

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. 551, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 551, 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. 502 Judiciary and Hawaiian Affairs on S.B. No. 552

The purpose of this measure is to appropriate funds for the expansion of the Kids First program in the Judiciary in order to provide co-parenting classes for individuals involved in a high-conflict divorce.

Testimony in support of the measure was submitted by the Children's Rights Council of Hawaii and three individuals. Testimony in opposition to the measure was submitted by the Legal Aid Society of Hawaii. The Judiciary, Domestic Violence Clearinghouse and Legal Hotline, and the Hawaii State Coalition Against Domestic Violence offered comments.

Your Committee finds that the Kids First Program is an important educational program for couples going through a high conflict divorce. This program helps address and resolve important emotional, psychological, and mental issues that are present in both adults and children as they make the transition to a post-divorce family structure and setting. In order to implement this program, the Judiciary will develop and implement guidelines for determining or classifying "high-conflict" divorce cases for eligibility purposes as well as ensure that where allegations of domestic abuse are involved or raised, these divorcing parents are not required to attend co-parenting classes together.

Your Committee has amended this measure by permitting the Family Court to assess or apportion the costs of these co-parenting classes to individuals who have the financial resources to pay for these classes.

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. 552, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 552, 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. 503 (Joint) Judiciary and Hawaiian Affairs and Labor on S.B. No. 825

The purpose of this measure is to make deputy sheriffs and the Sheriff Division Administrator eligible for similar retirement benefits afforded to other law enforcement and safety personnel upon reaching twenty-five years of credited service, regardless of age.

Testimony in support of the measure was submitted by the Department of Public Safety and the Hawaii Government Employees Association.

Your Committees find that deputy sheriffs perform the same law enforcement and public safety functions that are assigned to police officers, firefighters, and other safety personnel, but are not afforded the same retirement benefits as these individuals. This measure seeks to establish parity among law enforcement personnel with respect to retirement benefits by applying the same retirement criteria to deputy sheriffs that is presently being used by other law enforcement personnel which would enable deputy sheriffs to retire after twenty-five years of credited service, regardless of age.

Your Committees have amended this measure by making technical, non-substantive amendments for purposes of clarity.

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. 825, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 825, 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, 1 (Taniguchi).

SCRep. 504 (Joint) Judiciary and Hawaiian Affairs and Labor on S.B. No. 828

The purpose of this measure is to allow state correctional officers 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 United Public Workers, and seventy-six state correctional officers.

Your Committees find that state correctional officers perform the same law enforcement and public safety functions as police officers, firefighters, and other safety personnel, but are not able to utilize the same retirement criteria afforded to other law enforcement personnel. This measure is designed to promote parity in retirement eligibility by allowing state correctional officers to retire after accumulating twenty-five years of credited service, regardless of age.

Your Committees have amended this measure by making technical, non-substantive amendments for purposes of clarity.

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. 828, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 828, 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, 1 (Taniguchi).

SCRep. 505 Judiciary and Hawaiian Affairs on S.B. No. 995

The purpose of this measure is to repeal the mandatory retirement age of seventy for all state judges and justices.

Testimony in support of this measure was submitted by one individual.

Your Committee finds that the mandatory retirement age of seventy for all state judges and justices means that a number of highly qualified and extremely productive jurists were forced to retire from the bench for no other reason than they had attained the age of seventy. This mandatory retirement age has deprived the State of experienced, well-respected, and knowledgeable judges who are still able to make meaningful contributions to the practice of law and the administration of justice, even after they have attained the age of seventy and beyond.

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. 995 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. 506 Judiciary and Hawaiian Affairs on S.B. No. 965

The purpose of this measure is to repeal the existing law on electronic eavesdropping, commonly referred to as the wiretapping law, and to replace it with a wiretapping and electronic surveillance law that is organized and more compatible with federal law on the same subject.

In addition, this measure establishes an electronic surveillance unit in the Department of the Attorney General to review all wiretapping applications and to make written recommendations to the court for approval or disapproval of the application. The measure also creates exceptions from criminal liability for individuals who are designated by investigative or law enforcement officers as providers of special assistance in wiretapping, and creates procedures for conducting wiretapping in emergency situations without a prior court order.

Testimony in support of the measure was submitted by the Office of the Lieutenant Governor, the Department of the Attorney General, the Department of the Prosecuting Attorney for the County of Maui, the Hawaii County Police Department, Mothers Against Drunk Driving, and one individual. Testimony in opposition to the measure was submitted by the Office of the Public Defender and the ACLU of Hawaii. Offering comments on the measure were the Department of the Prosecuting Attorney for the City and County of Honolulu, the Department of Public Safety, and the Honolulu Police Department.

Your Committee has amended this measure by deleting the electronic surveillance unit as well as the requirements for a memorandum by the Attorney General recommending approval or disapproval of the application for a wiretap. Your Committee believes that the establishment of an electronic surveillance unit with specific authority being accorded to the Attorney General to make recommendations to the court is not only unnecessary, but may also compromise the impartial and independent role of the Judiciary in determining the propriety of a specific wiretap application.

Your Committee also amended the measure by removing any special exceptions given to individuals who are designated by law enforcement officers engaging in wiretapping activities. Although special exceptions may be appropriate under specific and special circumstances, your Committee believes that the law enforcement officers should not have the authority to grant that exception. Instead, your Committee believes that a court, after considering the application for a wiretap and the facts and circumstances that are included in an application, may include such protective orders or conditions as the court determines to be necessary.

The emergency provision of the measure that allows for a wiretap without a court order has also been deleted. An impartial and independent evaluation by the court between the zealous pursuit to obtain a wiretap for suspected criminal activity and the established right to privacy is not only necessary, but can be obtained within a relatively short period of time. The Judiciary places a judge on twenty-four hour call for the express purpose of issuing warrants and similar orders, and if absolutely necessary, should be able to make a judicial determination in the event of an emergency.

Your Committee has also made other amendments to the bill regarding the preservation of existing law on the use of the contents of a wiretap that violates law, and the deletion of limitations on an aggrieved person's right to suppress the evidence or appeal an adverse ruling in addition to all other remedies and sanctions to which the aggrieved person may be entitled. Your Committee replaced the need for probable cause for the issuance of a court order for a pen register or trap and trace device. Instead of requiring that federal law be incorporated into Hawaii law, your Committee believes that Hawaii law must be interpreted taking into consideration Hawaii's Constitution and history protecting an individual's right to 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. 965, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 965, 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 (English, Ihara).

SCRep. 507 Judiciary and Hawaiian Affairs on S.B. No. 1689

The purpose of this measure is to establish a comprehensive public funding program for state legislative candidates and candidates for the offices of Governor and Lieutenant Governor who agree to abide by campaign contribution and expenditure limits.

Testimony in support of the measure was submitted by the Mayor of Hawaii County, a member of the Hawaii County Council, the Vice-Chair of the Maui County Council, the Hawaii Democratic Party-Oahu County Committee, the AARP of Hawaii, Hawaii Clean Elections, the Hawaii State Coalition Against Domestic Violence, Interfaith Alliance Hawaii, the Kokua Council, the League of Women Voters of Hawaii, Life of the Land, Americans for Democratic Action-Hawaii Chapter, and forty-three individuals. Testimony in opposition to the measure was submitted by the Department of Budget and Finance, the Department of Taxation, and the Campaign Spending Commission. Offering comments on the measure was the Office of Elections.

Your Committee finds that a number of states, such as Arizona and Maine, have enacted laws that allow for publicly funded campaigns for state elective office. Based upon the positive experiences of these states both in terms of increasing voter participation and allowing more people to participate as candidates for elective office, your Committee finds that Hawaii should also enact a similar comprehensive public funding program for state legislative candidates as well as for the Office of Governor and Lieutenant Governor.

Your Committee has amended this measure by:

- (1) Changing the expending agency for purpose of the appropriation to the Department of Accounting and General Services; and
- (2) Making technical, non-substantive changes for purposes of clarity.

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. 1689, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1689, 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 (Hee).

SCRep. 508 (Joint) Higher Education and Water, Land, and Agriculture on S.B. No. 1065

The purpose of this measure is to appropriate funds to the University of Hawaii to enable its College of Tropical Agriculture and Human Resources (CTAHR) to conduct crucial research and outreach to develop and promote high-value agricultural products, breeding programs, and related activities.

Your Committees received testimony in support of this measure from CTAHR, Department of Agriculture, Aloun Farms, Big Island Candies, Hawaii Crop Improvement Association, Hawaii Commercial & Sugar Company, Pineapple Growers Association of Hawaii, and one individual. Your Committees received testimony in opposition to this measure from four individuals.

Hawaii's agriculture and value-added products contribute \$2,400,000,000 to the State's economy and employ more than thirty-eight thousand people. During the past twenty years, diversified agriculture in Hawaii has more than doubled. The prime agricultural lands released from sugar and pineapple production present a rare window of opportunity to further agricultural development.

Currently, about one hundred thousand acres of former sugar and pineapple land lie fallow, awaiting economically viable agribusinesses. If all of this land could be put to productive use in successful agricultural ventures, an additional \$1,700,000,000 to \$4,400,000,000 could be added to the State's economy.

From the mid-1990s to the beginning of the current decade, CTAHR lost \$3.5 trillion in state appropriations and thirty six faculty positions, jeopardizing the college's efforts to assist the agribusiness community. In response, the Legislature passed Act 234, Session Law of Hawaii 2001, which provided \$500,000 in funding for fiscal years 2002 and 2003. CTAHR used the Act 234 funds to fill nine faculty positions, including extension agents on Hawaii and Maui and professors at the University of Hawaii at Manoa. Act 234 expressed the Legislature's intent to add the \$500,000 appropriation to the University of Hawaii base budget, but budgetary restrictions prevented the University from rolling these funds into the 2003-2005 budget. In 2004, the Legislature passed Act 223, which appropriated \$500,000 for CTAHR research programs in fiscal year 2005.

By adding \$500,000 to the University's base budget, this measure enables CTAHR to retain the nine faculty hired with Act 234 funds. This money will ensure that these faculty members can continue their important work by:

- (1) Addressing the pest, disease, and nutrition issues faced by Hawaii growers;
- (2) Introducing new products to the Hawaii market;

- (3) Promoting Hawaii products in the State, on the mainland, and around the world;
- (4) Creating cutting-edge technologies and developing new value-added goods; and
- (5) Investigating how Hawaii's forests and watersheds can be managed to support industries while protecting natural resources.

Your Committees find that Hawaii must diversify its economic base beyond a reliance on tourism. A revived state agricultural industry holds the promise of not only diversifying Hawaii's economy, but also improving the food security of our isolated islands and preserving the green space and lifestyle that Hawaii's citizens and visitors value.

Your Committees further find that in order for Hawaii's agricultural industry to take advantage of this opportunity, it must produce high quality, market-driven products that offset Hawaii's high costs of land, labor, water, and transportation. This requires that the agricultural industry have access to the highest quality, state-of-the-art research and outreach programs. CTAHR is engaged in several areas of research and outreach that have already contributed to the resurgence of agriculture in Hawaii.

Your Committees have amended this measure by making an appropriation of \$500,000 for the fiscal year 2005-2006 only and by removing the fiscal year 2006-2007.

As affirmed by the records of votes of the members of your Committees on Higher 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. 1065, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1065, 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 (Chun Oakland, English, Trimble).

SCRep. 509 (Joint) Higher Education and Media, Arts, Science and Technology on S.B. No. 1506

The purpose of this measure is to make an appropriation to Leeward Community College to purchase mobile high definition television production facilities that include transportation and production equipment.

Your Committees received testimony in support of this measure from Leeward Community College (LCC) and twenty individuals.

LCC's TVPro program has international students who have come to Hawaii from all over the globe, including Greece, England, Germany, and Japan, to enroll in that program. LCC's TVPro also has students with baccalaureate and post-graduate degrees from prestigious film and television schools including the University of Southern California and University of California at Los Angeles. Students enroll in LCC's TVPro because of its hands-on instruction and professional skills that will land them a successful career.

Most college film or TV programs have a job placement rate of 11 to 13 per cent. LCC's TVPro has never had less than an 89 per cent placement rate consistently over 17 years, making it one of the most successful programs in the United States, at quadruple the national average. LCC's TVPro students and graduates work in every TV station in Hawaii, in Hollywood, on major TV networks, many feature films, virtually every TV show and movie that comes to Hawaii, and elsewhere around the world. At least 50 per cent of the entire staff of KITV are LCC's TVPro graduates.

Over the past 17 years, TVPro has never asked for or received any state funds for equipment. All of the equipment currently in LCC's TVPro possession have been acquired through federal grants including Title III and Carl Perkins funds. However, the Federal Communications Commission is requiring all TV stations to broadcast fully digital by 2006. Unfortunately, this technology is quite expensive. As a vocational program, it costs more for the hands-on instruction and the tools. LCC's TVPro acknowledges that the funding requested is a large sum of money, but the program is in dire need of new technology tools to teach its students.

Your Committees find that purchasing mobile high definition television production facilities would be an asset as well as beneficial to the LCC's TVPro program.

As affirmed by the records of votes of the members of your Committees on Higher Education and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1506 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, Ihara, Sakamoto, Trimble).

SCRep. 510 Higher Education on S.B. No. 1064

The purpose of this measure is to appropriate funds to the University of Hawaii to enable the Department of Natural Resources and Environmental Management of the University of Hawaii College of Tropical Agriculture and Human Resources to hire faculty with expertise in resource management and conservation.

Pursuant to prior concurrence with the Chair of the Senate Committee on Judiciary and Hawaiian Affairs, your Committee has amended this measure by replacing it entirely with the contents of SB 906. SB 906 was heard jointly by your Committees on Higher Education and Judiciary and Hawaiian Affairs prior to your Committee on Higher Education's hearing on SB 1064. At the joint hearing on SB 906, the chairs of your Committees noted that the title of SB 906 was in conflict with the intent and contents of the bill, thereby rendering it defective. Your Committees felt that improving governance of the University of Hawaii's Community Colleges is

a matter of great importance and therefore agreed that the measure should go forward with technical amendments in the form of SB 1064.

This measure proposes a constitutional amendment to establish the University of Hawaii Community College System as a separate and independent entity with its own Board of Regents, require the members of the two boards of regents to be appointed through selection commissions, and require the members of the two boards to serve ten-year terms.

Testimony in opposition to this measure was received from the Hawaii Government Employees Association, while the University of Hawaii provided a concerned response.

Your Committee finds that while there are economies of scale in maintaining the community colleges as part of the University of Hawaii System, there is no assurance that the community colleges will always receive equitable financing or be held accountable for their programs and use of taxpayer money. A separate board dedicated to managing the community colleges would be tasked with this specific responsibility and held accountable for their actions.

Also, as the “step-children of Manoa”, community colleges have not been the driving force behind the policy of governance by the Board of Regents. As a result, the latest change to the management of the community colleges has resulted in each campus being given near complete autonomy and is now headed by its own chancellor. This change has arguably been a bane to the financial and programmatic survival of the community colleges.

The Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges (ACCJC) is the body responsible for accrediting community colleges. In a January 31, 2005 letter to University of Hawaii Interim President David McClain, the ACCJC was highly critical of the reorganizations that have occurred since 2003. By way of background, then President Evan Dohelle moved to eliminate the Office of the Chancellor for Hawaii’s community colleges and created a structure of seven colleges reporting directly to the President of the University. The ACCJC’s letter stated, “. . . confusion continues about the respective roles of campus and system administrators in determining campus priorities, and this lack of distinction continues to challenge the ability of each college to meet accreditation standards.” The ACCJC further stated, “The Commission remains concerned that a lack of clarity persists about operational decisions distinct to the role and mission of the community colleges within the University of Hawaii system.”

Following its November 15-18, 2004 visit to the University of Hawaii, the ACCJC issued a 15 page report on the reorganization of the University of Hawaii Community Colleges. Their report identified four concerns specifically in the areas of:

- The delegation of personnel functions to the individual campuses and continuing the role of the personnel function at the system level;
- Development and implementation of a regular assessment of institutional effectiveness;
- The role of the governing board as a policy making body; and
- Staffing and funding of the University system structure that resulted from reorganization of the community colleges that began in May 2003, including the elimination of the position of Chancellor for Community Colleges and the restructured reporting lines for the colleges.

Excerpts from this report highlight the need to establish a dedicated single governing body with a chief executive solely responsible for the management and direction of the community college system.

Specifically, the report says:

- Page 5: “Because the University reorganization did not clearly give the Associate Vice President authority over the colleges in the areas of his responsibility, his staff are concerned about whether they have the authority to do what needs to be done. The unit’s claim that it ‘coordinates’ the colleges in areas of its expertise are apparently true only when colleges agree to be ‘coordinated’.”
- Page 6: “The President communicates with his immediate staff, the University System-wide Support staff; the Associate Vice Presidents for Community Colleges are one reporting level lower in the organizational structure and are not always getting or giving key personnel information.”
- Page 8: “The Council of Community College Chancellors is delegated responsibility for implementing changes . . . The Council tends to share information more than make decisions, and staff of the Colleges told the (ACCJC) Team bluntly ‘it is not a decision-making body’ . . . The inability of either council or of a super-ordinate to decide how the colleges might collectively approach at least core elements of program review, result in each college pursuing its own local strategy or, as in some cases, not acting at all on this matter.”
- Page 11: “The (ACCJC) Team’s view is that as a state system-wide board, the Board of Regents needs to be prepared to devote sufficient time and attention to the issues of community colleges’ educational quality and program improvement . . . The Team urges the Board of Regents, the University of Hawaii President, and the Community College Chancellors, to explore how the Board of Regents can be organized to fulfill its responsibilities to the specific community college mission.”

- Page 12: “The Commission’s original concern...was that the Community College System-wide Support services be identified and maintained at a level sufficient to support the Community Colleges. The Team believes it is clear that the reorganization (first or second) has not established a clear organizational structure with clearly defined roles or authority and responsibility between the colleges and the system that effectively supports the colleges in their mission and function.”

Your Committee finds that perhaps the ACCJC’s report is best summed up in one statement by the reviewers, “The Team believes that the State will find it very challenging to continue to operate the Community College system without identifying a clear ‘head’ of that system.” The Board of Regents has adopted a “change as you go” attitude in managing the reorganization of the Community Colleges with respect to that of the University of Hawaii system. Your Committee finds that while the University is working at yet another reorganization at a cost of \$1.5 million, there is still a lack of commitment on the Board of Regents part to return the Community Colleges to an efficient and well managed system that it once was under a single system wide Chancellor.

Finally, your Committee recognizes that the community colleges not only enroll the majority of all students in the University of Hawaii system, they enroll an even larger majority of students whose place of residency is our State. The need for the attention from this body is further increased by the high proportion of such students who are the first in their family to attend college and the large numbers of such students that are from disadvantaged backgrounds. Your Committee finds that the University of Hawaii system as it is presently organized places the needs of these students last.

Your Committee believes that the findings contained in the ACCJC report reinforces the need to establish a separate board of regents to manage the University of Hawaii Community Colleges. Your Committee also finds that in light of the fact that University Presidents may come and go, it is the responsibility of this Legislature to ensure that no harm is done to the governance and management of this institution for the welfare of Hawaii’s people and economy.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1064, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1064, 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 (Chun Oakland, Trimble).

SCRep. 511 (Joint) Education and Military Affairs and Commerce, Consumer Protection and Housing on S.B. No. 639

The purpose of this measure is to remove the Housing and Community Development Corporation of Hawaii from managing the Department of Education teacher housing, and to authorize the department to manage its teacher housing.

Testimony in support of the measure was submitted by the Department of Education and Housing and Community Development Corporation of Hawaii.

Your Committees find that the teacher housing program has been an effective recruitment and retention tool for isolated communities that have very limited affordable housing for educational personnel. Furthermore, Act 51, Session Laws of Hawaii 2004, encouraged the transfer of educational functions in other departments and agencies to the Department of Education. However, adequate resources and the development of property management capacity must also be transferred to implement the intent of this measure.

Upon further consideration, your Committees have amended this measure to:

- (1) Extend the effective date to July 1, 2007 to give the department adequate time to develop the capacity to manage the teacher housing inventory, as it is outside their area of expertise;
- (2) Require the department to report their discussions with the corporation to the legislature; and
- (3) Make a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs 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. 639, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 639, 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 (Chun Oakland, Espero, Ige).

SCRep. 512 (Joint) Education and Military Affairs and Higher Education on S.B. No. 1811

The purpose of this measure is to clarify that students participating in the running start program may receive a credit for their college coursework at the institution and at their high school and expands the availability of college courses in which the participants may enroll. This measure also releases the Department of Education from liability for students participating in the program when exiting their campus to conduct activities outside of the program.

Testimony in support of the measure was submitted by the Department of Education and University of Hawaii.

Your Committees find that the running start program allows high school students to enroll in college level courses at the University of Hawaii. The purpose of the program is to provide the student with a head start in their college coursework. However, the intent is not to hinder the student's progress toward a timely graduation. This measure clarifies that students participating in the program will be able to receive credit for college coursework as well as high school credit, provided that the course is aligned with the Board of Education's curriculum requirements.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1811 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, 9. Noes, none. Excused, 1 (Baker).

SCRep. 513 (Joint/Majority) Education and Military Affairs and Judiciary and Hawaiian Affairs on S.B. No. 908

The purpose of this measure is to establish the department of education as a political subdivision headed by the board of education.

This measure also establishes an educational restructuring and transition committee to assist in the restructuring of the department of education and the public educational system.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association. Testimony in opposition to this measure was submitted by the Department of Budget and Finance and one individual. Comments on this measure were also submitted by the Board of Education.

Your Committees find that an educational crisis exists in Hawaii's public educational system in that it suffers from numerous deficiencies which results in low test scores, the weakening of teaching staff, and low learning expectations. Your Committees further find that the development of a system that provides answers to funding issues as well as accountability problems is crucial to a successful public school system. Additionally, the reform of the governance of the statewide educational system through the establishment of clear lines of authority and responsibility in fiscal matters, policy issues, and managerial oversight is an issue that must also be addressed.

Your Committees have determined that establishing the Department of Education (DOE) as a political subdivision will allow the DOE to effectively and efficiently utilize its existing resources in an autonomous manner, by which it is accountable only to the public at large. The creation of an educational restructuring and transition committee will help to facilitate the restructuring of the DOE and the public educational system. Furthermore, your Committees believe that this committee should be formed immediately in order to begin to address the numerous issues involved in the restructuring of the DOE and the public school system.

Accordingly, your Committees have amended this measure by:

- (1) Changing the effective date of the Act to make section 12, which establishes the educational restructuring and transition committee, to be effective upon approval, prior to the constitutional amendment being placed on the ballot; and
- (2) By adding two members of the business community to the committee.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs 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. 908, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 908, 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, 1 (Hogue). Excused, 2 (Hee, Ihara).

SCRep. 514 (Joint) Education and Military Affairs and Health on S.B. No. 860

The purpose of this measure is to clarify that health aides shall be provided for all public schools, including all new century charter schools and new century conversion charter schools.

Testimony in favor of the measure was submitted by the Department of Education, Charter School Administrative Office, and Hawaii Academy of Arts and Science Public Charter School. The Department of Health submitted comments.

Your Committees find that there are over five thousand five hundred students attending new century charter schools. It is only appropriate for all public school students, in charter schools and regular schools, to receive the same services and level of support. This measure clarifies the State's duty to provide charter school students the same access to health aides as the regular public school students.

Although Act 51, Session Laws of Hawaii 2004, included assurances that issues such as these would be provided for, your Committees have amended this measure to change its effective date to July 1, 2020. It is the intent of your Committees to ensure that health care services are provided to charter schools.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 860, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 860, 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, 2 (Hanabusa, Whalen).

SCRep. 515 Education and Military Affairs on S.B. No. 434

The purpose of this measure is to exempt the Department of Education from liability when a person employed by the department participates in parent teacher association activities, and to make that person personally liable for willful acts committed during those activities.

Testimony in opposition to the measure was submitted by the Hawaii State Teachers Association and Consumer Lawyers of Hawaii.

Your Committee finds that the Parent Teacher Association plays a critical role in assisting public schools function effectively by ensuring primary stakeholders in schools work together collaboratively. Through a variety of activities, the association supports the achievement of academic and financial goals of schools.

Although some concerns were raised, your Committee has approved this measure with amendments to continue the discussion of what the department should be liable for regarding parent teacher association activities. Your Committee has amended this measure by:

- (1) Requiring the board to establish a policy to encourage participation in parent and teacher activities;
- (2) Directing the board to report the policy to the Legislature; and
- (3) Requiring the Attorney General to assist the board if requested.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 434, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 434, 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, none.

SCRep. 516 (Joint) Health and Human Services on S.B. No. 527

The purpose of this measure is to allow area office on aging of each county the option to purchase health and human services for the aged through chapter 103F or chapter 103D.

The Executive Office on Aging, Waianae Coast Comprehensive Health Center, the National Association of Social Workers, and one individual submitted testimony in support of this measure. The Department of Budget and Finance submitted comments.

Your Committees find that expenditures from the emergency budget and reserve fund established by section 328L-3, Hawaii Revised Statutes, are needed to meet the emergency economic situation currently facing the State.

Upon further consideration, your Committees amended this measure by deleting the provision pertaining to the Executive Office on Aging that would give county offices on aging the ability to decide whether to make procurements through chapter 103D or chapter 103F, Hawaii Revised Statutes, and appropriated funds from the emergency budget and reserve fund for various health and human services programs for fiscal year 2006-2007.

Your Committees note that testimony was given regarding incorporation of that part of the earlier version of this measure that pertained to the Executive Office on Aging. The original purpose of this measure was to give county offices on aging the ability to decide whether to make procurements through chapter 103D or chapter 103F, Hawaii Revised Statutes. Your Committees respectfully request the Committee on Ways and Means to include this provision into the measure that it is considering regarding procurement.

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. 527, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 527, 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 (Kokubun, Tsutsui, Trimble, Whalen).

SCRep. 517 Health on S.B. No. 132

The purpose of this measure is to adopt the Hospital Infections Disclosure Act that requires hospitals to establish a system of infection data gathering and reporting to the Department of Health and the public.

Your Committee finds that Hawaii's hospitals are too diverse in the patient populations they serve and the services they offer to permit meaningful comparison of nosocomial infection rates. The measure erroneously assumes that publication of comparisons of infection rates will stimulate hospitals to reduce those rates for competitive reasons. However, most of Hawaii's hospitals operate at near full capacity. Furthermore, the necessary groundwork to implement a hospital-acquired infection reporting system is not yet in place to allow useful comparison of infection rates and quality of care among different hospitals.

Accordingly, your Committee has amended this measure by deleting its contents and replacing it with a measure that establishes a task force in the Department of Health to design a system for reporting hospital-acquired infections to the public.

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. 132, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 132, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Tsutsui).

SCRep. 518 Media, Arts, Science and Technology on S.B. No. 785

The purpose of this measure is to allow public meetings by video teleconferencing to continue even if the video connectivity is interrupted or stopped.

Your Committee received testimony in support of this measure from the State Council on Developmental Disabilities and Hawaii Health Systems Corporation. Your Committee also received comments regarding this measure from the Office of Information Practices.

Your Committee finds that conducting public meetings via video teleconference allows more people to participate or observe the meetings, especially for neighbor island residents and boards with members at different sites throughout the State. Video teleconferencing is convenient, cost-effective for the State, and saves residents travel costs and time. Your Committee further finds that the State has a very sophisticated teleconferencing capability and infrastructure. Occasionally, technical problems affect the video connectivity, however, audio connections usually can be restored quickly. Your Committee believes that this measure balances the duties of a board to hold public meetings as required by the Sunshine Law, chapter 92, part I, Hawaii Revised Statutes, with the public's right to participate in the board's discussions, deliberations, and decisions.

Your Committee notes concerns raised by the State Council on Developmental Disabilities regarding video teleconferencing and teleconferencing, and believe this measure addresses these issues.

Your Committee has amended this measure to require board consideration to allow a member to participate via teleconference if video teleconferencing facilities are unavailable. Your Committee also has amended this measure by making technical, non-substantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 785, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 785, 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 (English).

SCRep. 519 (Joint) Media, Arts, Science and Technology and Water, Land, and Agriculture on S.B. No. 821

The purpose of this measure is to establish criminal penalties for violations against state historic sites and aviation artifacts.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and received comments from the Native Hawaiian Legal Corporation.

Your Committees find that the State has a strong interest in preserving and protecting Hawaii's historic sites and aviation artifacts. At present, the Department of Land and Natural Resources' only recourse against violators of chapter 6E, Hawaii Revised Statutes, is to pursue civil penalties where historic properties were knowingly destroyed. Your Committees find that this remedy is inadequate and does not deter future violations. Your Committees believe that this measure will strengthen the department's authority and enforcement mechanisms by providing criminal penalties in addition to existing civil penalties.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology 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. 821 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, 1 (Hooser).

SCRep. 520 Media, Arts, Science and Technology on S.B. No. 1304

The purpose of this measure is to increase the membership of the Hawaii Television and Film Board, outline specific administrative procedures and functions, and appropriate funds to the board's special fund.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; the Big Island Film Office; the Maui Film Office; and the Honolulu Film Office.

This measure is intended to enable local writers, directors and producers to create parts for local actors filmed by local crews. It complements the film/digital media production credit established in SB No. 541, SD1, Relating to Digital Media, by making it possible for talented Hawaii filmmakers to obtain financing for their productions through a separate grants process.

Just as Acts 221/215 were intended to provide start-up financing for high-tech start-ups in early stages of development, the Hawaii Film and Television Development Special Fund will provide seed financing that independent and budding filmmakers can use to leverage non-state funding sources. Since many of these filmmakers' projects would not be eligible for the film/digital media production credits, the Special Fund takes on special significance for independent filmmakers.

Your Committee has amended this measure by increasing the appropriation to \$2,000,000 and by making technical, non-substantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1304, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1304, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Ige).

SCRep. 521 Health on S.B. No. 1226

The purpose of this measure is to appropriate funds for a case manager to assist individuals with viral hepatitis with medical, housing, and ongoing counseling assistance referrals and acceptance.

Life Foundation, Hepatitis Hale Treatment & Support Program, Hawaii Chapter of the American Liver Foundation, and three individuals submitted testimony in support of this measure. The Department of Health submitted testimony in opposition.

Your Committee finds that there is a growing concern regarding the spread of chronic hepatitis in Hawaii. Conservative estimates indicate that approximately twenty thousand people are currently living with the hepatitis C virus. There are many people who are homeless and have chronic hepatitis C virus that may die from this chronic disease unless they are treated. Hawaii presently lacks a case management program to assist the homeless population that is infected with chronic hepatitis and that is at risk of spreading the infection to others. A case management program will assist the homeless and other hepatitis patients get referrals to and acceptance for medical coverage, housing, and ongoing counseling. Similar services for the HIV/AIDS population are purchased by the Department rather than provided by Department personnel.

Therefore, upon further consideration, your Committee has amended this measure by requiring the Department of Health to contract for case management services to establish a hepatitis C virus (HCV) case management pilot program.

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. 1226, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1226, 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 (Hanabusa, Whalen).

SCRep. 522 (Majority) Labor on S.B. No. 535

The purpose of this measure is to:

- (1) Prohibit an employer or labor organization from discriminating against an employer who uses accrued and available sick leave in accordance with a valid collective bargaining agreement or employment policy; and
- (2) Clarify that the term "employee" includes an employee with a non-chronic condition of a short-term nature.

Testimony in support of this measure was submitted by the Hawaii State AFL-CIO, the United Public Workers, AFSCME, Local 646, AFL-CIO, the Hawaii State Teachers Association, and the ILWU Local 142.

Testimony in opposition to this measure was submitted by the Hawaii Civil Rights Commission, the Chamber of Commerce of Hawaii, Verizon Hawaii, the Society for Human Resource Management, and the Retail Merchants of Hawaii.

Comments on the measure were submitted by the Department of Labor and Industrial Relations (DLIR) and the Department of Human Resources Development.

Your Committee finds that the existence of "no-fault" attendance policies may arbitrarily and unfairly penalize employees who rightfully utilize available sick leave benefits provided by employers. To this end, an employee who legitimately uses sick leave and

an employee who is absent from work though the abuse of sick leave benefits are both considered absent for purposes of the no-fault policy and may be disciplined as a result of these absences. Your Committee determines that employees who legitimately utilize sick leave benefits that they have accrued and are available to them, verified by a valid doctor's excuse, should not be unfairly penalized. Your Committee further finds that jurisdiction over the enforcement of this provision is more properly placed with DLIR, which is adequately equipped to handle its administration.

Accordingly, your Committee has amended this measure as follows:

- (1) By deleting the newly created section within part I of chapter 378, Hawaii Revised Statutes; and
- (2) By including an amendment to section 378-32, HRS, to:
 - (A) Prohibit an employer or labor organization from discriminating against an employer who uses accrued and available sick leave in accordance with a valid collective bargaining agreement or employment policy; and
 - (B) Clarify that the term "employee" covers an individual with a non-chronic condition of a short-term nature.

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. 535, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 535, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 523 Labor on S.B. No. 738

The purpose of this measure is to allow the Employees' Retirement System to compromise or settle claims for benefits, including those claims arising over the detrimental reliance by ERS members on erroneous information provided by the ERS, as approved by the Attorney General.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Employees' Retirement System (ERS), and the Hawaii State Teachers Association.

Your Committee finds that the Attorney General has opined that, under the current law, the ERS is not authorized to compromise or settle claims in which an ERS member has detrimentally relied on erroneous information provided by the ERS, if this would result in the member receiving benefits that the member is not entitled to receive by statute. Therefore, the current law does not provide for the more effective and efficient disposition of cases wherein an ERS member has made a decision, based upon erroneous information obtained from the ERS, which may result in severely adverse consequences to the member. Your Committee further finds that situations may occur in which a member is mistakenly or incorrectly credited with service to which the member is not entitled as a matter of law. As the courts may find that this situation was established through the detrimental reliance of a member on information obtained from the ERS, the ERS should be authorized to compromise or settle the case instead of having to participate in full blown litigation unless this is necessary.

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. 738, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 738, 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, 1 (Taniguchi).

SCRep. 524 (Majority) Labor on S.B. No. 290

The purpose of this measure is to amend the law regarding appropriate issues for negotiations in collective bargaining.

Specifically, this measure:

- (1) Provides for the ability to negotiate over discretionary issues of collective bargaining;
- (2) Provides that nothing in the section shall be construed as inconsistent with the right of public employees to engage in collective bargaining; and
- (3) Clarifies that chapter 89 shall supercede all other laws to the contrary.

Testimony in support of this measure was submitted by the United Public Workers, the Hawaii State Teachers Association, and the Hawaii Government Employees Association. Testimony in opposition to this measure was submitted by the Judiciary, the Department of Human Resources Development, the Department of Human Resources of the City and County of Honolulu, the Department of Personnel Services of the County of Maui, the Department of Civil Service of the County of Hawaii, the University of Hawaii, and the Hawaii State Personnel Council.

In 1988 the Legislature amended section 89-9(d), Hawaii Revised Statutes (HRS), to expand the scope of collective bargaining in the public sector, pursuant to Act 399, Session Laws of Hawaii 1988. The intent of the change was to protect contract provisions

which would otherwise be considered invalid because of a literal reading of what is commonly referred to as the management rights clause in section 89-9(d), HRS. As explained in relevant portions of the House Standing Committee Report Number 986-88:

Your Committee has also reviewed the history of public sector collective bargaining and the contract which have been negotiated under section 89-9. To avoid any conflict which might otherwise arise between a literal reading of section 89-9(d) and existing provisions of these contracts, we have amended that section.

1998 House Journal, at 1193.

Your Committee has again conducted a similar review and find that nearly all agreements in the public sector contain or refer to standards, criteria, and procedures relating to the employee hiring, promotions, transfer, assignment, retention, suspension, demotion, discharge, disciplinary actions, layoffs and displacement for lack of work and other similar personnel actions. Based on the history, past practice, and intent of chapter 89, there is no sound reason why these contract provisions should be subject to challenge based on any claim to "management rights." These topics traditionally fall in the category of "terms and conditions of employment" as the phrase is used in section 89-9(a), HRS. They are mandatory subjects of collective bargaining, and retaining reference to them in section 89-9(d), HRS, can only lead to confusion and misapprehension. Accordingly, your Committee believes deleting references to all mandatory subjects of collective bargaining from section 89-9(d), HRS, is necessary and appropriate.

At the same time, your Committee has retained in section 89-9(d), HRS those matters which are considered excluded matters or subjects. Excluded subjects are those over which the legislature has historically established uniform requirements by statute. There is no intent by your Committee to change this category or to modify the intent of subsections 89-9(d), (e), or (f), HRS.

Consistent with the public policy favoring joint decision making between employers and employees, your Committee has clarified section 89-9, HRS, by expressly providing for a category known as permissive subjects of bargaining. These are matters over which an employer may wish to negotiate, at its discretion. For example, while there is no duty to negotiate over the merit principles and the principle of equal pay for equal work, the employer can negotiate over compliance with the merit principles or the principle of equal pay for equal work. The same shall apply to other such topics referred to in section 89-9(g), HRS.

Your Committee, in section 89-9(h), HRS, has added a provision to avoid literal and absurd interpretations of the statute which are inconsistent with the intent and purpose of Article XIII, section 2 of the State Constitution.

Finally, the measure clarifies the intent of section 89-19, HRS, to ensure that the preemption clause is not misconstrued or restricted by arbitrary and capricious considerations like the date of enactment.

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. 290, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 525 (Majority) Labor on S.B. No. 294

The purpose of this measure is to increase the minimum wage amount to \$7.00 beginning July 1, 2005, and provide for an annual automatic increase thereafter.

This measure also provides temporary tax relief to employers by lowering the maximum taxable wage base for calendar years 2005 through 2007.

Testimony in support of this measure was submitted by the ILWU Local 142 and the Hawaii State Teachers Association. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, the Department of Environmental Services of the City and County of Honolulu, National Federation of Independent Business Hawaii, the Chamber of Commerce of Hawaii, the Retail Merchants of Hawaii, the Hawaii Restaurant Association, and four individuals.

Your Committee finds that although the minimum wage amount was recently increased effective in 2003, the increase has failed to keep pace with the escalating rate of inflation. As a result, a worker's purchasing power has continued to diminish over time. In Hawaii, the cost of living is higher than that of much of the rest of the nation, which compels many individuals to work two jobs just to make ends meet. As we have turned the corner, heading towards improved economic times, your Committee believes that it is necessary to assist entry-level workers to allow them to share in this period of economic growth and prosperity. Prior to the most recent increase, no previous adjustment had been made to the minimum wage amount since 1993. In order to avoid the Legislature's need to continually revisit the issue year after year and to prevent the necessity for large increases when no adjustment has been made for several years, an automatic annual adjustment should be instituted. It is also your Committee's intent that the Department of Business, Economic Development and Tourism shall annually calculate and publish the gross state product deflator to be utilized in making the annual adjustment. Furthermore, your Committee does not believe that high inflation should disproportionately increase the minimum wage adjustment amount and believes that a cap should be placed upon the adjustment.

Your Committee further finds that some concern exists regarding the current tip credit law. The law currently allows an employer to presume that tipped employees are receiving a certain level of tips each pay period, thereby allowing the employees' pay to be reduced accordingly. A majority of the states across the nation have tip credit laws. Of those states with tip credit laws, the amount of the tip credit ranges from about one to three dollars, well over the twenty-five cents allowed here in Hawaii. Testimony received by your Committee indicates that one way in which to address the financial burden imposed upon employers due to increases in the

minimum wage amount is to raise the tip credit amount to offset the additional costs. Your Committee believes that the issue should be further examined throughout the session so as to determine whether such an increase is appropriate.

Additionally, your Committee finds that although Hawaii is fortunate to enjoy one of the lowest unemployment rates in the country, unemployment insurance tax relief is long overdue for employers within the State as well. Therefore, your Committee determines that at least temporary tax relief for calendar years 2005, 2006, and 2007 should be provided in order to promote business growth and economic prosperity through the creation of new jobs, the expansion of benefits, and the provision of pay increases to employees.

Accordingly, your Committee has amended this measure as follows:

- (1) By amending the formula for calculating the annual automatic adjustment to the minimum wage amount to provide that the minimum wage amount shall increase annually based upon the percent increase in the gross state product deflator published annually by the Department of Business, Economic Development and Tourism; and
- (2) By including language that places a cap on the annual adjustment of up to no more than fifty cents per year.

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. 294, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means in the form attached hereto as S.B. No. 294, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 526 (Joint/Majority) Labor and Judiciary and Hawaiian Affairs on S.B. No. 1193

The purpose of this measure is to ensure that civil service employees who transferred from executive branch agencies to the Department of Education under Act 51, Session Laws of Hawaii 2004, are eligible to apply for intra- and inter-departmental transfer and promotional opportunities within the executive branch.

Testimony in support of this measure was submitted by the Department of Education (DOE) and the Hawaii Government Employees Association. Testimony in opposition to this measure was submitted by the Department of Human Resources Development.

Your Committees find that Act 51, Session Laws of Hawaii 2004, mandated the transfer of certain functions from various state agencies to the DOE. Act 51 also provided for the DOE to establish a separate personnel system under the control of the Board of Education. Your Committees believe that the rights and benefits of DOE civil service employees, whether or not transferred pursuant to Act 51, should be maintained and not diminished due to the transfer or the institution of a separate personnel system.

Accordingly, your Committees have amended this measure by ensuring that all DOE civil service employees, including those transferred under Act 51, are eligible for inter-and intra-departmental transfer and promotional opportunities within the executive branch.

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. 1193, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1193, 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, 1 (Taniguchi).

SCRep. 527 (Joint) Media, Arts, Science and Technology and Transportation and Government Operations on S.B. No. 332

The purpose of this measure is to exempt the High Technology Development Corporation and the Natural Energy Laboratory of Hawaii from the state procurement code.

Your Committees received testimony in support of this measure from the High Technology Development Corporation (HTDC); the Natural Energy Laboratory of Hawaii Authority (NELHA); UHV Engineering, Co.; HydraFLX Systems LLC; and one individual. Your Committees received testimony in opposition from the Department of Accounting and General Services. Your Committees also received comments on this measure from the State Procurement Office and one individual.

Your Committees find that the High Technology Development Corporation's 1983 enabling statute exempted HTDC from the law for competitive bidding, an exemption further clarified in 2000. Testimony from NELHA noted that the authority had been exempt from the procurement requirements since its inception thirty years ago. NELHA also noted that the authority has not had any negative findings in a financial audit during that period, while expending over \$60,000,000 in state funds and nearly the same in federal funds.

Your Committees heard that despite such exemplary records, these agencies were included in blanket changes to the procurement code without due consideration of the nature of the agencies. HTDC and NELHA must have the ability to capitalize on ideas in a timely and responsive manner as an essential tool for economic success and survival in a global marketplace. Your Committees further find that the state procurement code does not offer sufficient flexibility and timely responses to meet these needs. Although future individually granted exemptions from the procurement code are available, your Committees believe that the response is not quick

enough for time-critical processes of the High Technology Development Corporation and the Natural Energy Laboratory of Hawaii Authority.

Although your Committees understand the State's desire to standardize purchase requirements, exemptions are currently in effect for the Hawaii Tourism Authority, the Research Corporation of the University of Hawaii and the Hurricane Relief Fund. The mandates for innovative programs to aid Hawaii's economic expansion and diversification — tasked to both HTDC and NELHA — require at least equal procurement flexibility.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 332, S.D. 1, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 2 (Ihara, Kanno).

SCRep. 528 Media, Arts, Science and Technology on S.B. No. 625

The purpose of this measure is to clarify the legislature's intent that public, educational, and governmental (PEG) access organizations be subject to public scrutiny by requiring that the Department of Commerce and Consumer Affairs' contracts with access organizations contain minimum requirements for public access to the organizations' meetings and records.

Your Committee received testimony in support of this measure from the League of Women Voters. Your Committees received testimony in opposition from 'Olelo Community Television, although it supports the intent of this measure. Your Committee also received comments regarding this measure from the Department of Commerce and Consumer Affairs and the Office of Information Practices.

Your Committee heard testimony from the Department of Commerce and Consumer Affairs regarding its ongoing contract negotiations with PEG access groups. Your Committee is confident that more stringent requirements can be negotiated by the department as part of this process.

Your Committee has amended this measure by deleting the provisions of section 1, which are unnecessary.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 625, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 625, 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, 1 (English).

SCRep. 529 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on S.B. No. 1593

The purpose of this measure is to expand and enhance the use of rural districts in Hawaii.

Testimony in support of this measure was submitted by the Department of Agriculture, Land Use Commission, C&H Farms, and Land Use Research Foundation of Hawaii. Testimony in opposition to this measure was submitted by the Office of Hawaiian Affairs, the City and County of Honolulu Department of Planning and Permitting, Hawaii Association of Realtors, Hawaii's Thousand Friends, Native Hawaiian Legal Corporation, and Sierra Club. Comments were also submitted by the Department of Land and Natural Resources, Office of Planning, and Office of Information Practices.

Your Committees find that rural districts are a special resource within our State, and by creating more opportunities to utilize the rural designation, citizens will look at their land not just as real estate but as the means to build communities. Thus, this measure will:

- (1) Allow counties to work with the Office of Planning to develop policy and recommend statutory amendments to the land use law and petition for district boundary amendments which would expand and enhance the use of rural districts;
- (2) Convene an advisory group for redefining rural districts;
- (3) Allow counties an opportunity to reclassify areas of land into rural land use districts; and
- (4) Appropriate the necessary funds to accomplish these tasks.

Your Committees have amended this measure by:

- (1) Clarifying the language within this measure to enable rather than mandate the counties to perform the study, convene advisory groups, develop work plans, develop criteria for mapping lands, and develop procedures for amending rural district boundaries;
- (2) Clarifying requirements for the study to review boundaries;
- (3) Clarifying the scope of the advisory group;

- (4) Providing that the advisory group may conduct public hearings in accordance with Chapter 92, Hawaii Revised Statutes;
- (5) Providing that the one-time reclassifications to rural districts shall be limited to lands that were classified as agricultural and subdivided prior to June 4, 1976; and
- (6) Making technical, nonsubstantive stylistic changes.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1593, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1593, 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, Fukunaga, Inouye, Nishihara).

SCRep. 530 Water, Land, and Agriculture on S.B. No. 1588

The purpose of this measure is to amend agricultural theft laws.

Testimony in support of this measure was submitted by the Department of Agriculture, City and County of Honolulu Department of the Prosecuting Attorney, County of Maui Office of Economic Development, Big Island Farm Bureau, Hawaii Agriculture Research Center, Hawaii Cattlemen's Council, Hawaii Crop Improvement Association, Hawaii Farm Bureau, Hawaiian Marine Enterprises, and Pineapple Growers Association of Hawaii.

Your Committee finds that agricultural theft is a critical problem for Hawaii's farmers, especially in sparsely populated areas that are isolated from law enforcement. Thus, this measure strengthens current theft laws by providing that possession of agricultural commodities or livestock without proper certificates is prima facie evidence that the commodities were obtained knowing its character, nature, and value.

Testimony from the Department of the Prosecuting Attorney indicated that the sign requirements for agricultural theft and trespass laws are inconsistent with each other. Thus, your Committee noted that language should be drafted to make the sign requirements in both laws consistent. Currently, the Prosecuting Attorney's Office and the Farm Bureau are conferring on this matter and will submit the revised sign requirements to the Committee on Judiciary and Hawaiian Affairs.

Your Committee has amended this measure by:

- (1) Amending the crime of theft in the second degree to include agricultural products that exceed twenty-five pounds; and
- (2) Making 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. 1588, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1588, 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 (Fukunaga).

SCRep. 531 Transportation and Government Operations on S.B. No. 989

The purpose of this measure is to make various appropriations to enhance the civil defense functions and programs for (1) six new positions to implement around-the-clock operations; (2) additional sirens to cover gap areas and maintenance and repair costs; and (3) hardening of buildings by retrofitting.

Your Committee received testimony in support of this measure from the State Department of Defense (DOD) and Honolulu Police Department.

Your Committee finds that every available minute is needed to assess potentially dangerous situations and be in a position to coordinate warnings and actions to protect lives and property. In order to strengthen Hawaii's emergency management system, the expansion of Hawaii's emergency operations is essential, including providing an around-the-clock, year round emergency operating center. A 24/7 operation provides the watch capability to monitor threat information and to disseminate that information, and provides early warning for natural and man-made hazards. Currently, by agreement, the Honolulu Police Department Communications Division has provided the State since 1975 an early warning system (State Warning Point) through the 911 call center and radio dispatching. This function should rightfully belong to the State.

In 2002, the state civil defense initiated a 15-year modernization program to add sirens in coverage gap areas and to replace older siren systems. The current requirement for 151 siren systems in coverage gap areas is estimated to cost \$9.2 million. Upgrading 131 older sirens is estimated at \$8 million.

This measure would allow the retrofitting of school buildings to increase the number of emergency shelter spaces by 19,400, a significant step toward meeting the shelter shortfall of 124,000 spaces. The DOD will coordinate the retrofit activities with other state agencies and with the four county civil defense agencies.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 989 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. 532 Transportation and Government Operations on S.B. No. 1835

The purpose of this measure is to authorize the issuance of general obligation bonds to modernize the state civil defense siren warning system.

Your Committee received testimony in support of this measure from the State Department of Defense.

In 2002, the state civil defense initiated a 15-year modernization program to add sirens in coverage gap areas and to replace older siren systems. The current requirement for 151 siren systems in coverage gap areas is estimated to cost \$9.2 million. Upgrading 131 older sirens is estimated at \$8 million.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1835 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. 533 Transportation and Government Operations on S.B. No. 1833

The purpose of this measure is to authorize the issuance of general obligation bonds and appropriate funds to revise current tsunami inundation maps from a one-dimensional format to a clearer two-dimensional format.

Your Committee received testimony in support of this measure from the State Department of Defense, Oahu Civil Defense Agency, and Hawaiian Electric Company, Inc.

Tsunamis are Hawaii's number one natural disaster killer and a year-round threat. Hawaii's densely populated and developed coastlines are at significant risk of inundation from a tsunami. In early 2004, the state civil defense initiated multi-year contracts with the University of Hawaii and the Department of Land and Natural Resources to update tsunami evacuation maps using the latest two dimensional tsunami inundation modeling technology, targeting complex coastlines, bays, harbors, and marinas.

This measure would enable Hawaii residents and visitors to be provided with the awareness and appropriate guidance needed to react in the face of a tsunami event. In view of the recent hurricane in the Indian Ocean, your Committee believes it imperative that the State is adequately prepared to deal with this disaster.

At current levels of federal funding (\$153,000 annually) completion of the project for complex coastlines would take five to ten years. Updating maps for the remaining populated coastlines throughout Hawaii would take an additional ten to fifteen years. The appropriation provided by this measure would serve to accelerate the update of Hawaii's tsunami evacuation maps.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1833 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. 534 (Joint) Higher Education and Human Services on S.B. No. 1774

The purpose of this measure is to appropriate funds to Leeward Community College for the continuation of the workforce development program established pursuant to Act 225, Session Laws of Hawaii 2004.

Your Committees received testimony in support of this measure from the University of Hawaii, Micronesian Community Network, Micronesian United of Hawaii, and one individual.

The Freely Associated States (FAS) are composed of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. The United Micronesian Association, an umbrella organization representing citizens of the FAS, met with officials from Leeward Community College to establish a framework, understanding, and partnership for the purposes of providing employment and training instruction to assist with job readiness, job placement, and job retention. The program includes basic education skills training, occupational skills training, English as a second language, and mentoring.

Hawaii attracts migrating citizens from the FAS who seek education, health, and economic advancement for themselves and their families. These students and their families lack both the language skills and the cultural awareness necessary to adapt to, let alone excel in, their new environment. However, the State is currently ill-equipped to facilitate their assimilation into our community. Your Committees find that it is incumbent upon the community to assist these FAS citizens and decrease the likelihood that they will need to rely upon public assistance in the future. Providing FAS communities with a coordinated, culturally coherent support system that addresses education, health, and employment training, is vital to the development of an educated and productive workforce within these communities.

Pursuant to Act 225, Session Laws of Hawaii 2004, Leeward Community College was tasked with developing a program to provide services to students from the Freely Associated States in order to ensure their success in school through cultural education and integration, language, employment, and legal services. As part of the community college system, Leeward Community College is sensitive to cultural awareness and education and is also dedicated to offering quality workforce programs. As such, Leeward Community College is an ideal candidate for shepherding a workforce program to provide comprehensive services to the FAS communities.

Your Committees further find that the Act did not provide funding. This measure would provide that necessary funding to carry out a very worthy and necessary program to help one of Hawaii's growing and neglected segments of the population.

As affirmed by the records of votes of the members of your Committees on Higher Education and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1774 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 (Kokubun, Trimble).

SCRep. 535 Transportation and Government Operations on S.B. No. 1244

The purpose of this measure is to authorize the Governor to order the release of up to ten per cent of moneys in the emergency and budget reserve fund for emergency assistance to residents and businesses sustaining damage from natural disasters, and to make an appropriation for emergency assistance.

Your Committee received testimony in support of this measure from the State Department of Defense and American Red Cross-Hawaii State Chapter.

When a natural disaster strikes, residents and businesses of the State are often twice victimized. The damage caused by a natural disaster is often extensive and repair or replacement costs are prohibitive. Emergency relief from governmental agencies to meet the immediate needs of victims is often delayed or unavailable for extended periods. For some victims of natural disasters, the delay in receiving emergency assistance can mean a total loss of their homes or businesses.

Your Committee finds that there is an urgent need to provide victims with prompt emergency relief during or immediately after a natural disaster. One source of immediate funding is the emergency and budget reserve fund. Your Committee believes that there are adequate safeguards in this measure to ensure against any unauthorized or capricious expenditure of moneys.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1244 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. 536 (Joint/Majority) Human Services and Labor on S.B. No. 939

The purpose of this measure is to prohibit the Department of Human Resources Development from eliminating the social worker series classification.

This measure also restores the worker class if eliminated before the effective date of this Act.

Testimony in support of this measure was submitted by the National Association of Social Workers, the School of Social Work of the University of Hawaii at Manoa, and six individuals. Testimony in opposition to this measure was submitted by the Department of Human Services, the Department of Human Resources Development (DHRD), the Department of Health, and the Hawaii Paroling Authority.

Your Committees find that on May 1, 2004, DHRD eliminated the social worker classification and replaced it with a social worker/human services professional (SW/HSP) classification. This reclassification occurred subsequent to the Legislature's passage of S.C.R. 127, C.D.1, wherein the Legislature sought the delay of the reclassification pending consultation and coordination with various interested groups. The reclassification was accomplished presumably to address the current shortage of qualified individuals to serve as social workers within the State. However, your Committees determine that the reclassification acts to divest social workers with advanced degrees in social work of their well-earned title, by also allowing individuals without degrees to be referred to as social workers under the SW/HSP class.

Your Committees believe that the Legislature has previously recognized the services provided by social workers and the uniqueness of their status. In recognition of the foregoing, your Committees believe that social workers with advanced degrees in social work should be placed in a separate class which acknowledges and appreciates their specialized education and training, while also recognizing the knowledge and abilities of those in social work positions prior to May 1, 2004.

Finally, your Committees find that the reclassification of the social worker series included a new parole officer series. Your Committees recognize the difficulties faced by the Hawaii Paroling Authority in recruiting qualified individuals and believes that this class should not be affected by any changes in the SW/HSP class.

Accordingly, your Committees have amended this measure by:

- (1) Including language to specify the manner in which individuals transferred into the SW/HSP class and newly hired individuals into the SW/HSP class shall be treated; and
- (2) Including an exemption for parole officer positions that were formerly part of the social worker class prior to May 1, 2004.

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 are in accord with the intent and purpose of S.B. No. 939, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 939, 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, 2 (Slom, Trimble). Excused, 3 (Hooser, Kokubun, Taniguchi).

SCRep. 537 Human Services on S.B. No. 474

The purpose of this measure is to extend the individual development account tax credit for five years, authorize financial institutions to claim the tax credit and use part of the private funds contributed for ministerial purposes, and raise the contribution and tax credit ceiling from \$1,000,000 to \$2,000,000.

Testimony in support of the measure was submitted by the Legal Aid Society and Hawaii Alliance for Community-Based Economic Development. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committee finds that individual development accounts (IDA) assist individuals with improving their financial understanding and encourages saving toward the goal of homeownership, higher education costs, or start-up costs for a small business. Participants earn less than two hundred per cent of the federal poverty line. In the last six years, over five hundred IDAs were opened in the State and participants saved over \$500,000 which was matched by \$800,000 in matching funds.

The extension of the tax credit and other proposed amendments will provide the necessary opportunity for IDAs to generate funds through private contributions. Upon further consideration, your Committee has amended this measure to retain the \$1,000,000 amount in tax credits for private individuals, businesses, and organizations.

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. 474, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 474, 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 (Hooser, Ihara).

SCRep. 538 Transportation and Government Operations on S.B. No. 1136

The purpose of this measure is to require competitive bidding on small purchases of construction contracts for drilling and soil testing.

Your Committee received testimony in support of this measure from Leslie's Drilling Co. Testimony in opposition was received from the Department of Accounting and General Services (DAGS). Your Committee received comments on this measure from the State Procurement Office.

According to testimony of DAGS, in most instances the State has a need for general construction work, of which drilling and soil testing are sub-parts. It is neither practical nor beneficial for the State to procure the drilling and soil testing from other than the general contractor which can provide that work.

Your Committee nonetheless believes that drilling and soil testing contractors should not be effectively excluded from bidding on projects because the general contractor has absorbed that work. Your Committee is concerned about the small business contractor in this line of work that needs to survive financially with government contracts.

Your Committee has amended this measure by changing the effective date to July 1, 2020, in the interests of further discussions.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1136, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1136, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

SCRep. 539 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.B. No. 1591

The purpose of this measure is to appropriate funds for the “roads in limbo” program, to repair and maintain roads in Hawaii County that were created or acquired by the State, but for which ownership or jurisdiction is disputed by the county or the State.

Your Committees received testimony in support of this measure from the Mayor of Hawaii County and a Hawaii County Council member.

The Hawaii County Mayor expressed a desire to develop a partnership with the State to deal with the longstanding issue of “roads in limbo”. This term refers to roads, some in existence and some only referred to on paper, that in many instances date back to the Territorial days. These roads were established by the Territorial government and have since been ignored by the State and the counties.

Your Committee has amended this measure by deleting the appropriation amount.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1591, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1591, 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 (English, Kanno, Nishihara, Whalen).

SCRep. 540 (Majority) Transportation and Government Operations on S.B. No. 609

The purpose of this measure is to allow counties to increase by ordinance the certificate of motor vehicle registration fee from \$5 to \$10.

Your Committee received testimony in support of this measure from the Maui County Council, Hawaii Department of Environmental Management, and four Maui County Council members.

This measure provides more money to the counties to remove and dispose of abandoned or derelict vehicles on public highways. Any fee collected in excess of \$2 goes for this purpose by law. The counties are experiencing a growing problem with more automobiles that are left abandoned, some of which are derelict, which is an eyesore and a huge expense.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 609 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Whalen). Excused, 2 (Baker, Kanno).

SCRep. 541 Water, Land, and Agriculture on S.B. No. 1892

The purpose of this measure is to amend the method of appraising agricultural lands.

Testimony in support of this measure was submitted by the Hawaii Agriculture Research Center, and Hawaii Farm Bureau. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources. Comments were also submitted by the Department of Agriculture.

Your Committee finds that lessees with scheduled rental re-openings are faced with significant increases in their lease rents because the appraisals performed are currently based on the land’s fair market value. Your Committee further finds that to address this growing problem, the appraisals of lease rents for re-openings should be based on a method that encourages public lands to be used for agriculture, as mandated by article XI, section 10 of the Constitution of the State of Hawaii.

This measure provides that the method for calculating rental rates at re-opening for state agricultural leases shall be determined by adding the rental of the lease at inception to the product of the rental of the lease at inception and the non-compounded sum of inflation rates. However, your Committee notes that this method may need further consideration. Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2050 to ensure ongoing discussions on this issue.

Your Committee has also amended this measure 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. 1892, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1892, 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, Hooser).

SCRep. 542 Transportation and Government Operations on S.B. No. 960

The purpose of this Act is to appropriate funds for tsunami preparedness efforts.

Your Committee received testimony in support of this measure from the State Department of Defense (DOD).

Tsunami preparedness includes maintaining and installing new siren systems, updating evacuation maps in phone books, constructing additional shelter space and retrofitting existing public buildings that could serve as emergency shelters, providing around-the-clock alert staff for the civil defense division, and expanding public education campaigns emphasizing the need for tsunami preparedness.

This measure would allow, among other things, the retrofitting of school buildings to increase the number of emergency shelter spaces by 19,400, a significant step toward meeting the shelter shortfall of 124,000 spaces. The DOD will coordinate the retrofit activities with other state agencies and with the four county civil defense agencies.

This measure would also allow a 24/7 staffing of civil defense. This watch capability will provide real-time threat information monitoring and dissemination, and early warning for natural and man-made hazards including terrorism.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 960 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. 543 (Joint) Commerce, Consumer Protection and Housing and Media, Arts, Science and Technology on S.B. No. 769

The purpose of this measure is to authorize the Department of Commerce and Consumer Affairs to issue rebates to cable television subscribers.

The Department of Commerce and Consumer Affairs (DCCA) and PBS Hawaii testified in support of this measure. The League of Women Voters presented comments on the measure.

Under DCCA's administrative rules, each cable television operator is required to pay an annual fee of one per cent of the preceding year's income received from cable television subscribers. The fee is paid into the Compliance Resolution Fund to cover the costs of administering the cable television regulatory program.

On occasion, the amounts collected by DCCA have exceeded the Department's administrative costs, resulting in a surplus of funds. This measure would allow DCCA to return this surplus to cable television subscribers in the form of a rebate.

Your Committees have amended this measure:

- (1) By deleting language that would have exempted the decision and order process from the requirements of the Administrative Procedure Act, chapter 91, Hawaii Revised Statutes;
- (2) To require DCCA to conduct a study of the highest and best uses for franchise fees authorized pursuant to chapter 440G, Hawaii Revised Statutes, and to report its findings and recommendations to the 2006 Legislature; and
- (3) By making technical, stylistic changes.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 769, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 769, 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 (Espero, Ihara, Sakamoto).

SCRep. 544 (Joint) Commerce, Consumer Protection and Housing and Media, Arts, Science and Technology on S.B. No. 1170

The purpose of this measure is to establish the offense of abuse of commercial electronic mail.

The Office of the Public Defender submitted comments on the measure.

This measure addresses the problem of "phishing", a scam in which cyber criminals attempt to steal a consumer's personal financial information such as credit card numbers, passwords, and account information by posing as a bank, credit card company, or other

legitimate business, and transmitting a request for this information through bogus electronic mail messages (emails) from a website that appears to be authentic. The Anti-Phishing Working Group, an organization whose members include banks, Internet service providers, and technology vendors, recorded 1,142 “phishing” sites in October 2004, and report that spoofed sites are multiplying at a rate of twenty-five per cent per month, with up to five per cent of recipients responding to these bogus emails.

This measure proposes to criminalize the act of “phishing” by establishing the offense of abuse of commercial electronic mail, and provides for civil remedies, in addition to criminal penalties.

Your Committees have amended this measure by replacing its contents with language that establishes the Hawaii Anti-Phishing Task Force within the Department of the Attorney General to examine options to prevent electronic commerce-based crimes in the State. The Task Force, comprised of representatives from state and federal law enforcement, the Office of Consumer Protection, the Legislature, and the financial services industry, is required to submit its findings and recommendations to the 2006 Legislature.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1170, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1170, 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, 3 (English, Espero, Sakamoto).

SCRep. 545 (Joint) Commerce, Consumer Protection and Housing and Intergovernmental Affairs on S.B. No. 179

The purpose of this measure is to facilitate community input on and county review of proposed affordable housing projects.

Testimony in support of this measure was received from the chairperson and three members of the Maui County Council. The Housing and Community Development Corporation of Hawaii (HCDCH), Department of Planning and Permitting of the City and County of Honolulu, Department of Community Services of the City and County of Honolulu, Office of Housing and Community Development of the County of Hawaii, and Pacific Housing Assistance Corporation testified in opposition to this measure.

This measure requires HCDCH to hold a public hearing in the community plan area in which an affordable housing project is proposed to be constructed. Additionally, the measure increases from forty-five to seventy days the time period for a county council to consider and approve or disapprove a proposed housing project, but permits the council to act on amendments to the project beyond the seventy-five day deadline.

Your Committees find that requiring a hearing to be held in the affected community plan area would permit those who would most directly be impacted by the project to provide public comment, and would enable the Corporation and developer to consider these comments prior to submitting their application to the counties for review.

Your Committees further find that the current forty-five day timeline for county legislative approval or disapproval does not permit the legislative bodies adequate time to consider an application, a process which involves public meetings and, often, site inspections. This measure would allow the counties additional time to review the application and facilitate a more meaningful review.

Your Committees have amended this measure:

- (1) To increase the time period for the county’s review of a proposed housing project to sixty days, rather than to forty-five days; and
- (2) To permit the counties to consider amendments to the project, but still subject to the sixty-day timeline.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 179, S.D. 1, as amended herein, and recommend that it be referred to the Committee on Ways and Means in the form attached hereto as S.B. No. 179, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (English, Espero, Inouye, Sakamoto).

SCRep. 546 Commerce, Consumer Protection and Housing on S.B. No. 1336

The purpose of this measure is to amend the lease to fee conversion provisions for condominiums and cooperative housing corporations.

Testimony in support of this measure was submitted by the Queen Lili’uokalani Trust, St. Francis Healthcare System of Hawaii, Small Landowners Association of Hawaii, Small Landowners of Oahu, and two individuals. The Hawaii Council of Associations of Apartment Owners and the Hawaii Independent Condominium and Cooperative Owners submitted testimony in opposition to this measure.

This measure provides that a co-owner or co-lessor who is not a party to the offer to sell the leased fee interest will be given the right of first refusal. The co-owner or co-lessor must exercise the right within a specified time period, or the association of owners or cooperative housing corporations will then be given the right of first refusal for lease to fee conversions.

Your Committee finds that further discussions are necessary regarding these issues. Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2050 to ensure further discussion on this 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. 1336, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1336, 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 (Ige).

SCRep. 547 Commerce, Consumer Protection and Housing on S.B. No. 665

The purpose of this measure is to make an emergency appropriation of \$3,050,000 for fiscal year 2004-2005 for the wireless enhanced 911 fund.

Testimony in support of this measure was submitted by the Department of Accounting and General Services.

Your Committee finds that beginning July 2, 2004, wireless phone lines are being assessed a fee of \$.66 per month, as required by Act 159, Session Laws of Hawaii (SLH) 2004. Although Act 159, SLH 2004, created the wireless enhanced 911 fund, no accompanying appropriation was made to allow the wireless enhanced 911 board to meet its basic operational needs, including travel reimbursements for board members, the ability to execute professional services contracts for operations, and to adequately reimburse public safety answer points and wireless carriers for improvements made to enhance 911 service. Therefore, your Committee determines that the emergency appropriation of funds is necessary to allow the wireless enhanced 911 board to fulfill its intended purpose.

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. 665, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 665, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ige).

SCRep. 548 Commerce, Consumer Protection and Housing on S.B. No. 748

The purpose of this measure is to update the laws regulating escrow depositories.

The Department of Commerce and Consumer Affairs testified in support of this measure. The Hawaii Association of Realtors submitted comments.

This measure comprehensively updates chapter 449, Hawaii Revised Statutes, the law regulating the practices of escrow depositories. The proposed changes reflect changes in industry practices, and are intended to reduce the regulatory burden on licensees and provide more flexibility in regulating the industry while continuing to ensure consumer protection. Some of the major changes in the law include:

- (1) Permitting limited liability companies to be licensed as escrow depositories;
- (2) Enabling the Division of Financial Institutions to more closely scrutinize the financial responsibility of proposed directors and officers of an applicant for a license, including through the use of fingerprinting and criminal background checks;
- (3) Increasing the escrow depository bond requirement of \$100,000 by an additional \$5,000 per branch; and
- (4) Requiring escrow depositories that are eligible to deposit escrow funds in sweep accounts to disclose that these accounts are not federally insured and may involve risks, including the possible loss of value.

Your Committee has amended this measure:

- (1) To conform the definitions of "director", "officer" and "shareholder" to definitions established in federal regulations;
- (2) To expand the definition of "person" to include a limited liability company;
- (3) To clarify that a designated principal escrow officer may also serve as an officer and director of the escrow depository licensee; and
- (4) By making technical, nonsubstantive 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. 748, as amended herein, and recommends

that it pass Second Reading in the form attached hereto as S.B. No. 748, 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 (Ige, Sakamoto).

SCRep. 549 (Majority) Commerce, Consumer Protection and Housing on S.B. No. 1010

The purpose of this measure is to generate funding for the development of affordable housing by establishing a new conveyance tax on sales of residential condominiums and single family homes for \$600,000 or more.

The Department of Community Services of the City and County of Honolulu, Pacific Housing Assistance Corporation, and Hawaii Government Employees Association testified in support of this measure. The Department of Taxation, Department of Land and Natural Resources, Housing and Community Development Corporation of Hawaii, Nature Conservancy, Hawaii Association of Realtors, Land Use Research Foundation of Hawaii, Cendant Timeshare Resort Group, and The Chamber of Commerce of Hawaii opposed the measure. The Tax Foundation of Hawaii submitted comments.

This measure establishes a conveyance tax on sales of residential condominiums and homes of \$600,000 or more and requires the deposit of these revenues into the Housing Finance Revolving Fund (HFRF) to support the construction of affordable housing.

Your Committee has amended this measure by increasing the threshold for the imposition of the new conveyance tax from \$600,000 to \$850,000. Your Committee also made technical amendments for purposes of clarity and style.

Finally, while your Committee supports additional funding for affording housing, it has concerns about this measure's effect upon other beneficiaries of conveyance tax revenues. It is not your Committee's intent, in the process of generating additional funding for affordable home development, to reduce funding for other conveyance tax beneficiaries, including the Natural Area Reserve Fund and the Rental Housing Trust Fund. Accordingly, your Committee respectfully requests that, that upon the receipt of this measure, the Committee on Ways and Means further review this issue.

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. 1010, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1010, 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 (Hogue). Excused, 1 (Ige).

SCRep. 550 Commerce, Consumer Protection and Housing on S.B. No. 1133

The purpose of this measure is to amend the rental motor vehicle surcharge tax.

Testimony in support of this measure was submitted by Avis Rent A Car, Budget Rent A Car, Catrala-Hawaii, and Dollar Thrifty Automotive Group, Inc. The Department of Taxation and the Department of Transportation submitted testimony in opposition to this measure. Comments were also submitted by the Tax Foundation of Hawaii.

In 1999, the Legislature temporarily raised the rental motor vehicle tax from \$2 to \$3 per day, starting on September 1, 1999 and ending on August 31, 2007. The purpose of the increase was to temporarily produce added revenues for the general fund. However, your Committee finds that no other industry has been assessed and endured a similar tax increase to assist the State's general fund. This measure repeals the increased rental motor vehicle surcharge tax of \$3 per day and restores the \$2 per day tax.

Your Committee further finds that since the inception of the tax increase, the general fund has realized better than anticipated revenues. However, your Committee also notes that the increase does not help Hawaii's competitive image as a tourist destination. Thus, your Committee finds that these competing interests merit further consideration and has amended this measure by inserting an effective date of July 1, 2050 to ensure more discussion on this issue.

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. 1133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1133, 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 (Ige).

SCRep. 551 Commerce, Consumer Protection and Housing on S.B. No. 1223

The purpose of this measure is to authorize the holder of a dishonored check to raise the service charge to not more than \$30.

Testimony in support of this measure was submitted by the Hawaii Collectors Association, Inc., the Medical Collection Agency of Hawaii, Inc., Select Consulting Service, Maui Collection Service, Inc., and the Honolulu Collection Corporation. Comments on the measure were also submitted by the Department of Commerce and Consumer Affairs.

Your Committee finds that under the current law, a service charge of \$20 may be imposed for a dishonored check against the responsible party. This charge is intended to allow a payee or holder of a dishonored check to attempt to recoup moneys, including but not limited to the following, to cover any bank service charge, the time used to redeposit the check, the time used to contact the check writer to transmit a replacement payment, and the loss of goods or services if the check is not replaced. Your Committee determines that although these types of costs may be minimal in nature, the aggregation of these costs multiplied by the number of businesses throughout the State is substantial and can have a serious impact on our State's economy. Therefore, an increase in the amount recoverable is necessary to ensure that businesses and other holders of dishonored checks are able to adequately cover their costs of doing business.

Your Committee has amended this measure by:

- (1) Changing the maximum amount to be charged as a service charge for a dishonored check from \$30 to a blank amount; and
- (2) 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 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. 1223, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1223, 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 (Ige).

SCRep. 552 Commerce, Consumer Protection and Housing on S.B. No. 1777

The purpose of this measure is to appropriate funds to inform the public of their rights as consumers under the real estate laws, including information regarding complaints and access to the proper authorities.

Testimony in support of this measure was submitted by the ILWU Local 142 and the Hawaii Association of Realtors. Comments on the measure were also submitted by the Real Estate Commission.

Your Committee finds that unfortunately, much of the public is uninformed of the relevant laws or the process relating to even the simplest of real estate transactions. This lack of knowledge can have a devastating affect on homeowners, resulting in the loss of their homes due to foreclosure. Your Committee believes that increased educational efforts will help to ensure that our residents are properly equipped with the requisite knowledge of their rights, including whom to turn to should they have questions or complaints regarding the real estate laws.

Your Committee has amended this measure by making a technical, nonsubstantive amendment to accurately reflect the name of the regulated industries complaints office.

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. 1777, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1777, 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 (Ige).

SCRep. 553 Health on S.B. No. 140

The purpose of this measure is to prohibit the inclusion of any clause that allows an insurer, mutual benefit society, or health maintenance organization full discretionary authority to set type and scope of medical coverage to be provided in health insurance contracts with employers issued after December 31, 2005.

The Insurance Commissioner, Pahio Resorts, Inc., the Hawaii Coalition for Health, and the Employers' Chamber of Commerce submitted testimony in support of this measure. Kaiser Permanente, the Hawaii Medical Service Association, and America's Health Insurance Plans submitted testimony in opposition.

Your Committee finds that certain health insurers in the State employ a variety of clauses in their health insurance contracts with employers that unfairly burden Hawaii employers with risk of liability. One such clause requires employers to pay for legal and medical expenses if a worker appeals a denial of medical coverage to the State's external review panel or court and the insurer loses. Another clause allows broad discretionary authority to insurers to set the type and scope of medical coverage provided to Hawaii employers.

Your Committee notes that according to the Office of the Insurance Commissioner, the "discretionary authority" clause that gives insurers broad powers to define medical coverage is illegal in Maine and Minnesota.

Upon further consideration, your Committee has amended this measure by deleting the word "full" as it relates to "discretionary authority" to avoid any misinterpretation that degrees of discretionary authority less than "full" discretionary authority are not precluded.

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. 140, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 140, 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, 1 (Whalen).

SCRep. 554 Health on S.B. No. 126

The purpose of this measure is to establish the circumstances under which insurers, mutual benefit societies, and health maintenance organizations are required to provide employers with employer-sponsored group health claims experience, and what types of information can be requested and provided.

The Hawaii Association of Health Plans, Kaiser Permanente, the Hawaii Medical Service Association, and HMAA submitted testimony in support of this measure. The Insurance Commissioner, Summerlin Life & Health Insurance Company, and one individual submitted testimony in opposition. The Employers' Chamber of Commerce and the Consumer Lawyers of Hawaii submitted comments.

Your Committee finds that the federal Health Insurance Portability and Accountability Act of 1996, commonly referred to as HIPAA, establishes guidelines for health insurers to follow in protecting private member information. It is in the best interest of the entire community that individual privacy be both valued and protected and that individuals not be penalized for their respective health conditions. This measure defines what type of health care information and under what circumstances this information can be provided to employer groups.

Upon further consideration, your Committee has amended this measure by:

- (1) Limiting the fee that an insurer, mutual benefit society, or health maintenance organization may charge an employer for providing information to fifty dollars;
- (2) Deleting the sections related to immunity from civil liability;
- (3) Applying the measure to employer groups of twenty-five or more employees; and
- (4) Limiting the amount of time the insurer has to provide the information to no later than sixty days.

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. 126, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 126, 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, 1 (Whalen).

SCRep. 555 Health on S.B. No. 757

The purpose of this measure is to implement medical malpractice tort reforms to address the adverse impact of medical malpractice lawsuits on patient access to health care services and the escalating costs of health care.

Specifically, the measure proposes the following with respect to medical tort actions:

- (1) Imposes a cap on the award of noneconomic and punitive damages and attorneys' fees;
- (2) Allocates damages in proportion to the degree of negligence;
- (3) Changes the applicable statute of limitations;
- (4) Prohibits joint liability; and
- (5) Allows periodic payment of future damages.

The increasing cost of malpractice insurance and the escalating monetary awards for noneconomic damages recovered in medical malpractice lawsuits are major factors in the current physician shortage experienced by the State of Hawaii. As a result of the malpractice situation, many physicians are choosing to retire early, limit their practice, or refrain from practicing in Hawaii. Access to health care is of particular concern in the neighbor islands, where relatively few doctors and fewer specialists and sub-specialists continue to practice. The malpractice situation also contributes to the already high cost of health care.

Your Committee has amended this bill by replacing its contents as follows:

- (1) Imposing a cap of \$375,000 on noneconomic damages recoverable in medical tort claims against a health care provider; provided that the provider maintains a minimum of \$1,000,000 of professional liability coverage;

- (2) Prohibiting an insurer providing professional liability insurance coverage for a health care provider in the State from increasing premium rates between July 1, 2005 and December 31, 2005;
- (3) Commencing January 1, 2006, requiring insurers providing professional liability insurance coverage to implement rates that are the lower of the following:
 - (A) Not greater than the rate effective on January 1, 2003, or
 - (B) Seventy-five per cent of the lowest rate in effect between January 1, 2003 and December 31, 2005;
- (4) Commencing January 1, 2007, prohibiting insurers providing professional liability insurance coverage from increasing rates by two and one half per cent in any twelve month period;
- (5) Exempting insurers from the foregoing caps if implementation of the caps will result in imminent insolvency or failure to earn a fair rate of return;
- (6) Providing for the immediate repeal of the cap on noneconomic damages if any insurer fails to comply with the premium rate caps imposed by the measure;
- (7) Allowing any person to bring a declaratory judgment for the determination of an insurer's noncompliance with the premium rate caps imposed by the measure; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 757, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 757, 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 (Tsutsui).

SCRep. 556 (Joint) Health and Human Services on S.B. No. 1540

The purpose of this measure is to permit parents or guardians to admit individuals under the age of eighteen to nonemergency psychiatric treatment facilities without the consent or countersignature of the individual.

The Department of Health and the Hawaii Psychiatric Medical Association submitted testimony in support of this measure. The Public Defender submitted comments.

Your Committees find that the current law enables the Judiciary to force a child into treatment after a series of entanglements with the law or after a determination of "dangerousness." As the Hawaii Psychiatric Medical Association testified, very few children refer themselves for mental health treatment. Parents are placed in the difficult situation of watching their child deteriorate, begin to fail at school, and become increasingly unable to help themselves maintain socially-acceptable standards of behavior. As the proponent pointed out, often a youth with a mental health disorder will use drugs or alcohol to "self-medicate." This measure gives parents or guardians an opportunity to intervene before the child moves past important early treatment opportunities or makes a series of legal mistakes.

Your Committees have amended this measure by changing the definition of "neutral factfinder" to mean a mental health clinician instead of a natural person who need not be law-trained or a judicial or administrative officer, and by making technical nonsubstantive amendments for 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 are in accord with the intent and purpose of S.B. No. 1540, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1540, 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, 3 (Hooser, Kokubun, Whalen).

SCRep. 557 (Joint) Health and Commerce, Consumer Protection and Housing on S.B. No. 1209

The purpose of this measure is to establish a pharmaceutical cost management council to consider strategies to manage increasing costs of prescription drugs and increase access to prescription drugs for all Hawaii residents.

AARP Hawaii, Kokua Council, and nine individuals submitted testimony in support of this measure. The Department of Human Resources Development and Hawaii Medical Service Association submitted comments. The Department of Human Services and Pharmaceutical Research and Manufacturers of America submitted testimony in opposition.

Your Committees find that the rising cost of prescription drugs has imposed a significant hardship on individuals who have limited budgets, are uninsured, or who have prescription coverage that is unable to control costs successfully due to cost shifting and disparate

pricing policies. There is an increasing need for residents of Hawaii to have affordable access to prescription drugs. The collaborative approach taken by this measure should provide a greater opportunity for dialogue on potential solutions in a coordinated manner.

Your Committees have amended this measure by changing the effective date to July 1, 2010, to enable continued discussion on this matter, and by making technical, nonsubstantive amendments for clarity and style.

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. 1209, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1209, 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 (Hanabusa, Ige).

SCRep. 558 (Joint/Majority) Health and Human Services on S.B. No. 1236

The purpose of this measure is to discourage smoking, especially by young people, by increasing the tax on cigarettes.

A Hawaii County Council member, the American Lung Association, the American Heart Association, the American Cancer Society, the Hawaii Medical Service Association, the Coalition for a Tobacco Free Hawaii, the Tobacco Prevention and Control Advisory Board, and one individual submitted testimony in support of this measure. The Tax Foundation of Hawaii submitted comments.

Your Committees find that increasing the tax on cigarettes is the most effective way to prevent young people from becoming daily smokers. It has been estimated that a ten per cent increase in the price of cigarettes decreases the number of youngsters who start smoking by three to seven per cent in the long term.

The longer a person smokes, the greater the likelihood the person has of developing smoking-related health problems. According to the testimony of the American Cancer Society, leukemia and other cancers of the cervix, kidneys, pancreas, and stomach have been linked to smoking. Smoking is also associated with heart disease, stroke, emphysema, bronchitis, low birth weight babies, Sudden Infant Death Syndrome, increased frequency of colds and ear infections, and asthma. Research has demonstrated that smoking harms nearly every organ of the body, damaging overall health even if no specific disease develops.

Your Committees stress that this measure is made to deter addiction and not to generate revenue. It is expected that many current smokers will avoid the higher prices by quitting, cutting back, or switching to less expensive cigarettes. Those who stopped smoking in response to the cigarette tax increase would greatly improve their own health, which could also significantly reduce their health costs.

Your Committees have amended this measure by increasing the excise tax per cigarette 2 cents for the next three years, for a cumulative tax of 7 cents on September 30, 2005, 8 cents on June 30, 2006, and 8.5 cents on June 30, 2007. This amounts to a total tax of \$1.40, \$1.60, and \$1.70, respectively, per pack of twenty cigarettes. This equals an additional increase of 40 cents per pack each year based on twenty cigarettes per pack.

Your Committees further amended this measure by earmarking twenty-five per cent of the tax imposed to be paid into the general fund, twenty-five per cent to be paid to the Department of Health for health promotion and disease prevention programs, and fifty per cent to be paid into the Hawaii Tobacco Prevention and Control Trust 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. 1236, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1236, 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, Kokubun, Whalen).

SCRep. 559 (Joint) Health and Commerce, Consumer Protection and Housing on S.B. No. 802

The purpose of this measure is to create a state pharmacy assistance program to provide benefits to certain elderly and disabled individuals to assist in defraying costs for medically necessary prescriptions under the new federal Medicare Part D Drug Benefit Program.

The Department of Human Services and the Department of Health submitted testimony in support of this measure. Pharmaceutical Research and Manufacturers of America submitted testimony in opposition.

Your Committees find that with the rising cost of prescription medication, many seniors and disabled individuals who are living on fixed incomes find it hard to make ends meet, even though they receive Medicare benefits. Some of these Medicare-eligible individuals are also Medicaid recipients who now enjoy one hundred percent drug coverage benefits under Medicaid. However, with their mandatory participation in the new Federal Medicare Modernization Act, these same individuals will lose their current level of drug coverage. Establishing a state pharmacy assistance program would assist current Medicaid recipients to retain more of their current drug benefits as well as increase the population of Medicare individuals who may take advantage of this drug benefit. This program will also facilitate the enrollment and coordination of benefits between the state pharmacy assistance program and the new Medicare Part D drug benefit program.

Your Committees have amended this measure by:

- (1) Substituting “and is meant to cover pharmaceutical costs that are not covered by the medicare part D program” in proposed section 346-D(b), Hawaii Revised Statutes, with “subject to receipt of sufficient rebates pursuant to section 346-B(g), as determined by the department”;
- (2) Adding proposed subsection 346-D(c), Hawaii Revised Statutes, regarding funding the state pharmacy assistance program with state appropriations derived from revenues to the State from rebates paid by pharmaceutical manufacturers;
- (3) Deleting the entire proposed section 346-E and replacing it with a provision regarding spending authority that requires the department to expend all revenues received from the rebates; and
- (4) Making technical, non-substantive amendments for clarity and style.

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. 802, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 802, 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 (Hanabusa, Ige).

SCRep. 560 (Joint) Health, Human Services and Commerce, Consumer Protection and Housing on S.B. No. 1440

The purpose of this measure is to reduce the cost of prescription drugs for Hawaii residents, while maintaining high quality drug therapies.

Specifically, the bill:

- (1) Adds new definitions for:
 - (a) “Board” or “drug utilization review board”;
 - (b) “Department”;
 - (c) “Director”;
 - (d) “Health benefits plan”;
 - (e) “Health insurer”;
 - (f) “Participating health benefits plan”;
 - (g) “Program” or “pharmacy best practices and cost control program”; and
 - (h) “State public assistance program”;
- (2) Establishes a pharmacy best practices and cost control program, which requires the Directors of Human Services and Health to implement a preferred statewide drug list;
- (3) Establishes a drug utilization review board;
- (4) Authorizes use of prescription drugs not on the preferred drug list under certain circumstances;
- (5) Authorizes the Director of Human Services to contract with a third party with expertise in management of pharmacy benefits to implement all or part of the program;
- (6) Establishes reporting and oversight procedures;
- (7) Requires the Director to use the program’s preferred drug list to negotiate with pharmaceutical companies for supplemental rebates or price discounts for medicaid and other state public assistance health benefit plans;
- (8) Establishes a pharmacy discount plan to be implemented by July 1, 2006;
- (9) Requires disclosures of gifts and other economic benefits provided by pharmaceutical marketers to physicians, hospitals, and similar health care providers;
- (10) Requires development of criteria for standardized tamper-resistance prescription pads; and
- (11) Requires the Director of Human Services to request a Section 1115 medicaid waiver or medicaid amendment to maximize federal participation in Hawaii’s state pharmaceutical assistance programs; and

- (12) Requires state health care policies to promote outcomes based assessment and treatment through development of a statewide quality assurance system and an effective quality improvement process.

The Hawaii State Teachers Association, Kokua Council, AARP Hawaii, and six individuals submitted testimony in support of this measure. The Department of Human Services and the Pharmaceutical Research and Manufacturers of America submitted testimony in opposition. The Board of Pharmacy, the Office of Information Practices, and the Hawaii Medical Service Association submitted comments.

Your Committees find that, according to AARP Hawaii, more money is spent on prescription drugs each year than on electricity, telephone service, and new cars. The cost of prescription drugs is soaring, rising by double digits year after year. This measure seeks to create a more balanced market and to initiate effective quality assurance and cost containment tools to reduce the high cost of providing prescription drugs while maintaining the high quality in prescription drug therapies for Hawaii's residents.

Upon further consideration, your Committees have amended this measure by:

- (1) Deleting the following provisions:
 - (a) The proposed "Definitions";
 - (b) The pharmacy best practices and cost control program;
 - (c) The drug utilization review board;
 - (d) The authorization to use prescription drugs not on the preferred drug list under certain circumstances;
 - (e) The authority of the Director of Human Services to contract with a third party to implement the pharmacy best practices and cost control program;
 - (f) The reporting and oversight procedures;
 - (g) The requirement for the Director to negotiate with pharmaceutical companies for supplemental rebates or price discounts;
 - (h) The pharmacy discount plan to be implemented by July 1, 2006;
 - (i) The requirement for standardized tamper-resistance prescription pads; and
 - (j) The requirement for the Director of Human Services to request a Section 1115 medicaid waiver or medicaid amendment to maximize federal participation in Hawaii's state pharmaceutical assistance programs; and
- (2) Adding the following:
 - (a) Clarification that the pharmaceutical manufacturers disclosures include the name of the recipient of the economic benefit; and
 - (b) Requirements for pharmacy benefit management disclosure and transparency.

Also, the bill's effective date was changed from July 1, 2005 to July 1, 2020 and technical nonsubstantive amendments were made for the purpose of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services 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. 1440, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1440, 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, 4 (Ige, Kokubun, Tsutsui, Trimble).

SCRep. 561 (Joint) Health and Judiciary and Hawaiian Affairs on S.B. No. 1419

The purpose of this measure is to change the name of the Domestic Violence Prevention Special Fund to Domestic Violence and Sexual Assault Special Fund and to specify by statute the percentage of funds to go to domestic violence prevention and treatment and sexual assault prevention and treatment.

The Sex Abuse Treatment Center and two individuals submitted testimony in support of this measure. The Department of Health, the Hawaii State Coalition Against Domestic Violence, and the Domestic Violence Clearinghouse and Legal Hotline submitted comments.

Your Committees find that the Domestic Violence Prevention Special Fund was established as a revenue stream to provide prevention and education services that are key to ending violence. However, as one proponent noted, since the inception of the fund,

the guidelines and procedures to access the special account have not been clearly defined. This measure clarifies the target population to be served through the account in accordance with the original intent of the fund.

Upon further consideration, your Committees have amended this measure by deleting the percentage allocation of the moneys in the special fund between domestic violence prevention and treatment and sexual assault prevention and treatment because it would be problematic to distinguish between some programs. Your Committees have also amended this measure by specifying that the department work with domestic violence service providers to develop a strategic plan focus on domestic violence and requiring the Department of Health to provide the legislature with a detailed report on how the plan is being implemented.

Your Committees have further amended this measure by requiring the Department of Health to work with the sexual assault strategic planning groups to implement the recommendations of the January 2005 strategic plan entitled, "Shaping Tomorrow, The Future of Sexual Violence Programs in Hawaii" that was presented by the Sexual Violence Strategic Planning Group, and to report implementation progress to the Legislature prior to the convening of the 2006 regular session.

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. 1419, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1419, 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, 1 (Tsutsui).

SCRep. 562 (Joint) Health and Judiciary and Hawaiian Affairs on S.B. No. 1201

The purpose of this measure is to appropriate funds for state agencies and the counties for crystal methamphetamine (ice) treatment, prevention, rehabilitation, education, environmental damage assessment, and program monitoring initiatives.

The Department of the Attorney General, the Department of Public Safety, the Department of Education, one member of the Hawaii County Council, Drug Addiction Services of Hawaii, Inc., Community Alliance on Prisons, Hawaii Youth Services Network, Coalition For A Drug-Free Hawaii, Hawaii Juvenile Justice Project, Hina Mauka, and two individuals submitted testimony in support of this measure. The Department of Health and the Judiciary submitted comments.

Your Committees find that a joint house-senate task force convened public hearings in 2003 and found that ice use and abuse had reached epidemic proportions, destroying families and resulting in increased criminal activities as well as increasing the burden on public resources such as child welfare, health, and social services. The task force recommended the formulation of a multi-pronged approach that combined treatment, prevention, rehabilitation, public education, crime prevention, and law enforcement initiatives designed to prevent future generations from engaging in substance abuse as well as to treat the present generation of ice abusers. This measure sustains and expands these important efforts to ensure that this public health crisis does not fade into the background.

Upon further consideration, your Committees have made the following amendments:

- (1) Removed sections 10, 11, 12, and 13, and any related language at the request of the Judiciary;
- (2) In section 2, replaced lines 19-22 with "establish and sustain school-based treatment in all public high schools and all public middle and intermediate schools";
- (3) In section 8, added "with an emphasis on native Hawaiian culturally based programs";
- (4) Changed the Weed and Seed appropriation to a grant to the YMCA of Honolulu pursuant to chapter 42F and changed the language to read that the funds are "to maintain and enhance existing efforts at federally designated Weed and Seed sites, and to assist new communities in obtaining federal designation as Weed and Seed sites";
- (5) Changed the "grant-in-aid" for the Being Empowered program to "grant" and "chapter 42D" to "chapter 42F" and specified that Maui Economic Opportunity, Inc. is the receiving agency; and
- (6) Made technical and non-substantive amendments for clarity and style.

Your Committees note that the monies under sections 10, 11, 12, and 13 duplicate monies requested in the Judiciary's appropriations bills and it requested support of its funding as included in those bills.

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. 1201, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1201, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 2 (English, Tsutsui).

SCRep. 563 Education and Military Affairs on S.B. No. 1221

The purpose of this measure is to appropriate funds to phase in the reduction of class size in grades three, four, and five to twenty-five students per classroom.

Testimony in support of the measure was submitted by the Department of Education and Hawaii State Teachers Association.

Your Committee finds that numerous studies have proven smaller class size enhances student achievement. In Act 51, Session Laws of Hawaii 2004, the Legislature provided for the reduction of class size in kindergarten, grade one, and grade two. This measure will expand this trend. Not only students benefit from smaller class size. Teachers assigned to smaller class size classrooms experience fewer discipline problems and are able to move more quickly through their curriculum.

Upon further consideration, your Committee has amended this measure by adding the following provisions:

- (1) Requiring the department to reduce the ratio of students to teachers in kindergarten to grade two to not more than eighteen students to one teacher;
- (2) Requiring additional part-time teachers, aides, or both be added when one to twenty-six ratio is exceeded in grades three to five;
- (3) Providing funds for part-time teachers and tutors in needy elementary and intermediate schools; and
- (4) Appropriating funds for the reduction of class size in kindergarten to grade two.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1221, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1221, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Tsutsui).

SCRep. 564 Education and Military Affairs on S.B. No. 1423

The purpose of this measure is to authorize the issuance of \$2,000,000 in general obligation bonds and make an appropriation for planning and design for Pulelehua Elementary School, a new elementary school in west Maui.

Testimony in support of the measures was submitted by the Mayor of the County of Maui and Maui Land and Pineapple Company, Inc.

Your Committee finds that there is no elementary school in the growing area of Honokowai-Napili and the two existing Lahaina complex elementary schools will soon be over their capacity. The department has stated that is planning to build a new elementary school at west Maui in 2011, and is agreeable to building the new school in Pulelehua. However, with the growing population, there is a sense of urgency in the acceleration of the timetable to construct new facilities. For example, in the 2004-2005 school year, one class at King Kamehameha III School had to start its year underneath a tent. This is not an optimal educational environment. Your Committee finds it appropriate to expedite the construction of needed facilities more conducive to learning.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1423 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, none.

SCRep. 565 Media, Arts, Science and Technology on S.B. No. 541

The purpose of this measure is to augment incentives that attract digital media, television, and film production companies to the State by changing the motion picture and film production income tax credit to an unspecified amount against a taxpayer's income tax and transient accommodations tax liability.

Testimony in support of the measure was received from an individual. The Departments of Taxation and Business, Economic Development, and Tourism supported the intent of the measure.

The Tax Foundation of Hawaii and one individual submitted comments on the measure.

Your Committee views this measure as an integral component of a comprehensive strategy to enhance the State's position in the competitive world of digital media production while solidifying Hawaii's digital media infrastructure and labor force so that it can play a significant and starring role in Hawaii's 21st century economy. Without the incentives that this measure provides, Hawaii will stand to lose millions of dollars in potential future revenues generated by the various digital media productions that would have otherwise been attracted to the State if not for finding more favorable incentives elsewhere in the world.

Your Committee further believes that the specific goal of Hawaii's digital media production tax credits should be to diversify Hawaii's economy through the expansion of the State's motion picture, television, film, music, and other digital media production capabilities and to support and build the local workforce and infrastructure needed to sustain the long-term growth and vitality of

Hawaii's digital media industry. By thinking globally and acting locally, this measure establishes production tax credits that also seek to maximize the amount of production work in Hawaii as a means of providing on-the-job training for the local digital media industry and technical workforce.

Your Committee envisions a digital media production industry in Hawaii that would be able to accommodate a \$300,000,000 production project. Such a production would employ at least sixteen thousand industry professionals (animators, producers, directors, etc.) - four times the State's current digital media employment capacity of four thousand professionals. This long-term vision will require the State and the digital media industry to partner in supporting the growth of digital media programs such as those at Waianae High School, Moanalua High School, Kalaheo High School, and the Kamehameha Schools, as well as the University of Hawaii's Academy for Creative Media to provide the existing workforce with innovative on-the-job training and mentoring programs and educational opportunities for aspiring secondary and post secondary students interested in digital media-related careers.

One successful example of such an incentive program is New Mexico's fifteen per cent production expenditure tax credit and fifty per cent wage reimbursement program. Due to its lack of experienced production crew personnel, New Mexico established a Workforce Training and Mentorship Program so that local residents could receive on the job training and, as such, New Mexico would benefit by keeping the skills learned within the state.

Another success story can be found in New Zealand, where the government believed that the chronicling of New Zealand's rich culture and heritage through song, dance, and chant was an important reason to support its local filmmakers. This support eventually provided Peter Jackson with the incentives necessary to convince New Line Cinema to spend \$300,000,000 on filming the Lord of the Rings Trilogy there. This project was followed by the \$100,000,000-plus productions of The Last Samurai, Narnia, and King Kong.

Based on the successful incentive paradigms utilized in New Mexico and New Zealand, your Committee has developed a strategy to tie the future use of the so-called "Act 221" high technology business tax credit, as amended by Act 215, Session Laws of Hawaii 2004 (Act 221) by digital media production companies to participation in training and educational programs for Hawaii residents.

In light of the potential positive impact the measure could provide on the State's economy, your Committee has amended the measure by:

- (1) Incorporating the language and concepts from S.B. No. 651, Relating to Motion Picture and Film Production and S.B. No. 716, Relating to Tax Credits for the Film And Television Industry;
- (2) Amending section 235-7.3, Hawaii Revised Statutes, to add digital media to the definition of "performing arts products" so that it mirrors the definition of "performing arts products" added to section 235-110.9, Hawaii Revised Statutes;
- (3) Amending section 235-110.9, Hawaii Revised Statutes, to add a new definition for "performing arts products", and to add language to the definition of "qualified high technology business" to clarify that businesses claiming the tax credit under this section in taxable years beginning after December 31, 2005, shall provide proof to the Department of Business, Economic Development, and Tourism of educational or in-kind support of Hawaii secondary or post-secondary performing arts programs, employment of Hawaii residents, and use of facilities in the State;
- (4) Increasing the existing four per cent tax credit on Hawaii qualified production expenditures to fifteen per cent for productions on Oahu and twenty per cent for productions on the neighbor islands;
- (5) Allowing a qualified production to receive a wage reimbursement tax credit for an unspecified percentage of the wages paid to below-the-line hires that are Hawaii residents;
- (6) Deleting the tax credit for transient accommodations taxes established under section 235-17(b), Hawaii Revised Statutes;
- (7) Requiring that motion picture or film productions expend a minimum of \$200,000 in the State to qualify for the tax credit;
- (8) Requiring that a sound recording production expend a minimum of \$20,000 in the State to qualify for the tax credit;
- (9) Requiring that a production that qualifies for the tax credit provide the State with a shared-card, end-title credit;
- (10) Requiring that productions interested in claiming the tax credit be pre-qualified by the Department of Business, Economic Development, and Tourism;
- (11) Establishing record keeping and reporting requirements for the Departments of Business, Economic Development, and Tourism and Taxation;
- (12) Defining terms such as "below-the-line hires", "commercials", "digital media", "post-production", "production", "qualified production", and "qualified production costs";
- (13) Prohibiting the claiming of tax credits under both the production expenditure tax credit established under section 235-17, Hawaii Revised Statutes, as well as the investment tax credit established under section 235-110.9, Hawaii Revised Statutes;
- (14) Capping tax credit claims at \$8,000,000 per production;

- (15) Requiring the Department of Business, Economic Development, and Tourism, in consultation with the Department of Taxation and the county film offices, to develop an appropriate revenue generation and economic benefit model to determine the economic impact of the enhanced film and digital media tax credits established under this Act;
- (16) Requiring the Department of Business, Economic Development, and Tourism, beginning with the 2005 Regular Session, to annually submit reports on the film and digital media production expenditure, revenue projection, and revenue realization information to the Legislature until the 2011 Regular Session; and
- (17) Making the amendments made to the enhanced film and digital media tax credits applicable to taxable years beginning after December 31, 2004.

During its deliberations, your Committee heard concerns over the potential tax revenue loss to the State if the enhanced film and digital media tax credits contained in this measure were enacted. Your Committee received comments from the Department of Business, Economic Development, and Tourism opining that, if a film or digital media production claimed the already available "Act 221" high technology business tax credit, the State could stand to lose substantially more tax revenue than if the same production claimed the enhanced tax credits provided under this measure. The Department of Business, Economic Development, and Tourism bases its opinion on the fact that, under Act 221, investors are allowed to claim the value of Hawaii-generated capital at a 2:1 ratio against their tax liability. Essentially, under Act 221, each Hawaii investment dollar invested generates \$2 of tax credit. Under this measure, the production tax credit is only a dollar-for-dollar credit, up to a maximum of fifteen or twenty per cent of the total cost of production expenses realized in Hawaii.

Your Committee believes that the amended measure will provide the incentives necessary to attract more digital media productions to the State while concomitantly finding innovative ways to bolster the State's economy, developing the local digital media production industry, training future local digital media pioneers, and maintaining fiscal responsibility.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 541, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 541, 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. 566 (Joint) Human Services and Higher Education on S.B. No. 51

The purpose of this measure is to change the method for calculating a former foster child's eligibility to receive higher education board allowances while attending college from a maximum age to a maximum time period, and to prohibit the use of federal funds to pay the allowance if the former foster child is twenty-one years or older.

Your Committees received testimony in support of this measure from the University of Hawaii, the Hawaii Youth Services Network, the Legal Aid Society of Hawaii, and Hale 'Opio Kaua'i Inc. Your Committees also received comments on this measure from the Department of Human Services.

Your Committees find that many children living in foster care have difficulties adjusting to new schools and graduating from high school. Upon emancipation, these children may not recognize the benefits of additional educational or vocational support and so do not immediately seek transition services. Your Committees find that, by changing the criteria for determining eligibility from a maximum age to a maximum time period, this measure will include children who put off seeking transitional support services. Without higher education, former foster children face a bleak future because they often lack the skills to obtain a living wage. Your Committees believe that this measure will work in conjunction with other services designed to help former foster children transition to self-sufficiency and become thriving, successful adults.

As affirmed by the records of votes of the members of your Committees on Human Services and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 51 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 (Kokubun, Trimble).

SCRep. 567 Human Services on S.B. No. 23

The purpose of this measure is to appropriate funds to Health for All to operate a three-year pilot project at the Waipahu Community Adult Day Health Care Center.

One individual submitted testimony in support of this measure. The Department of Human Services and the Department of Health submitted comments.

Health for All is a community-based safety net health and social services agency serving low-income people in the most ethnically diverse and impoverished communities. Based in Sacramento, California, Health for All is a nonprofit 501(c)(3) organization. Health for All serves people who would not otherwise receive appropriate health and social services, including disadvantaged children, adolescents, young parents, and the frail elderly. The organization operates two major programs, adult day health care centers and community clinics.

This measure funds the operation of a three-year pilot project at the Waipahu Community Adult Day Health Care Center and Youth Day Care Center at the Hikimoe Street facility. The program helps adults continue to live in the community instead of at a long-term care facility.

Upon further consideration, your Committee has amended this measure by:

- (1) Making an appropriation of \$100,000 in each year of the fiscal biennium; and
- (2) Requiring Health for All to submit an annual report detailing its expenditures to the Legislature.

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. 23, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 23, 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, Trimble).

SCRep. 568 (Joint) Human Services and Higher Education on S.B. No. 244

The purpose of this measure is to establish within the Kapiolani Community College a long-term care resource program initiative.

Your Committee received testimony in support of this measure from Kapiolani Community College (KCC), Department of Health, Health Care Association of Hawaii, Hawaii Alliance for Retired Americans, Kokua Council, the Policy Advisory Board for Elder Affairs, and two individuals.

The long-term care resources program would expand the quality and quantity of home- and community-based long-term care workers, improve the support and training of family caregivers, and promote active aging. The program would serve as a model for other community colleges in the University of Hawaii (UH) system.

Hawaii is at the cusp of significant demographic changes over the next decade. Currently, Hawaii's population of individuals over sixty-five years of age is increasing at a rate two to three times the national average. The number of nursing home beds available is not even fifty per cent of the national average, and Hawaii's home- and community-based infrastructure does not adequately meet Hawaii's chronic care management needs. The infrastructure must be expanded to accommodate a broader range of home- and community-based, long-term care options for the rapidly growing elderly population.

KCC is viewed as the flagship community college for nursing, long-term care, allied healthcare and education. KCC's core healthcare curricula focuses on the expansion of the paraprofessional healthcare workforce. KCC is well positioned to play a role in strengthening the State's capacity to provide affordable home- and community-based long-term care for its residents.

In August 2003, KCC held a meeting with all of the community colleges and their respective community agencies to review and discuss the present and future role of the state colleges. Community colleges are well-dispersed throughout the State and possess the capacity to provide the training for the long-term care workforce across the healthcare spectrum.

A critical element for the expansion of home- and community-based long-term care options is the development of an adequate long-term care workforce. Three components associated with a workforce development strategy that places an emphasis on expanding affordable care options for the elderly are: (1) the paraprofessional worker; (2) family caregivers; and (3) active aging of the elderly.

Your Committees find that helping the elderly stay in their homes as they age reduces admission to costly institutional or residential long-term care facilities. Your Committees further find that there are approximately three hundred vacant positions and thus there is no need for two additional full-time equivalent positions as set forth in the measure.

KCC is committed to collaborating with other colleges in the University system to enable a statewide approach to address the aging and long-term care issues. KCC, with input from caregiver coalition groups, has collaborated with the Executive Office on Aging to ensure that key information and elements have been incorporated into this measure. This measure reflects KCC's plans to build an effective program targeting Hawaii's aging and long-term care needs with its educational resources and expertise.

Your Committees have amended this measure by deleting the two full time equivalent positions.

As affirmed by the records of votes of the members of your Committees on Human Services and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 244, S.D. 1, as amended herein, and recommend that it be referred to the Committee on Ways and Means in the form attached hereto as S.B. No. 244, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (Kokubun, Trimble).

SCRep. 569 (Joint) Human Services and Judiciary and Hawaiian Affairs on S.B. No. 803

The purpose of this measure is to allow the Office of Youth Services (OYS) to obtain criminal history and child abuse record information on employees, prospective employees, and volunteers of its providers and subcontractors in certain positions.

Testimony in support of this measure was submitted by the Department of Human Resources Development, the Office of Youth Services, the Honolulu Police Department, the Hawaii Youth Services Network, and Hale 'Opio Kaua'i, Inc.

Your Committees find that our youth, particularly at-risk youth, should be cared for and protected. The OYS is an agency that provides a range of services to at-risk youth in Hawaii, including the provision of youth services centers, alternatives to incarceration, intensive supervision of juvenile offenders released into the community, and diversion services for status offenders and non-violent law violators. Many of these services are provided through contracts with private agencies. Your Committees further find that it is in the best interest of the State, our youth, and provider agencies to obtain criminal history and child abuse record information on employees, prospective employees, and volunteers of providers and subcontractors in positions that necessitate close proximity to youth when providing services on behalf of the OYS.

Furthermore, your Committees have concerns regarding the permissive nature of the measure and the fact that a similar measure, SB790, which provides for criminal history record checks for those working with the elderly or the disabled, is more comprehensive in nature, including immunity provisions for state employees relying in good faith upon criminal record checks. Further disparities between this measure and SB790 raise concerns regarding the possibly disparate treatment of different classes of individuals. However, your Committees determine that this measure should continue to proceed throughout the session so as to allow for further discussions and revisions, as appropriate.

Accordingly, your Committees have amended this measure by:

- (1) Requiring the executive director of OYS to adopt rules pursuant to chapter 91 to carry out the purposes of chapter 325D;
- (2) Changing the effective date of the Act to July 1, 2050, and the effective date of section 1 of the Act to July 1, 2060, in order to facilitate further discussion on matter; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

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. 803, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 803, 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 (Kokubun, Trimble).

SCRep. 570 (Joint) Human Services and Judiciary and Hawaiian Affairs on S.B. No. 921

The purpose of this measure is to provide early childhood education at every native Hawaiian homestead.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, Good Beginnings Alliance, Kamehameha Schools, Support Partnerships to Assure Ready Kids, and three individuals. Comments were also submitted by the Department of Hawaiian Home Lands.

Your Committees find that early childhood education reduces academic achievement gaps in grades K-12. Programs like Play-and-Learn Mornings offer a way for young children, parents, grandparents, and family child care providers to meet for informal play activities, and children who attend these sessions are more ready for elementary school than children who have no early education experiences.

Your Committees also find that the native Hawaiian population is considered a young population with children ages birth to five representing over one-third of the State's population. It is estimated that only twenty-three per cent of all three- and four-year olds attend preschool, and that percentage is even lower for native Hawaiian children. Your Committees believe that providing early childhood education at every native Hawaiian homestead would help Hawaiian children prepare for successful elementary school experiences. Thus, this measure appropriates funds to provide Play-and-Learn Mornings at every native Hawaiian homestead community.

Your Committees have amended this measure by designating the Department of Human Services to be the expending agency for the appropriation.

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. 921, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 921, 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 (Kokubun, Trimble).

SCRep. 571 Water, Land, and Agriculture on S.B. No. 1451

The purpose of this measure is to develop and demonstrate comprehensive watershed management measures to improve the water quality of Lake Wilson and to reduce contaminated sediments in statewide waterways.

Testimony in support of this measure was submitted by the International Longshore and Warehouse Union Local 142, University of Hawaii Environmental Center, University of Hawaii Center for Conservation, Research, and Training, and one individual. The Department of Health submitted testimony in opposition to this measure.

Your Committee finds that with growing concerns over the preservation of Hawaii's environment, ecosystems, and water quality, it is increasingly in the State's best interest to address these problems through innovative, comprehensive watershed management measures that are cost-effective and sustainable. Thus, this measure appropriates funds to:

- (1) Develop comprehensive strategies that establish broad water quality management goals for the entire Lake Wilson catchment, consistent with comprehensive watershed management (phase 1); and
- (2) Secure funding and coordinate the implementation of the strategies identified in phase 1 (phase 2).

Your Committee also noted that similar research as outlined in this measure may have already been completed by the University of Hawaii Environmental Center on other areas in Hawaii using EPA grant funds. Thus, your Committee finds that further discussion is necessary to explore funding from other sources used for conducting such research. Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2050 to ensure further discussion on this issue.

Your Committee has also amended this measure by deleting the dollar amount of the appropriations and has left them blank for the Committee on Ways and Means to determine at a later date.

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. 1451, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1451, 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, Hooser).

SCRep. 572 (Joint) Water, Land, and Agriculture and Higher Education on S.B. No. 1474

The purpose of this measure is to direct the Auditor to evaluate the existing approval and decision-making procedures for the Mauna Kea Science Reserve and determine the feasibility and necessity for the creation of a Mauna Kea Science Reserve Authority.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, KAHEA, the Hawaiian-Environmental Alliance, Mauna Kea Anaina Hou, the Royal Order of Kamehameha I, Sierra Club, and one individual. Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources. Comments were also submitted by the University of Hawaii Interim Vice President for Research and the University of Hawaii at Hilo Office of Mauna Kea Management.

The Office of Mauna Kea Management was established under the University of Hawaii Hilo to assume the authority for overall management of operational matters and minor projects of the Mauna Kea Science Reserve. Mauna Kea is now considered one of the world's premier sites for astronomical research because the rarified atmosphere surrounding its summit makes for excellent viewing conditions. Mauna Kea now hosts the world's premier observatories, which are owned by some of the wealthiest nations. In consideration for their use of the Mauna Kea summit, these nations pay the University of Hawaii (UH) one dollar per year in lease rent, or no lease rent at all, provided that the University receives limited use of the observatories. The astronomy research facilities located on the summit of Mauna Kea bring international recognition and status to the UH and its Institute for Astronomy. Supporting national and international astronomy programs is an important goal and acknowledges the scientific and educational benefits that can be realized from these endeavors.

However, your Committees find that there is still some public dissatisfaction with the management structure. Thus, your Committees find that there is a need to consider a new project approval process for development within the Mauna Kea Science Reserve. Such an approval process should ensure that decision-making procedures are open to public scrutiny.

Your Committees further find there is a need for the Auditor to analyze the transfer of management authority of the science reserve to a new Mauna Kea Science Reserve Authority. This consideration is aimed at ensuring that the management of the science reserve is conducted in an independent manner that is in the State's best interests. The resulting management scheme must protect the area's natural, cultural, and historic resources while it adequately and timely addresses the concerns of local groups with a strong interest in the mountain. A new and independent management authority would create and implement the necessary management and fiscal processes to protect the important natural, cultural, and historic resources of the science reserve, while giving due consideration to its multiple-use management objectives.

Your Committees have amended this measure by making clarifying amendments to the purpose section to more accurately reflect proposals provided in public testimonies about the management plan and the authority for projects at the Mauna Kea Science Reserve.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1474, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1474, 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 (Chun Oakland, English, Trimble).

SCRep. 573 (Joint) Business and Economic Development and Commerce, Consumer Protection and Housing on S.B. No. 717

The purpose of this measure is to transfer the Business Action Center from the Department of Business, Economic Development, and Tourism to the Department of Commerce and Consumer Affairs.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; the Department of Commerce and Consumer Affairs; and the Hawaii Association of Realtors.

Your Committees find that the Business Action Center was begun as a pilot project by the Department of Business, Economic Development, and Tourism to facilitate the licensing and registration process for small businesses. Your Committees believe that the Business Action Center's functions and mission are more closely aligned with those of the Department of Commerce and Consumer Affairs. The Business Action Center fits in with the Department of Commerce and Consumer Affairs' mission as it complements and directly expands the services that the Business Registration Division of the department provides to its customers. The Business Action Center is already a participant in the Hawaii Business Express, the State's one-stop portal for starting a new business and it currently uses many of the department's forms.

Your Committees believe that transferring the Business Action Center from the Department of Business, Economic Development, and Tourism to the Department of Commerce and Consumer Affairs will provide opportunities for the Business Action Center to develop beyond a pilot project and expand to additional locations across the state to better serve the State's small business community.

As affirmed by the records of votes of the members of your Committees on Business and 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. 717 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, none.

SCRep. 574 (Joint) Business and Economic Development, Energy, Environment, and International Affairs and Media, Arts, Science and Technology on S.B. No. 1374

The purpose of this measure is to direct the Department of Business, Economic Development, and Tourism to convene a working group to develop a strategic plan that ensures Hawaii will actively participate in, and benefit from, the emergence of the People's Republic of China as an economic and global leader.

Your Committees received testimony in support of the measure from DFS Hawaii, the East-West Center, and one individual. Your Committees received comments from the Department of Business, Economic Development, and Tourism.

Your Committees recognize the economic opportunities available for Hawaii as the People's Republic of China continues to implement its "Go West Campaign." Hawaii's geographic location, and the experience, knowledge, skills, and cultural sensitivities of our multi-cultural and multi-ethnic population provide the State with a unique opportunity to take advantage of the explosive economic development in the Pacific-Asian countries, most particularly China. Ensuring Hawaii's participation in the economic development in the People's Republic of China requires a comprehensive strategic plan.

Your Committees have amended this measure by:

- (1) Including an appropriation to the Department of Business, Economic Development, and Tourism to prepare a comprehensive China-Hawaii economic strategic plan;
- (2) Adding the President of the Senate and the Speaker of the House of Representatives, or their designees, as members of the Hawaii-China working group; and
- (3) Amending the dates for appointing and convening the working group.

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Energy, Environment, and International Affairs and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1374, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1374, 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 (Hanabusa, Ihara, Menor, Sakamoto, Hemmings).

SCRep. 575 (Joint) Business and Economic Development and Water, Land, and Agriculture on S.B. No. 1377

The purpose of this measure is to establish a tax credit for qualified costs in the development of private marina facilities.

Your Committees received testimony in support of this measure from the Hawaii Resort Developers Conference. Your Committees received testimony in opposition from the Department of Taxation and comments from the Tax Foundation of Hawaii.

Your Committees find that offering tax credits to developers for private marina development will provide ocean- and marine-related businesses and enthusiasts with more opportunities to succeed in business and enjoy Hawaii's natural environment. The development of private marina facilities will attract visitors from local, national, and international markets and complement the tourist markets of each island by creating a broad-based tourist destination.

Upon discussion of the appropriate limitations per project and annual aggregates, your Committees have amended the aggregate cap to \$2,000,000 annually and to allow tax credits for not more than five projects per year. Your Committees have also amended this measure by making technical, nonsubstantive amendments for the purposes of style and clarity. Your Committees also have clarified that this measure includes tax credits for renovating publicly-owned small boat harbors in addition to the tax credits proposed for developers of private marinas.

As affirmed by the records of votes of the members of your Committees on Business and 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. 1377, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1377, 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 (English, Sakamoto, Hemmings).

SCRep. 576 (Joint) Business and Economic Development and Commerce, Consumer Protection and Housing on S.B. No. 1380

The purpose of this measure is to establish the Small Business Bill of Rights.

Your Committees received testimony in support of this measure from The Hawaii Business League, the National Federation of Independent Business – Hawaii, and the Small Business Regulatory Review Board. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; the Small Business Regulatory Review Board; and the Office of the Ombudsman.

Your Committees find that small businesses are an essential element in strengthening and diversifying Hawaii's economy and creating jobs. Your Committees find that the Small Business Bill of Rights provides a list of current rights to which small businesses are entitled in a single document. This measure is a positive step toward educating small business owners about their rights.

Your Committees have amended this measure by amending the provisions of section 2, paragraph (14) relating to the Office of the Ombudsman. Your Committees also have amended this measure by making technical, non-substantive amendments for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Business and 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. 1380, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1380, 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, none.

SCRep. 577 (Joint) Business and Economic Development, Water, Land, and Agriculture and Intergovernmental Affairs on S.B. No. 1381

The purpose of this measure is to require the Department of Land and Natural Resources to work with the county parks departments to identify state parks that should be transferred to the county and appropriate funds to plan the transfer.

Your Committees received testimony in opposition to this measure from the Hawaii Government Employees Association. Your Committees received comments regarding this measure from the Department of Land and Natural Resources and the City and County of Honolulu Department of Parks and Recreation.

Your Committees find that state parks exhibit Hawaii's finest natural and cultural resources, in which island residents and visitors alike experience and learn about Hawaii's extraordinary natural resources and cultural heritage. Your Committees further find that the missions of the state and county parks differ. State parks operate mainly to provide and preserve unique places of natural, cultural, and scenic importance, and county parks operate mainly neighborhood and district or community parks for its residents. Your Committees recognize, however, that some state parks fit better into the county programs. Your Committees believe that this is an opportunity to examine the state and county park programs to determine if further exchanges of park areas would improve efficiency and service to the public.

Your Committees find that this determination merits further investigation and have amended this measure to require that the Department of Land and Natural Resources work with the county parks departments in an attempt to identify at least one park in each county that should be transferred from State to county and at least one park that should be transferred from county to State. Your Committees further have amended this measure to require the department to include the parks identified in each county in its report to the legislature and to include recommendations regarding funding and revenue sources.

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and

purpose of S.B. No. 1381, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1381, 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, 4 (Baker, Hooser, Inouye, Sakamoto).

SCRep. 578 (Joint) Business and Economic Development and Media, Arts, Science and Technology on S.B. No. 1721

The purpose of this measure is to establish a permanent cultural public market within the City and County of Honolulu on State-owned land within the Kakaako Makai area.

Specifically, the public market will provide a venue for the:

- (1) Exposure, education, and awareness of the many ethnic groups in Hawaii and the host Hawaiian culture;
- (2) Sales of ethnic foods, produce, and products;
- (3) Exhibition and showcasing of cultural artwork and crafts;
- (4) Showcasing of entertainers and artists; and
- (5) Presentation of information on the culture and history of the various ethnic groups in Hawaii.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs and twenty-seven individuals. Your Committees received comments from the Department of Business, Economic Development, and Tourism and the Hawaii Community Development Authority.

Your Committees find that a permanent state cultural marketplace will stimulate business activities and create a gathering place for the community, while preserving and promoting the diversity of the State's population. A permanent cultural marketplace affords local artisans and crafters an opportunity to display and sell their wares by setting affordable rents. It is the intent of your Committees that the cultural market will become a pedestrian attraction that would also attract customers to the Kakaako district.

Your Committees believe the issue of what level of involvement of local developers, contractors, and other businesses in the planning, design, and construction of the permanent cultural marketplace shall be required raises concerns that merit further discussion. Accordingly, your Committees have inserted an effective date of July 1, 2010 to ensure ongoing discussions on this issue.

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1721, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1721, 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, Sakamoto).

SCRep. 579 (Joint) Health and Judiciary and Hawaiian Affairs on S.B. No. 786

The purpose of this measure is to allow the Hawaii Health Systems Corporation to obtain criminal history information on persons who are employed or seeking employment to serve as volunteers, providers, or subcontractors in any of the corporation's health facilities.

The Department of Human Resources Development and Hawaii Health Systems Corporation submitted testimony in support of this measure.

Your Committees find that the Hawaii Health Systems Corporation provides a broad range of health care services including acute, long-term care, and rural health care services. Hawaii Health Systems Corporation currently checks an applicant's local record of convictions before hiring the applicant. However, local criminal checks do not list out-of-state convictions. Access to the FBI data bank is limited to those agencies that have specific statutes mandating criminal history checks. This measure will facilitate Hawaii Health Systems Corporation's criminal history checks of applicants for employment.

Upon further consideration, your Committees have amended this measure by limiting the criminal history checks to those persons whose positions may place them in close proximity to patients, and by making technical, non-substantive amendments for clarity and style.

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. 786, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 786, 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, 1 (Tsutsui).

SCRep. 580 Health on S.B. No. 1473

The purpose of this measure is to prohibit development of state-owned land on Waimano Ridge until an updated master plan is developed and reviewed by the Waimano Ridge neighborhood boards.

The Manana Community Association, two vice-presidents of the Pearl City Community Association, and two individuals submitted testimony in support of this measure. The Department of Health submitted testimony in opposition. The Office of Information Practices submitted comments.

Your Committee finds that certain uses of state-owned lands in the Waimano Ridge area of Oahu have created unnecessary friction between the state administration and the surrounding community residents. In 2000, the state administration announced that it would be operating a juvenile sex offender treatment facility at the site of the former Waimano home for the developmentally disabled without giving any prior notice to the surrounding community. This was not well received by the community as, prior to the announcement, the facility was already being built without community notice or input.

As pointed out by proponents of this measure, it is necessary to update the master plan that the community and the Department of Health prepared years ago. This measure provides for an update of the master plan and provides for the community's input in the formulation of the updated master plan.

Upon further consideration, your Committee has amended this measure by deleting the provision that required the development and approval of a master plan before any new or expanded use or further development of existing leased lands or facilities on state-owned land in the Waimano ridge area could be granted or approved.

Your Committee has further amended this measure by requiring any state or county agency, commission, or department to give the community associations and community boards surrounding the Waimano Ridge area at least ninety days notice of any new or expended use or further development of existing leased lands or facilities on state-owned land in the Waimano ridge area. Your Committee also changed the effective date to July 1, 2020, to encourage further discussion of this matter.

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. 1473, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1473, S.D. 1, and be referred to the Committee on Water, Land, and Agriculture.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 581 Health on S.B. No. 791

The purpose of this measure is to allow the Department of Health to license special treatment facilities and therapeutic living programs, and place clean and sober homes under the purview of the counties and not the Department of Health.

The Office of the Lieutenant Governor, the Department of Health, the Salvation Army Family Treatment Services, and one individual submitted testimony in support of this measure.

Your Committee finds that there is a need to ensure a continuum of health care settings for individuals requiring therapeutic or rehabilitative services and care which would include persons recovering from substance abuse. As the Department of Health noted in its testimony, clean and sober homes do not provide rehabilitative or therapeutic care or services, but do provide housing for persons recovering from substance abuse. Therefore, clean and sober homes do not require oversight from the Department of Health and should be under the purview of the counties.

Upon further consideration, your Committee has amended this measure by amending the county zoning statute to include a definition of "drug rehabilitation home"; deleting the words "from a more restrictive treatment setting" from the definition of "therapeutic living programs"; by making section 5 effective on December 31, 2007; and by making technical, nonsubstantive amendments for 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. 791, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 791, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 582 (Joint) Media, Arts, Science and Technology and Water, Land, and Agriculture on S.B. No. 1457

The purpose of this measure is to acquire lands adjacent to the Kohala Historical Sites State Monument to provide public access to the cluster of historical sites, including the Mo'okini Heiau, and to protect the historical sites by providing additional buffers.

Your Committees received testimony in support of this measure from Mo'okini Luakini, Inc. Your Committees also received comments regarding this measure from the Department of Land and Natural Resources, and Kamehameha Schools.

Your Committees find that Act 166, Session Laws of Hawaii 1992, now codified as section 6E-38.5, Hawaii Revised Statutes, was intended to preserve and protect an important cluster of historical sites in North Kohala on the island of Hawaii. Collectively, this cluster of sites is known as the Kohala Historical Sites State Monument. Act 166 mandated that certain real property be acquired in

order to ensure the unimpaired preservation of the visual, cultural, and historical aspect of the monument, and to provide an adequate buffer surrounding the sites.

Your Committees find that the additional land has not been acquired, despite the State's efforts to do so through gifts or land exchanges. Your Committees support the acquisition of the lands adjacent to the monument as necessary to provide public access to the Kohala Historical Sites State Monument, including the Mo'okini Heiau, and to protect the site. Your Committees further believe that this measure is critical in ensuring that the Department of Land and Natural Resources renews its efforts to acquire, through land exchange, the lands necessary to protect and preserve the Kohala Historical Sites State Monument.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology 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. 1457 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, 3 (English, Hooser, Ige).

SCRep. 583 (Joint) Education and Military Affairs and Commerce, Consumer Protection and Housing on S.B. No. 1254

The purpose of this measure is to transfer jurisdiction of private trade, vocational, and trade schools from the Department of Education to the Department of Commerce and Consumer Affairs.

Testimony in support of the measure was submitted by the Department of Education.

Your Committees find that the Department of Education is not sufficiently equipped to adequately monitor the commercial aspect of vocational and trade schools, as these entities are essentially in business for profit. These types of schools function as retail businesses and thus consumers should be provided with consumer protection services. This measure will transfer the regulation of these schools to the more appropriate Department of Commerce and Consumer Affairs which contains the knowledge and expertise to ensure quality services will be provided by these businesses.

Upon further consideration, your Committees have amended this measure to:

- (1) Allow the Department of Education to provide educational programs for appropriate schools;
- (2) Direct the Legislative Reference Bureau to conduct a study on which schools are more appropriately placed under the Department of Commerce and Consumer Affairs;
- (3) Make a technical, nonsubstantive amendment; and
- (4) Change the effective date to July 1, 2020.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs 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. 1254, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1254, 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 (Chun Oakland, Espero, Ige).

SCRep. 584 (Joint) Education and Military Affairs and Transportation and Government Operations on S.B. No. 1660

The purpose of this measure is to broaden the Department of Education's authority over capital improvement and repair and maintenance projects and transfers necessary functions from the Department of Accounting and General Services to the Department of Education.

Testimony in support of the measure was submitted by the Department of Education and Hawaii State Teachers Association.

Your Committees find that Act 51, Session Laws of Hawaii 2004, required the transfer of functions regarding the maintenance of school facilities from the Department of Accounting and General Services to the Department of Education. Accordingly, the Department of Education, needs to be able to manage the state educational facilities improvement special fund and capital and repair and maintenance programs. In transferring management to the Department of Education, your Committees believe that the improved coordination will reduce the backlog of public school facilities projects.

Upon further consideration, your Committees have amended this measure to establish the education design and construction project assessment fund which will allow the superintendent to make assessments on construction projects. Furthermore, the effective date of section 7 was changed to July 2, 2005.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1660, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1660, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 12. Noes, none. Excused, 1 (Kanno).

SCRep. 585 (Joint) Education and Military Affairs and Health on S.B. No. 1816

The purpose of this measure is to clarify the law on substance assessment referrals and make an appropriation to the Department of Education for referrals to be completed by certified substance abuse treatment counselors.

Testimony in support of the measure was submitted by the Lieutenant Governor and an individual. The Department of Education submitted testimony in opposition to the measure. The Drug Policy Action Group submitted comments.

Your Committees find that substance abuse treatment is successful in reducing arrests, hospitalization, and emergency room visits and that it is prudent to ensure students who meet the criteria for needing substance abuse treatment receive it. Removing students from school only serves to place them in an unsupervised environment where they may encounter risky situations. However, this measure assumes a zero tolerance substance abuse policy in school where students are removed from school while being referred for a substance abuse assessment.

The Department of Education raised strong concerns regarding its difficulties in implementing provisions in Act 44, Session Laws of Hawaii 2004. Currently, the department does not have the mechanisms, resources, or staff in place to adhere to the requirements of the law. The provisions regarding assessment and treatment are well intended, but the structures and mechanisms that the law requires do not exist in the Department of Education and Department of Health.

Furthermore, there is a shortage of certified substance abuse counselors who can complete the required assessment. Consequently, students waiting to be assessed or for treatment are placed in alternative learning centers which are currently filled. While parents are making good faith efforts to seek assessment and treatment, they are usually turned away for lack of funding and personnel.

The proposed changes in this measure contradict recent research regarding the efficacy of zero tolerance approaches. Moreover, the Joint Task Force on Ice and Drug Abatement recommended that the zero tolerance policies be amended to require treatment before student disciplinary action.

Upon further consideration, your Committees have amended this measure:

- (1) To restore deleted language that requires a student to be referred to treatment prior to disciplinary actions;
- (2) To clarify that professionals qualified under chapter 431M, Hawaii Revised Statutes, may assess students; and
- (3) By making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1816, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1816, 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, 2 (Hanabusa, Whalen).

SCRep. 586 (Joint) Education and Military Affairs and Media, Arts, Science and Technology on S.B. No. 1505

The purpose of this measure is to appropriate funds for the establishment of a two-year pilot computer recycling and disposal program in at least two public schools.

Testimony in support of the measure was submitted by the Department of Education, Department of Health, the Representative of the Nineteen District, Friends for Boys & Girls Club, and Hawaii Open Source Education Foundation. The American Chemistry Council submitted comments.

Your Committees find that with the progression of technology use today, old computers are being discarded and replaced with new ones at a rapid rate. Health risks are involved when hazardous materials from electronic devices such as computers and television monitors are released into the environment during incineration. The program in this measure would serve to lay the groundwork for developing possible strategies such as identifying proper disposal methods and services for obsolete used computers, as well as distributing used computers to disadvantaged schools.

Upon further consideration, your Committees have amended this measure to:

- (1) Request a report from the Department of Education; and
- (2) Require the Department of Education and the Department of Health to participate in task forces that deal with electronic waste.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1505, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1505, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Vice Chair and Chair on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Ihara, Tsutsui).

SCRep. 587 (Joint) Education and Military Affairs and Commerce, Consumer Protection and Housing on S.B. No. 1830

The purpose of this measure is to offer military veterans who served in the Iraq or Afghanistan conflicts priority for housing developed under charter 201G, Hawaii Revised Statutes.

Testimony in support of the measure was submitted by The Chamber of Commerce of Hawaii.

Your Committees find that the state's guardsmen and reservists are being called to active duty with greater regularity. This increase has seriously affected recruiting and retention. This measure will assist the Hawaii National Guard by providing housing incentives to retain a force capable of meeting the needs of the State while responding to the needs of the nation.

Upon further consideration, your Committees have amended this measure by requiring the Housing and Community Development Corporation of Hawaii to amend its administrative rules to include Iraq and Afghanistan war veterans in their priority list of applicants for housing programs.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs 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. 1830, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1830, 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, 3 (Chun Oakland, Espero, Ige).

SCRep. 588 (Joint) Education and Military Affairs and Labor on S.B. No. 1642

The purpose of this measure is to implement various programs to encourage teacher retention and recruitment.

Testimony in support of the measure was submitted by the Department of Education, Department of Budget and Finance, University of Hawaii, Hawaii State Teachers Association, and an individual. The Department of Taxation and Hawaii Government Employees Association submitted comments.

Your Committees find that effective teaching is of high importance in the development of a successful educational system. Unfortunately, the State has been experiencing a teacher shortage. There are many reasons for this situation and there is no single answer to address this problem. However, it is clear that the State must recruit more people to the profession, prepare them well, assist with their matriculation during the first few years, provide on-going professional development, and most importantly, provide attractive compensation and working conditions to attract the best and brightest candidates.

Several commendable ideas were discussed during your Committee's hearing, from tax incentives to amending teacher licensing requirements. Therefore, your Committees have amended this measure to include additional provisions that would encourage teacher recruitment and retention. Among other amendments, the following provisions have been added to this measure:

- (1) An educator loan forgiveness program;
- (2) A statewide teacher induction program;
- (3) A comparability study of teacher tests in other key states;
- (4) Preparations for a package of incentives by the department, Hawaii State Teachers Association, and other effected businesses or individuals;
- (5) An action plan for teacher retention;
- (6) Appropriations for the following:
 - (a) Teacher cadet program;
 - (b) Various faculty positions in the University of Hawaii system;
 - (c) Educator loan forgiveness program;
 - (d) The comparability study;
 - (e) Positions at the Hawaii Teacher Standards Board;
 - (f) Professional development schools; and
 - (g) Financial incentives; and

- (7) Technical, substantive amendments for the purposes of clarity and style.

Furthermore, your Committees find that there are many policies and practices that are important to teachers but not consistently practiced. Thus your Committees urge further review and discussion, between all affected parties, of the following:

- (1) Providing time in the school schedule for teachers to work collaboratively;
- (2) Including teachers in the decision making processes at their schools;
- (3) Giving teachers time, opportunity, and expectations to develop their leadership capacity;
- (4) Communicating the administration's expectations for teacher performance;
- (5) Providing teachers with opportunities for new roles and responsibilities; and
- (6) Being open to discussing job-related issues with teachers.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1642, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1642, 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 (Chun Oakland, Taniguchi, Tsutsui).

SCRep. 589 (Joint) Commerce, Consumer Protection and Housing and Health on S.B. No. 940

The purpose of this measure is to modify the review process for health coverage disputes arising under managed care plans.

The Coalition and three individuals testified in support of this measure. The Department of Commerce and Consumer Affairs, Kaiser Permanente, and Hawaii Medical Service Association testified in opposition to this measure.

Currently, complaints regarding health care coverage under managed care plans that are not successfully resolved under the plan's internal review process may be referred to the Insurance Commissioner (Commissioner) for referral to a three-member external review panel. This measure modifies this process by requiring that complaints arising under managed care plans subject to ERISA be submitted for review to an independent review organization.

Disputes arising under non-ERISA plans and involving amounts of \$500 or more will continue to be referred to the external review panel for hearing. This measure also requires the Commissioner to retain a tax exempt organization to serve as the State Health Consumer Advocate to assist the Commissioner in carrying out the Commissioner's duties under chapter 432E, Hawaii Revised Statutes.

Your Committees have concerns that this measure establishes a dual system of dispute resolution for ERISA and non-ERISA managed care plans, and find that the issues raised herein require further review and discussion. Accordingly, your Committees have amended this measure by inserting an effective date of July 1, 2050.

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. 940, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 940, 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 (Ige, Whalen).

SCRep. 590 Commerce, Consumer Protection and Housing on S.B. No. 1335

The purpose of this measure is to amend the landlord tenant code to explicitly prohibit the unlawful possession of dangerous, harmful, or detrimental drugs by the tenant or a person under the tenant's control.

The City and County of Honolulu Department of the Prosecuting Attorney, the Honolulu Police Department, and the Hawaii Association of Realtors submitted testimony in support of this measure. Comments were received from one individual.

This measure specifically:

- (1) Prohibits tenants and guests from unlawfully possessing dangerous, harmful, or detrimental drugs within the premises or the immediate vicinity of the dwelling unit. Noncompliance with this provision allows the landlord to immediately file a summary proceeding for possession;
- (2) Provides that a written notice or report issued by a government law enforcement officer or agency regarding the possession of unlawful drugs may be used as evidence in the summary proceeding in accordance with the Hawaii Rules of Evidence; and

- (3) Provides that the standard of proof for possessing unlawful drugs shall be by a preponderance of the evidence.

Your Committee has amended this measure by:

- (1) Requiring the written notice to include:
 - (a) A statement regarding the possession of the dangerous, harmful, or detrimental drug on the landlord's property;
 - (b) The specific date of the possession; and
 - (c) The name of the arresting officer; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1335, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1335, 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 (Ige).

SCRep. 591 Commerce, Consumer Protection and Housing on S.B. No. 798

The purpose of this measure is to facilitate the development of affordable housing in Hawaii through various strategies, including expanding the use of and prohibiting the raiding of special housing funds, streamlining the approval process, increasing conveyance tax allocations to the Rental Housing Trust Fund, and modifying standards for affordable housing projects.

Testimony in support of this measure was received from the Office of the Governor, Department of Taxation, Housing and Community Development Corporation of Hawaii, Department of Community Services of the City and County of Honolulu, Pacific Housing Assistance Corporation, The Nature Conservancy, Hawaii Association of Realtors, and The Affordable Housing and Homeless Alliance. The University of Hawaii and Life of the Land opposed the measure. The Land Use Research Foundation presented comments.

This measure establishes the Affordable Homes Act of 2005. Among other things, the Act:

- (1) Prohibits the raid of eight special housing funds;
- (2) Abolishes the Rental Housing Trust Fund Advisory Commission to avoid duplication in the review process for housing development applications;
- (3) Exempts from Land Use Commission approval affordable housing projects of fifty acres or less;
- (4) Changes the standard for an affordable housing project from one that requires the project to be primarily designed for lower income persons to one that requires the project provide a reasonable number of lower income housing units;
- (5) Permits the Dwelling Unit Revolving Fund to be used for permanent financing, in addition to interim financing; and
- (6) Permits for-profit entities to qualify for loans from the Rental Housing Trust Fund.

Your Committee has amended this measure:

- (1) To expand the time frame for completion of an affordable housing project claiming an exemption from general excise taxes, by extending the outside "start of construction" date from December 31, 2006 to June 30, 2007, and by extending the "completion" date from December 31, 2007 to June 30, 2009;
- (2) By amending the definition of "affordable housing units" to delete references to unit size specifications;
- (3) By amending the proposed standard for an affordable housing project from one that considers whether the project provides a "reasonable number" of lower income housing units to one that considers whether a project provides a certain percentage of lower income housing units;
- (4) With respect to the requirements for projects receiving preference under the Rental Housing Trust Fund Program, by removing specific percentages relating to:
 - (A) The total number of units the project must provide for persons with incomes at or below thirty per cent of the median family income; and
 - (B) The threshold median family income applicable to the requirement for the provision of the maximum number of units; and

- (5) By making technical amendments to reflect preferred drafting style and to correctly reflect the language of the Hawaii Revised Statutes.

Additionally, in order to facilitate further discussion and review of the issues raised in this measure, your Committee has inserted therein an effective date of July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 798, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 798, 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 (Ige).

SCRep. 592 (Joint) Media, Arts, Science and Technology and Transportation and Government Operations on S.B. No. 666

The purpose of this measure is to allow government agencies to create, accept, retain, or store electronic records and to convert their paper and microfilm records to electronic formats.

Your Committees received testimony in support of this measure from the Department of the Attorney General, the Department of Accounting and General Services, the Department of Defense, the Department of Human Resources Development, the Office of Information Practices, and the University of Hawaii.

Your Committees find that although many existing state laws require record retention by state and county agencies, the authorized storage methods are only paper, microfiche, or microfilm. Your Committees further find that Act 6, Session Laws of Hawaii 2002, authorized the supreme court to create and retain court case, fiscal, and administrative records in electronic format and to convert existing records to electronic form. Your Committees believe that by allowing all government agencies to store records in electronic format this measure will effectively reduce the significant paperwork and associated costs in the daily operations of state government.

Your Committees have amended this measure to clarify the disposal of government records. Your Committees also have amended this measure by making technical, non-substantive amendments for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 666, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 666, 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, English, Kanno).

SCRep. 593 (Joint) Media, Arts, Science and Technology and Business and Economic Development on S.B. No. 1695

The purpose of this measure is to increase and authorize the issuance of contingent tax credits by the Hawaii Strategic Development Corporation, authorize the corporation to extend guarantees and incur debt, and authorize the corporation to transfer the credits as needed.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism; the Hawaii Strategic Development Corporation; Hawaii Venture Capital Association; Hawaii Technology Trade Association; Economic Development Alliance of Hawaii; and Oceanit.

Your Committees find that there is a critical shortage of seed and venture capital resources in the State, which emerging technology firms and expansion-oriented companies need to succeed. Your Committees support the intent of this measure, and find that increasing the amount of the authorized tax credits and the annual aggregate limit on the transfer of tax credits that may be claimed will more effectively attract new venture capital investments in Hawaii's emerging and expanding companies. Your Committees find, however, that this measure should incorporate the provisions of S.B. No. 720 with respect to the inclusion of insurance premium taxes as a tax for which credits may be provided. Your Committees believe this provision will add an additional pool of taxpayers to whom the credits may be sold, which will support additional investment in Hawaii's high growth businesses.

Your Committees have amended this measure by incorporating language from Senate Bill No. 720. As amended, this measure:

- (1) Increases the limitation on carry over tax credits, as allowed in Section 211G-12(c), Hawaii Revised Statutes, to not more than an aggregate total of \$20,000,000;
- (2) Includes insurance premium taxes on the list of taxes for which credits may be provided; and
- (3) Incorporates technical, non-substantive amendments for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1695, as

amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1695, 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, Ihara, Trimble).

SCRep. 594 Media, Arts, Science and Technology on S.B. No. 1794

The purpose of this measure is to appropriate funds to promote film and digital media production activity in the State.

Your Committee received testimony in support of this measure from the Big Island Film Office, Maui Film Office, and Kauai Film Office. Your Committee received comments from the Department of Business, Economic Development, and Tourism.

Your Committee finds that the film and digital media industry generates significant economic activity worldwide, prompting several countries to offer financial incentives to attract film and digital media productions. Your Committee believes Hawaii must take an active role to promote Hawaii as the world's premier tropical film location, which can double for a variety of looks and locations. Your Committee finds that this measure will help Hawaii attract film and digital media productions and keep pace with national and international competition.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1794 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, Ige).

SCRep. 595 Commerce, Consumer Protection and Housing on S.B. No. 1841

The purpose of this measure is to require all state and county agencies to give affordable housing projects priority in permit and approval review and issuing processes.

This measure also exempts county housing projects from statutes, ordinances, charter provisions, and rules.

Testimony in support of this measure was submitted by the Housing and Community Development Corporation of Hawaii, the Department of Planning and Permitting of the City and County of Honolulu, and the Pacific Housing Assistance Corporation. Testimony in opposition to this measure was submitted by the Sierra Club - Hawaii Chapter, and Life of the Land.

Your Committee finds that the current lack of supply of affordable housing throughout the State has created a great division among the residents of our State. Those with limited resources are especially vulnerable during this period as many are desperately in need of affordable housing. In relation to this problem is the myriad and complex land use permit processes faced by real estate development projects. Your Committee determines that giving affordable housing projects priority in the permitting process over other projects, excluding public health and safety projects, will help to alleviate the current affordable housing shortage problem.

Additionally, your Committee finds that additional efforts to increase the supply of affordable housing should also be explored, including the redevelopment and revitalization of residential lands. Although a deterrent to redevelopment is the cost of public facilities, as interest rates on moneys necessary to finance such public facilities add significantly to their costs and more favorable interest rates would be available through the issuance of tax-exempt bonds, the issuance of revenue bonds presents a viable option for such redevelopment. Therefore, your Committee believes that expanding the authority of the Hawaii Community Development Authority to finance projects beyond the boundaries of Kakaako to include projects throughout the entire State will facilitate the redevelopment of affordable residential units.

Finally, your Committee finds that another facet of the affordable housing problem is that there is a shortage of units which may be deemed affordable. Many homes or condominiums are purchased by individuals and entities from outside of the State, which further exacerbates the shortage problem. Residential properties utilized for investment purposes are often luxury vacation properties owned by wealthy individuals. Therefore, your Committee determines that the imposition of a luxury tax on investment properties that are not used as permanent residences will help to subsidize affordable housing projects throughout the State.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the exemption for county housing projects from statutes, ordinances, charter provisions, and rules;
- (2) Including language from S.B. 1182, which authorizes the Hawaii Community Development Authority to issue revenue bonds to finance infrastructure improvements statewide;
- (3) Including language from S.B. 1181, which imposes a luxury tax on real property classified as improved residential but not having a homeowners exemption and not used as a permanent residence or rented, and appropriating these funds to the counties;
- (4) Changing the effective date of the Act to July 1, 2050, in order to facilitate further discussion on the matter; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1841, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1841, 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 (Ige).

SCRep. 596 Commerce, Consumer Protection and Housing on S.B. No. 141

The purpose of this measure is to create an exemption for the development of workforce housing and affordable housing on leased residential lots.

Testimony in support of this measure was submitted by the Housing and Community Development Corporation of Hawaii, the Land Use Research Foundation of Hawaii, and Hawaii Reserves, Inc.

Your Committee finds that in Hawaii, the cost of living has been and continues to be high. A significant contributing factor to the high cost of living is the high cost of housing, which is in turn significantly impacted by the high cost of land. Chapter 516, Hawaii Revised Statutes, was enacted to address the shortage of fee simple residential land and the inflation of residential land values. Although it has helped to create more fee simple residential land, spiraling inflationary land values have severely negatively impacted the ability of Hawaii's workforce to afford home ownership. Your Committee determines that an exemption from the lease-to-fee conversion law for workforce and affordable housing leased on residential lots will create an attractive incentive for landowners to put land into affordable residential development on a long-term lease basis.

Accordingly, your Committee has amended this measure by:

- (1) Adding three new definitions for the terms "sustainable affordable development"; "sustainable affordable lease"; and "sustainable affordable lessee's share of appreciation";
- (2) Amending the language regarding the exemption to include that a sustainable affordable lease is exempt from part II of chapter 516, Hawaii Revised Statutes (HRS), sections 516-63, 516-65, and 516-66, HRS; and limiting the lessee's compensation under section 516-70, HRS, to the sustainable affordable lessee's share of appreciation;
- (3) Limiting the amendment to the exemption under chapter 519, HRS, to section 519-2; 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. 141, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 141, 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 (Ige).

SCRep. 597 Commerce, Consumer Protection and Housing on S.B. No. 702

The purpose of this measure is to update the antitrust laws governing mergers and acquisitions.

The Attorney General and ML Macadamia Nut Orchards, L.P. testified in support of this measure.

Current law prohibits certain acquisitions by and among corporations, but does not prohibit these transactions when one of the entities involved is not a corporation, but some other form of business entity. This limitation makes the legal process to challenge mergers and acquisitions more difficult and cumbersome.

This measure broadens the scope of the law to include its application to other business entities by expanding the definition of "person" to include various business entities, and amending the mergers and acquisitions law to apply to a person, rather than a corporation.

Additionally, this measure authorizes a court to award attorney's fees and costs to a prevailing party in actions brought to challenge a merger or acquisition, and repeals an obsolete provision. Your Committee finds that these amendments to the law will facilitate enforcement of the antitrust laws to the benefit of businesses and consumers.

Your Committee has amended this measure:

- (1) To authorize a court, in an action challenging a merger or acquisition, to order the divestiture or other disposition of a party's assets to eliminate the substantial lessening of competition or the tendency to create a monopoly;
- (2) To retain statutory language in the mergers and acquisition law relating to the "holding" of assets in order to continue to effect the legislature's intent in its establishment of the law; and

- (3) By making technical changes to reflect preferred drafting style and 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. 702, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 702, 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 (Ige, Sakamoto).

SCRep. 598 Education and Military Affairs on S.B. No. 1869

The purpose of this measure is to appropriate funds for the Hawaii Civil Air Patrol for operational expenses.

Testimony in favor of the measure was submitted by the Department of Defense, Oahu Civil Defense Agency, Oahu Veterans Council, The Chamber of Commerce of Hawaii, and an individual.

Your Committee finds the Hawaii civil defense system, supported by the patrol, is crucial to the civil defense warning system for a tsunami. Additionally, the patrol performs other important missions for civil defense such as air reconnaissance, aerial damage assessments, inland search and rescue, and small cargo delivery.

Although the department raised funding concerns, your Committee has decided not to amend the measure but leave in the \$100,000 appropriation for further discussion.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1869 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Vice Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 599 Judiciary and Hawaiian Affairs on S.B. No. 557

The purpose of this measure is to institute better oversight and accountability with respect to role of custody evaluators in child custody and visitation determinations, regulate and defray the amount of fees charged by experts retained by the parties or the court, and conduct a review of the operations of the Hawaii Family Court.

Specifically, this measure:

- (1) Replaces custody evaluators with court appointed fact-finders who only report facts and do not make recommendations concerning child custody or visitation arrangements;
- (2) Establishes the Family First Revolving Funds to pay for the expenses of retaining and utilizing an expert in assisting a judge in a custody or visitation dispute; and
- (3) Enacts the Family Court Review Commission to conduct an unbiased and public review of the processes and procedures of the Hawaii Family Court, court appointed service providers, and other issues relating to case management in the Family Court, including increasing the use of alternative dispute resolution in family court proceedings.

Testimony in support of the measure was submitted by the Children's Rights Council, Domestic Violence Clearinghouse and Legal Hotline, Hawaii State Coalition Against Domestic Violence, and six individuals. The Judiciary offered comments on the measure.

Your Committee finds that better oversight regarding the performance of custody evaluators must be instituted. There is a concern that the recommendations of the custody evaluators are given too much weight by Family Court judges. Therefore, this measure amends the functions of custody evaluators by making them fact-finders. Further your Committee also finds that issues relating to the accountability of custody evaluators and other court appointed personnel warrant further review and discussion.

Your Committee has amended this measure by:

- (1) Endowing the Family Court with the authority to order the parties to pay for all or a portion of the fees charged by an expert or a person retained by a party or the court, as opposed to utilizing the Family First Revolving Fund as the exclusive source of compensation for payment of these fees; and
- (2) Removing the Family Court Review Commission from this measure in response to concerns voiced by the Judiciary with respect to a potential separation of powers violation by the Legislature in requiring the Judiciary to administer and conduct an audit of the Judiciary's internal processes, procedures, and personnel. Your Committee recommends that the Committee on Ways and Means obtain a legal opinion from the Senate Majority Office on this issue before 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. 557, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 557, 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. 600 Judiciary and Hawaiian Affairs on S.B. No. 708

The purpose of this measure is to amend laws governing the registration of sex offenders and offenders against children and allowing the public to access information relating to those offenders.

Specifically, this measure:

- (1) Establishes separate registries for sex offenders and offenders against children;
- (2) Complies with the requirements of the federal Wetterling Act by providing that sexually violent predators, repeat offenders, and offenders who commit aggravated sexual offenses may not terminate their registration requirements;
- (3) Enables certain offenders, who no longer pose a danger to the public, to petition a court for the termination of their registration and public access requirements after a specified period of time has elapsed;
- (4) Establishes tolling provisions that allow for the tolling of registration and public access requirements during periods of subsequent imprisonment or confinement;
- (5) Replaces pre-access hearings with the right to post-access hearings for offenders seeking to end public access as the duration and nature of the public access is based on the level of the offense committed;
- (6) Establishes procedures for the court to determine, based upon an evaluation for mental abnormality or personality disorder conducted by an expert, whether the offender is a sexually violent predator; and
- (7) Makes an appropriation for county and state personnel assisting in implementing and administering registration and public access procedures.

Testimony in support of the measure was submitted by the Department of the Attorney General, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Honolulu Police Department, the Sex Abuse Treatment Center, and Kalani Iki Neighborhood Board #2. Testimony in opposition to the measure was submitted by the Office of the Public Defender and the ACLU of Hawaii.

Your Committee finds that establishing a proper balance between upholding the public's right to access information on registered offenders and an offender's due process rights is a challenging task that this measure seeks to accomplish.

Your Committee has amended this measure by:

- (1) Allowing for the automatic termination of registration requirements for specific offenses or based upon a class of felony for which the covered offender was convicted of and upon the expiration of a specified time period;
- (2) Establishing presumptions that must be applied by a court in a civil proceeding to determine the appropriate level of access and identifying information that must be made available to the public regarding a covered offender;
- (3) Determining both the scope and nature of information that must be made available to the public as part of the registration and public access requirement;
- (4) Delineating the covered offenders that are subject to public Internet access as well as covered offenders that are subject to on-site public access at a police station and the duration of this access;
- (5) Allowing a covered offender to petition the court to limit, modify, or terminate public access if the covered offender is able to satisfy specific statutory criteria by a preponderance of the evidence;
- (6) Allowing the Attorney General to file an objection challenging the automatic termination of covered offender registration and public access requirements placed on a covered offender; and
- (7) Making technical, non-substantive changes for purposes of clarity.

Your Committee has amended this measure in response to concerns voiced by the Department of the Attorney General and the Office of the Public Defender. This measure, which incorporates suggestions made by both offices, strikes the proper balance with respect to upholding the public's right, under the Hawaii Constitution, to access information on covered offenders and protecting the due process and privacy rights of covered offenders.

Your Committee also incorporated some of the suggestions made by the Attorney General by including a "sexually violent predator" within the measure with respect to registration and public access provisions in order to comply with the federal Wetterling

Act requirements. Your Committee has also made technical, non-substantive amendments with respect to the calculation or “running” of certain time periods for purposes of clarity.

However, your Committee has chosen not to adopt the suggestions made by the Attorney General with respect to defining “aggravated sexual offense” to mean one sexual offense. This term currently encompasses the following offenses: an act of sexual penetration; more than one sexual offense with a victim under the age of twelve; and an act of penetration with a victim under the age of fourteen. A person may commit the offense of “aggravated sexual assault” under this measure with the commission of just one sexual offense.

Your Committee has also chosen not to amend the type of information regarding street address information for an offender based upon the level of dangerousness of the offender as advocated by the Attorney General. This type of “dangerousness” determination is clearly set forth in regard to the types of offenders that are subject to registration requirements, the length of time that these offenders must be registered, and the type of information that is available to the public both on the Internet and at a police station.

Finally, your Committee has chosen not to remove the provisions relating to the presumptions a court must apply with respect to covered offenders based upon claims of unfairness to the government. The basis for enacting a sex offender registration is not one of fairness to the government, but of properly balancing the rights of offenders and the community. Fairness to government should not be included as part of this determination.

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. 708, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 708, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (English, Ihara).

SCRep. 601 (Joint) Judiciary and Hawaiian Affairs and Human Services on S.B. No. 1775

The purpose of this measure is to provide a child-friendly visitation center at any correctional facility to facilitate appropriate child visitation with incarcerated parents. This measure also authorizes the issuance of general obligation bonds for the construction and design of child-friendly visitation centers at these facilities.

Testimony in support of this measure was submitted by the Department of Public Safety, Good Beginnings Alliance, Blueprint for Change, Hawaii Coalition for Dads, Hawaii Juvenile Justice Project, Hawaii Youth Services Network, and two individuals.

Your Committees find that studies indicate that children of incarcerated individuals suffer from a multitude of negative consequences when they are separated from that parent at a young age. It is vital that an environment be developed and nurtured within a prison setting that fosters the development of emotional, psychological, and communication skills in both the parent and child.

Your Committees have amended this measure by:

- (1) Expanding the availability of this child-friendly visitation center to include both male and female correctional facilities;
- (2) Appropriating funds for two consecutive fiscal years for the planning and design of child-friendly visitation facilities; and
- (3) Removing the establishment of a task force designed to assist the Department of Public Safety in making recommendations regarding the development of these child-friendly facilities.

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 are in accord with the intent and purpose of S.B. No. 1775, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1775, 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 (Kokubun, Trimble).

SCRep. 602 (Joint/Majority) Health and Human Services on S.B. No. 491

The purpose of this measure is to establish the Physical Activity and Nutrition Coalition Task Force for the State.

The American Heart Association, American Academy of Pediatrics, American Cancer Society, Kapi`olani Medical Center for Women & Children, Hawaii Medical Services Association, and Papa Ola Lokahi submitted testimony in support of this measure. The Department of Education submitted testimony in opposition. The Department of Health submitted comments.

Your Committees find that obesity is considered to be the major health issue of the twenty-first century. People who are overweight or obese are at risk for numerous health conditions including type two diabetes, hypertension, cardiovascular disease, dyslipidemia, some types of cancer, gallstones, osteoarthritis, rheumatoid arthritis, premature death, sleep apnea, and respiratory problems, as well as poorer physical functioning status and lower life expectancy.

Obesity rates have soared throughout the United States, with approximately one-third of the adult population in Hawaii self-reporting that they are overweight. Obesity in childhood is a predicator for obesity in adulthood. The number of overweight children in the United States has doubled in the past thirty years.

Obesity is a problem that needs to be addressed on a variety of levels. While increasing physical activity and developing habits of proper nutrition are considered effective methods for curbing rates of obesity, Hawaii does not yet have a plan to put such strategies into place. A physical activity and nutrition coalition task force can develop a state nutrition and physical activity plan to address obesity in Hawaii and can be central in supporting physical activity and proper nutrition for its residents.

Your Committees have amended this measure by:

- (1) Defining the scope as obesity in children and adults in Hawaii;
- (2) Having the task force members appointed by the Governor;
- (3) Including a representative of the American Cancer Society as one of the task force members; and
- (4) Directing the task force to submit its findings and recommendations no later than twenty days prior to the convening of the regular session of the legislature beginning in 2006.

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. 491, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 491, 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, Kokubun, Whalen).

SCRep. 603 (Joint/Majority) Human Services and Judiciary and Hawaiian Affairs on S.B. No. 790

The purpose of this measure is to authorize the Departments of Health and Human Services to establish standards for conducting criminal background checks on all current and prospective individuals, including adult volunteers, who provide care and other social services to the frail, elderly, or the disabled adult residents of care facilities.

Testimony in support of this measure was submitted by the Department of Health, the Department of Human Services, the Healthcare Association of Hawaii, the Hawaii Coalition of Care Home Administrators, the Hawaii Long Term Care Association, the Kokua Council, and three individuals.

Your Committees find that background checks should be conducted to ensure the reputable and responsible character of service provider employees who have direct contact with elderly and disabled individuals.

Your Committees have amended this measure by:

- (1) Requiring that background checks only be conducted on prospective or future employees of health care facilities that serve elderly and disabled individuals;
- (2) Clarifying that these background checks encompass individuals providing services to the Adult and Community Care Services Branch clients of the Department of Human Services; and
- (2) Making the effective date defective in order to promote continuing discussion on this matter.

Your Committees have serious concerns with this measure in light of numerous unresolved issues relating to the liability of the State for authorizing and conducting background checks on the employees of private entities, the scope of immunity, if any, afforded to the State given that the immunity provisions are rebuttable, as well as other issues relating to the administration and implementation of this program. However, your Committees have decided to move this measure forward, thereby providing the Departments of Health and Human Services additional time to resolve the concerns of your Committees.

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. 790, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 790, 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 (English, Hee). Excused, 2 (Kokubun, Trimble).

SCRep. 604 Human Services on S.B. No. 1620

The purpose of this measure is to provide treatment services for child victims of intrafamilial sexual abuse.

Testimony in support of this measure was submitted by the Judiciary, Family and Therapeutic Services and the Safe and Sound program of Catholic Charities Hawaii, and three individuals.

Your Committee finds that helping child victims of intrafamilial sexual abuse receive the mental health treatment they need is an important component of victim advocacy. This measure appropriates the necessary funds for intrafamilial sexual abuse treatment services. Specifically, the services include psychological treatment and case management services for child victims and their families who are not covered under the child protective services system of the Department of Human Services.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount from \$200,000 to \$314,381 to add an additional therapist and outreach worker. The two positions will allow the Safe and Sound program to increase its services by fifty per cent, which amounts to approximately seventy-five to one hundred additional clients per year; and
- (2) Appropriating the same sum for fiscal year 2006-2007.

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 S.B. No. 1620, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1620, 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, Kokubun).

SCRep. 605 Judiciary and Hawaiian Affairs on S.B. No. 145

The purpose of this measure is to amend various provisions of the Hawaii Revised Statutes and the Session Laws of Hawaii pursuant to chapter 23G, Hawaii Revised Statutes, to correct errors, update references, clarify language, and delete obsolete or unnecessary language.

Your Committee finds that all of the statutory amendments proposed by the measure are of a purely technical nature and either contain no substantive changes to the law, or, if they have any substantive effect, are done simply to correct the types of errors noted in this report.

Your Committee finds the reasons for the respective technical amendments made in the bill are as follows:

Section 1. Section 26-6(b), HRS, contains two sets of paragraphs numbered (1) to (10) and (1) to (4), respectively. Referencing or citing these paragraphs causes ambiguity because, for example, a reference to “section 26-6(b)(1)” could mean either of two paragraphs numbered “(1)”.

Section 26-6(b), HRS, should be amended by designating the second set of paragraphs (1) to (4) as subsection (c) and redesignating the existing subsections (c) thru (e) as subsections (d) thru (f) to eliminate the ambiguity.

Section 2. L 2004, c 93 transferred all rights, powers, functions, and duties relating to the administration of chapter 467B, HRS, from the department of commerce and consumer affairs to the department of the attorney general. Section 467B-12, HRS, as amended by section 12 of Act 93, now provides that every fundraising counsel or professional solicitor, prior to any solicitation, must file a registration statement accompanied by a \$250 fee with the attorney general.

Section 26-9(o), HRS, currently provides in part that every person registered under chapter 467B shall pay a fee to the department of commerce and consumer affairs for deposit into the compliance resolution fund. As L 2004, c 93 transferred the collection of fees for chapter 467B, HRS, from the department of commerce and consumer affairs to the department of the attorney general, the reference to “chapter 467B” in section 26-9(o), HRS, should be deleted.

In addition, the penultimate paragraph in section 26-9(o), HRS, provides in part that ““compliance resolution” means a determination of whether...(5) any person subject to chapter 467B has complied with that chapter....” Again, as L 2004, c 93 transferred all rights, powers, functions and duties of the department of commerce and consumer affairs relating to the administration of chapter 467B, HRS, to the department of the attorney general, the penultimate paragraph in section 26-9(o), HRS, should be amended by deleting subparagraph (5) and its reference to any person subject to chapter 467B, HRS.

Section 3. L 2004, c 128 amended §76-16(b)(16), HRS, by making a style change that created subparagraphs that make the department of education’s positions of administrative assistant to the state librarian and administrative assistant to the superintendent of education appear to be part of the department of health.

Section 76-16(b), HRS, should be amended to restore paragraph (16) to its original form to remove any ambiguity in the separate departmental positions.

Section 4. L 2004, c 16 amended section 26-35, HRS, by designating the existing language of the section as subsection (a) and adding a subsection (b) providing sovereign immunity for every board or commission established or placed within a state department. Act 16 also made a conforming amendment to section 201B-5, HRS, by adding the subsection (a) designation to the section 26-35, HRS, reference, and in doing so, excludes the applicability of sovereign immunity for the Hawaii tourism authority.

Section 201B-5 should be amended to include reference to the new subsection (b).

Section 5. When section 243-4(c)(3), HRS, was last amended by L 1971, c 51, which added, among other things, the phrase “the tax as provided by paragraphs (1) and (2) of this section”. It appears that this phrase was intended to apply to paragraphs (1) and (2) of subsection (c) and not to paragraphs (1) and (2) of subsections (a) or (b). To correct this ambiguity, section 243-4(c)(3), HRS, should be amended to substitute the word “subsection” for “section”.

Section 6. When L 2004, c 216, §30 amended section 245-23, HRS, by deleting the exemption of the tax department from the requirements of chapter 103D relating to procurement, it failed to make a conforming amendment to the section heading of section 245-23, HRS, to reflect this change.

Section 245-23, HRS, should be amended by deleting the word “procurement” from the section heading to make it consistent with the section as amended by L 2004, c 216, §30.

Section 7. When 249-31, HRS, was amended by L 2004, c 158, §3, the existing text of the section was designated as subsection (a) and a new subsection (b) was added. Subsection (b) directed that the moneys collected from each annual motor vehicle registration fee should go into two separate funds -- the state highway fund and the emergency medical services special fund. However, subsection (a) was not amended to conform to the new funding directives of subsection (b), as it still requires all proceeds to be paid into the state highway fund.

To conform, section 249-31(a), HRS, should be amended by deleting the phrase “to be paid into the state highway fund” to eliminate the conflict with subsection (b).

Also in section 249-31(a), HRS, the reference to “sections 249-3 to 249-6” is changed to “sections 249-4 and 249-6” to remove obsolete references to section 249-3, 249-3.5, and 249-5, HRS, which were repealed by L 1995, c 164, §§5 to 7.

Section 8. L 2004, c 216, part III repeals statutory exemptions from chapter 103D effective January 1, 2005. Section 255D-4, HRS, authorizes the department of taxation to enter into the streamlined sales and use tax cooperative agreement with member states. When section 255D-4, HRS, was amended by Act 216, §31, by removing the phrase “and the joint procurement not subject to chapter 103D”, that modified “with other member states, of goods and services in furtherance of the cooperative agreement”, the sentence became incomplete.

Section 255D-4, HRS, should be amended by restoring the deleted phrase.

Section 9. L 2004, c 199, §2 amended section 271-38, HRS, by adding reference to “section 271-19” to the list of sections the department of transportation shall assign a motor vehicle safety officer to enforce the motor carrier law when requested to do so by the public utilities commission. The definition of “enforcement officer” in section 269-1, HRS, currently does not include “section 271-19” as one of sections the department of transportation assigns a motor vehicle safety officer to enforce the motor carrier law when requested to do so by the public utilities commission.

Section 269-1, HRS, should be amended by adding the reference to “section 271-19” to conform to the amendment of section 271-38, HRS, by L 2004, c 199, §2.

Section 10. L 2001, c 88, §§3 and 10(1) repealed chapter 87, HRS, the Hawaii “public employees health fund” law and replaced it with chapter 87A, HRS, relating to the “Hawaii employer-union health benefits trust fund”.

Section 269-2(b), HRS, still contains reference to the repealed chapter 87, HRS. Section 269-2(b), HRS, should be amended to change repealed chapter 87, HRS, to chapter 87A, HRS.

Section 11. Section 269-17.5(b), HRS, contains the term “United States Immigration and Naturalization Services”. The Homeland Security Act of 2002, signed by the President on November 25, 2002, transferred the Immigration and Naturalization Services to the new Department of Homeland Security, with immigration service functions placed into a new United States Citizenship and Immigration Services.

Section 269-17.5(b), HRS, should thus be amended by replacing “United States Immigration and Naturalization Services” with the new “United States Citizenship and Immigration Services.”

Section 12. L 2004, c 199, §2 amended section 271-38, HRS, by adding “section 271-19” to the list of sections the department of transportation shall assign a motor vehicle safety officer to enforce the motor carrier law when requested to do so by the public utilities commission. The definition of “enforcement officer” in section 271-4(15), HRS, currently does not include “section 271-19” as one of sections the department of transportation assigns a motor vehicle safety officer to enforce the motor carrier law when requested to do so by the public utilities commission.

Section 271-4(15), HRS, should be amended by adding the reference to “section 271-19” to conform to the amendment of section 271-38, HRS, by L 2004, c 199, §2.

Section 13. Paragraph (7) of section 302A-433, HRS, contains the term “United States Immigration and Naturalization Service”. The Homeland Security Act of 2002, signed by the President on November 25, 2002, transferred the Immigration and Naturalization Services to the new Department of Homeland Security, with immigration service functions placed into a new United States Citizenship and Immigration Services.

Section 302A-433(7), HRS, should thus be amended by replacing “United States Immigration and Naturalization Service” with the new “United States Citizenship and Immigration Services.”

Section 14. Section 302A-1185(c)(2)(B), HRS, as amended by L 2004, c 132, §1, provides that “[a]n accounting of the percentage of student enrollment who transferred from public schools...shall also be submitted by the charter school administrative office to the legislature *no later than twenty days of each regular session*”. The words “prior to the convening” appear to have been inadvertently omitted after “twenty days”.

In addition, section 302A-1185(c)(3), HRS, is missing the word “provide” before “[t]he remaining ten per cent per pupil allocation for a new century charter school no later than January 1 of each year as a contingency balance to ensure fiscal responsibility.”

Section 302A-1185(c)(2)(B) and (c)(3) should be amended to include the missing words.

Section 15. L 2004, c 161, §36 amended various sections of the Hawaii Revised Statutes by substituting the word “guardian” wherever the term “guardian of the person”, or like term, appears, as the context requires

Section 327G-3(c), HRS, relating to advance mental health care directives, should be amended by substituting the word “guardian” for “guardian of the person” to make it consistent with the term as amended by Act 161 and as defined in section 327G-2, HRS.

Section 16. L 2004, c 161, §36 amended various sections of the Hawaii Revised Statutes by substituting the word “guardian” wherever the term “guardian of the person”, or like term, appears, as the context requires.

Section 327G-9(a), HRS, relating to advance mental health care directives, should be amended by substituting the word “guardian” for “guardian of the person” to make it consistent with the term as amended by Act 161 and as defined in section 327G-2, HRS.

Section 17. L 2004, c 161, §36 amended various sections of the Hawaii Revised Statutes by substituting the word “guardian” wherever the term “guardian of the person”, or like term, appears, as the context requires.

Section 327G-14(5), HRS, relating to advance mental health care directives, should be amended by substituting the word “guardian” for “guardian of the person” to make it consistent with the term as amended by Act 161 and as defined in section 327G-2, HRS.

Section 18. L 2004, c 161, §36 amended various sections of the Hawaii Revised Statutes by substituting the word “guardian” wherever the term “guardian of the person”, or like term, appears, as the context requires.

Section 333F-1, HRS, relating to services for persons with developmental disabilities or mental retardation, should be amended by substituting the word “guardian” for “guardian of the person” to make it consistent with the term as amended by Act 161.

Section 19. L 2004, c 161, §36 amended various sections of the Hawaii Revised Statutes by substituting the word “guardian” wherever the term “guardian of the person”, or like term, appears, as the context requires.

Section 333F-11(b), HRS, relating to services for persons with developmental disabilities or mental retardation, should be amended by substituting the word “guardian” for “guardian of the person” to make it consistent with the term as amended by Act 161.

Section 20. L 2004, c 47, created the Rx plus preferred drug list, codified as section 346-312.5, HRS. Subsection (d)(4) refers to the “America Medical Association Drug Evaluations”. The correct term is “American Medical Association Drug Evaluations”.

Section 346-312.5(d)(4), HRS, should be amended by changing the term “America Medical Association Drug Evaluations” to “American Medical Association Drug Evaluations”.

Section 21. L 2004, c 161, §12, amended the text, but not the heading of section 353-25, HRS, by replacing the term “guardian” with “conservator”.

Section 353-25, HRS, should be amended by replacing the word “guardian” with “conservator” in the section heading to conform with the section as amended by Act 161.

Section 22. L 2004, c 161, §13, amended section 353-26, HRS, by replacing the term “guardian” with “conservator”.

Section 353-26, HRS, should be amended by replacing the word “guardian” with “conservator”, to conform the section as amended by Act 161.

Section 23. L 2004, c 44, §10, amended section 353-66(f), HRS, by replacing the term “drug treatment program” with “substance abuse treatment program”. However, the second sentence still contains the term “substance abuse program”.

Section 353-66(f), HRS, should be amended by replacing the term “substance abuse program” with “substance abuse treatment program”, to conform the subsection as amended by Act 44.

Section 24. L 2004, c 171, §3, enacted section 414D-233, HRS. Section 414D-233(a), HRS, refers to the “director”. There is no definition of “director” in chapter 414D, HRS. The chapter defines a “department director” as the director of commerce and consumer affairs.

Section 414D-233(a), HRS, should be amended by deleting the brackets around “department” to ratify the revisor’s insertion of “department” before “director” to conform to the definition provided in chapter 414D.

Section 25. Section 467B-2, HRS, relating to filing requirements for charitable organizations, was repealed by Act 120, Session Laws of Hawaii 1996. In section 431:10-202, HRS, of the Insurance Code, the definition of an “insurable interest” contains reference to a charitable organization “as defined in section 467B-1 and registered under section 467B-2”. Reference to registration under repealed section 467B-2 should be deleted.

Section 431:10-202, HRS, as a definitional section, was also amended by deleting the subsection designations and formatting the definitions to conform to the style used in the Hawaii Revised Statutes.

Section 26. Section 431:10C-109(c), HRS, contains reference to section 607-17, HRS, relating to attorney’s fees provided in promissory notes or contracts. Section 607-17, HRS, was repealed by Act 200, Session Laws of Hawaii 1993. Act 200 added provisions for these circumstances to section 607-14, HRS, which is already referenced in section 431:10C-109(c), HRS.

Section 431:10C-109(c), HRS, should be amended by deleting reference to the repealed section 607-17, HRS.

Section 27. The motor vehicle insurance administration revolving fund was repealed by Act 163, Session Laws of Hawaii 1999. Act 163 also established the insurance regulation fund and transferred unencumbered balances from the motor vehicle insurance administration revolving fund to the insurance regulation fund.

Section 431:10C-307.8(d), HRS, still states that funding for the insurance fraud investigations unit shall come from the repealed motor vehicle insurance administration revolving fund. The insurance commissioner is now authorized to expend moneys from the compliance resolution fund for investigators and other personnel (section 431:2-215(b), HRS). Section 431:10C-307.8, HRS, should thus be amended by repealing obsolete subsection (d).

Section 28. Article 17 of the Insurance Code (the Insurance Information Protection Act) was repealed by Act 339, Session Laws of Hawaii 1993. Article 17 regulated the use and disclosure of personal information obtained by an insurance company when an insurance policy was required in connection with a loan agreement. Current law on protection of consumer financial information is found in article 3A, which applies to all insurers licensed or authorized to do business in the State.

Section 431:19-102.2(b), HRS, still contains reference to repealed article 17. Section 431:19-102.2(b), HRS, should be amended by deleting reference to repealed article 17 and making other minor changes to conform to the style used in the Hawaii Revised Statutes.

Section 29. Act 253, Session Laws of Hawaii 2000, repealed chapter 77, HRS. Section 431P-3(h), HRS, still contains reference to this repealed chapter.

Section 431P-3(h), HRS, should be amended by deleting reference to repealed chapter 77.

Section 30. Act 169, Session Laws of Hawaii 1999, repealed chapter 327D, HRS, relating to medical treatment decisions, and enacted chapter 327E, HRS, the Uniform Health-Care Decisions Act in its place.

Section 432E-4(c), HRS, still contains reference to the repealed chapter 327D. Section 432E-4(c), HRS, should be amended by substituting the reference to chapter 327D, HRS, with chapter 327E, HRS. Section 432E-4(c), HRS, should also be amended by replacing the term “living wills” with “advanced health-care directives” to conform to the terminology found in chapter 327E.

Section 31. Section 453D-12(a)(9), HRS, states that “violating any condition or limitation upon which a condition or temporary license was issued” may be grounds for the director of commerce and consumer affairs to revoke, suspend, deny, or refuse to renew, etc., a mental health counselor license. Subsection (a)(9) should read “violating any condition or limitation upon which a conditional or temporary license was issued” [Emphasis added].

Section 453D-12(a)(9), HRS, should be amended to correct this typographical error.

Section 32. The last paragraph of section 461-11.5, HRS, as enacted by L 2004, c 190, §5, provided that “Nothing in this subsection shall be construed....” Section 461-11.5, HRS, does not contain any subsections.

Section 461-11.5, HRS, should be amended by deleting the brackets around “section” to ratify the revisor’s substitution of “section” for “subsection” to make proper reference.

Section 33. L 2001, c 68, §2 amended section 478-8(b), HRS, by adding paragraph (6). The first sentence of paragraph (6) provided that “Indebtedness secured by a time share interest defined in 514E-1....” The revisor added the missing word “section” before “514E-1.” The second sentence of paragraph (6) also provided that “This subsection shall not be deemed to....” The revisor changed the word “subsection” to “paragraph” to properly reflect reference to paragraph (6).

Section 478-8(b)(6), HRS, should be amended by deleting the brackets around the words “section” and “paragraph” to ratify the revisor’s insertion of those words for proper reference.

Section 34. L 1991, c 153, §2 added section 486-36 to chapter 486, HRS. The third sentence of the penultimate paragraph of section 486-36(1), HRS, provided that “After a hearing pursuant to this subsection....” As section 486-36(1), HRS, is a paragraph rather than a subsection, the revisor replaced the word “subsection” with “paragraph.”

Section 486-36(1), HRS, should be amended by deleting the brackets around “paragraph” to ratify the revisor’s insertion of that word for proper reference.

Section 35. Prior to amendment by L 1998, c 219, §12, section 507-46, HRS, was one continuous paragraph. When amended by Act 219, paragraphs (1) to (3), contained in the first proviso, for priority of liens for claims filed by certain persons for wages for labor performed in the completion of the improvement, were block indented along with the second proviso. The second proviso should not have been continued as blocked text under paragraph (3).

Section 507-46, HRS, should be amended by moving the proviso in paragraph (3) out to the left margin so that it will not appear to be included in that paragraph.

Section 36. L 2004, c 161 §36 amended various sections of the Hawaii Revised Statutes by substituting the word “guardian” wherever the term “guardian of the person”, or like term, appears, as the context requires.

Section 551A-2, HRS, relating to the office of the public guardian, contain the terms “guardian of the person” and “guardians of the person” in subsections (c), (d), and (f), but Act 161 only amended subsection (a).

Subsections (c), (d), and (f) of section 551A-2, HRS, should be amended by substituting the word “guardian” for “guardian of the person” and “guardians” for “guardians of the person” to conform those terms consistent as amended by Act 161.

Section 37. Article V of chapter 560, was amended by L 2004, c 161, §1, by adding four new parts. In article V, section 560:5-409(d), HRS, reference is made to the “determination of incapacity of the protected person under article 3”. Guardianship of incapacitated persons falls under “part 3” of article V.

Section 560:5-409(d), HRS, should be amended by changing a protected person under “article 3” to a protected person under “part 3”.

Section 38. L 2004, c 161, §36 amended various sections of the Hawaii Revised Statutes by substituting the word “guardian” wherever the term “guardian of the person”, or like term, appears, as the context requires.

Section 560:5-601, HRS, relating to the sterilization rights of incapacitated persons, should be amended by substituting the word “guardian” for “guardian of the person” in the definition of “ward” to conform the term as amended by Act 161.

Section 39. L 2004, c 161, §36 amended various sections of the Hawaii Revised Statutes by substituting the word “guardian” wherever the term “guardian of the person”, or like term, appears, as the context requires, and by substituting the word “conservator” wherever the term “guardian of the property”, or like term, appears, as the context requires.

Section 560:6-101, HRS, relating to nonprobate transfers, should be amended by substituting the word “guardian” for “guardian of the person” and “conservator” for “guardian of the property” in the definition of “party” to conform those terms as amended by Act 161.

Section 40. L 2004, c 161, §36 amended various sections of the Hawaii Revised Statutes by substituting the word “guardianship” wherever the term “guardianship of the person”, or like term, appears, as the context requires.

Section 571-2, HRS, relating to the family courts, should be amended by substituting the word “guardianship” for “guardianship of the person” in the definition of “guardianship of a minor” to conform the term as amended by Act 161.

Section 41. Section 578-8(c), HRS, contains the term “United States Immigration and Naturalization Service”. The Homeland Security Act of 2002, signed by the President on November 25, 2002, transferred the Immigration and Naturalization Services to the new Department of Homeland Security, with immigration service functions placed into a new United States Citizenship and Immigration Services.

Section 578-8(c), HRS, should thus be amended by replacing “United States Immigration and Naturalization Service” with the new “United States Citizenship and Immigration Services.”

Section 42. L 2004, c 231, §§1 and 2 amended sections 601-3.7(a) and 607-4(a), HRS, respectively, to provide that in addition to the fees collected for administrative costs associated with the processing of civil filings under section 607-4(b)(10), HRS, one half of fees collected for administrative costs associated with the processing of traffic citations under paragraphs (7), (8), and (9) of section 607-4(b), HRS, also be deposited in the judiciary computer system special fund. However, when amending section 607-4(a), HRS, L 2004, c 231, §2 deleted “subsection (b)(10)” when it added the phrase “one half of the fees collected pursuant to paragraphs (7), (8), and (9) of subsection (b)”.

Section 607-4(a), HRS, should thus be amended by restoring the reference to section 607-4(b)(10), HRS, to make it consistent with section 601-3.7(a), HRS, as amended.

Section 43. When enacted by L 2004, c 119, §2, the word “rejected” was inadvertently omitted in the last sentence of section 672E-5(a), HRS, (“the settlement offer shall be deemed _____.”). Also, the word “provide” was inadvertently omitted in subsection (b) (“the claimant shall _____ unfettered access to perform and complete....”). The prior draft of this Act contained both words.

Section 672E-5, HRS should be amended by deleting the brackets around “rejected” and “provide” to ratify the revisor’s insertion of these omitted terms.

Section 44. L 2003, c 214, §5 provides that “upon the Internal Revenue Service’s determination that Hawaii 3R’s is a qualified nonprofit organization under section 501(c)(3) of the Internal Revenue Code, Act 309, Session Laws of Hawaii 2001, is amended by

repealing section 3 [codified as §302A-1502.5].” Hawaii 3R’s has received notification from the Internal Revenue Service by letter dated April 3, 2003, of determination as a qualified nonprofit organization under section 501(c)(3).

Section 302A-1502.5, HRS, should thus be formally repealed to remove this now obsolete law from the books.

Section 45. L 2003, c 80, §2 amended L 2000, c 39, §4 by extending the repeal and reenactment of section 514A-90, HRS, from December 31, 2003 to December 31, 2007. However, L 2003, c 53, §3 provides that the amendments made to section 514A-90(b), HRS, by Act 53, “shall not be repealed when section 514A-90 is reenacted on December 31, 2003, pursuant to section 4 of Act 39, Session Laws of Hawaii 2000”.

L 2003, c 53, §3 should be amended to change the repeal and reenactment date of December 31, 2003 to December 31, 2007, to make it consistent with the date as amended by L 2003, c 80, §2.

Section 46. L 2004, c 10, §7 made a technical amendment to section 201B-2, HRS, which was intended to be permanent. However, Act 10 does not exempt this amendment to section 201B-2, HRS, from the June 30, 2007, repeal and reenactment provision contained in a later Act, L 2004, c 58, §14(2).

L 2004, c 10, §18 should therefore be amended to exempt Act 10’s amendment to section 201B-2, HRS, from the repeal and reenactment provision of L 2004, c 58, §14(2).

Section 47. The prefatory language of L 2004, c 29, §2 states that “section (b)” of section 163D-3, HRS, is amended.

To eliminate any possible ambiguity, the prefatory language of L 2004, c 29, §2 should be amended to state that “subsection (b)” of section 163D-3, HRS, was amended.

Section 48. The prefatory language of L 2004, c 51, §6 provides that “Section 302A, Hawaii Revised Statutes, is amended...”, and sets out section 302A-101, HRS.

To eliminate any possible ambiguity, the prefatory language of L 2004, c 51, §6 should be amended to state that “section 302A-101” was amended.

Section 49. L 2004, c 57, §5, amended section 28-8.3, HRS, by adding the office of elections and the campaign spending commission to the list of agencies allowed to employ or retain attorneys under section 28-8.3, HRS. However, Act 57 did not exempt these amendments to section 28-8.3, HRS, from the repeal and reenactment provision of L 2004, c 58, §14(2) on June 30, 2007, which would cause the office of elections’ and the campaign spending commission ’s authority to employ attorneys to lapse on that date.

Section 17 of L 2004, c 57, should be amended to exempt the amendments made to section 28-8.3, HRS, by L 2004, c 57, §5, from the repeal and reenactment provision of L 2004, c 58, §14(2).

Section 50. L 2004, c 58 amended sections 28-8.3, 40-1, 40-4, 40-6, 201B-2, and 201B-11, HRS, to, among other things, allow the Hawaii Tourism Authority to hire private attorneys and appoint a sports coordinator, require the Authority to deposit interest and revenues from any project into the tourism special fund, and exempt the Authority from state audit and accounting requirements.

Act 58 took effect on May 6, 2004. Pursuant to Act 58, §14(2), Act 58 is repealed on June 30, 2007, and sections 28-8.3, 40-1, 40-4, 40-6, 201B-2, and 201B-11, HRS, are reenacted in the form in which they read on June 29, 2005.

Pursuant to L 1998, c 115, §24, sections 40-1, 40-4, and 40-6, HRS, are subject to repeal on June 30, 2005, and reenactment in the form in which they read on June 30, 1986. The repeal and reenactment provision of L 1998, c 115 affects the University of Hawaii and the department of education. Thus, on June 30, 2005, references to the University of Hawaii and the department of education are deleted from sections 40-1, 40-4, and 40-6, HRS.

L 2004, c 58, §14(1) exempted Act 58’s amendments to sections 40-1, 40-4, and 40-6 from L 1998, c 115, §24’s repeal and reenactment. Consequently, on June 30, 2005, L 2004, c 58’s amendments affecting the Hawaii Tourism Authority will be retained.

However, if, as presently provided by L 2004, c 58, §14(2), on June 30, 2007, sections 28-8.3, 40-1, 40-4, 40-6, 201B-2, and 201B-11 are reenacted to the form in which they read on June 29, 2005, the amendments affecting not only the Hawaii Tourism Authority, but also the University of Hawaii and the department of education will be retained in sections 40-1, 40-4, and 40-6.

Act 58 should be amended to remedy this apparent inadvertent error, so that the amendments affecting the Hawaii Tourism Authority, the University of Hawaii, and the department of education are all deleted when Act 58 is repealed on June 30, 2007.

Section 51. L 2004, c 141, established the “One Call Center,” codified as chapter 269E, and made conforming amendments to sections 269-30 and 269-33, HRS. Act 141 is repealed on June 30, 2009. However, Act 141 did not provide for the reenactment of sections 269-30 and 269-33, HRS, when the Act 141 amendments are repealed on June 30, 2009. This leaves it open to question as to whether only the 2004 amendments will be repealed, or the underlying statutes as well.

To eliminate this ambiguity, L 2004, c 141, §7 should be amended to reenact sections 269-30 and 269-33, HRS, in the form in which they read prior to the L 2004, c 141 amendments.

Section 52. L 2004, c 190, §6, added eight new definitions to section 461-1, HRS, to be repealed on July 1, 2010. Act 190, §6 provided that section 461-1, HRS, was to be reenacted in the form it read on the day before the effective date of Act 190 (July 1, 2004). Section 461-1, HRS, was also amended by L 2004, c 165, §2, which added two new definitions.

The amendments by Act 165 were intended to be permanent and should be exempted from Act 190's repeal and reenactment provision.

Section 53. L 2004, c 190, §6, added eight new definitions to section 461-1, HRS, to be repealed on July 1, 2010. Act 190, §6 provided that section 461-1, HRS, was to be reenacted in the form it read on the day before the effective date of Act 190 (July 1, 2004). Section 461-1, HRS, was also amended by L 2004, c 239, §1, which amended the definition of the "practice of pharmacy".

The amendments by Act 239 were intended to be permanent and should be made exempt from Act 190's repeal and reenactment provision.

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. 145 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, none.

SCRep. 606 Judiciary and Hawaiian Affairs on S.B. No. 470

The purpose of this measure is to expand the scope of the DNA registration law to mandate the collection of DNA samples, using buccal swabs, from all convicted felons.

Testimony in support of the measure was submitted by the Department of Public Safety and Department of the Prosecuting Attorney for the County of Kauai. Testimony in opposition to the measure was submitted by the Honolulu Police Department and the Office of the Public Defender. The Department of the Attorney General and the Department of the Prosecuting Attorney for the City and County of Honolulu offered comments on the measure.

Your Committee finds that mandating DNA testing for all convicted felons is an effective law enforcement tool that, when used in conjunctions with a DNA database, will enable the State to collect and maintain profiles of convicted offenders for use in ongoing as well as "cold case" law enforcement investigations.

Your Committee has amended this measure by:

- (1) Specifying that individuals convicted of murder or any offense in chapter 846E, Hawaii Revised Statutes, must provide a DNA sample immediately;
- (2) Requiring the Attorney General to provide notice requesting DNA samples from all individuals convicted of a Class A, B, and C felony offenses;
- (3) Establishing the process and procedure for collecting and testing blood specimens, buccal swab samples, and print impressions from parole violators; persons on parole or probation; individuals housed in state, federal, or private correctional or detention facilities; and individuals arriving in Hawaii who are required to provide a DNA sample;
- (4) Designating the Honolulu Police Department as the administrator of this program and authorizing the Honolulu Police Department to either designate itself or another entity as the repository for all biological samples collected under this program;
- (5) Establishing the process and procedures for obtaining a replacement specimen;
- (6) Enacting a procedure for the expungement of an individual's DNA profile and DNA sample;
- (7) Establishing a post-conviction DNA testing process;
- (8) Making an appropriation to provide financial assistance for county and state law enforcement officials enforcing and administering the provisions of the State's DNA program; and
- (9) Making technical, non-substantive changes for purposes of clarity.

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. 470, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 470, 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, none.

SCRep. 607 (Joint) Health and Human Services on S.B. No. 1420

The purpose of this measure is to prohibit the Department of Human Services from restricting payment for a recipient's access to psychotropic medication.

The Mental Health Association in Hawaii, the Hawaii Disability Rights Center, United Self-Help, and one individual submitted testimony in support of this measure. The Department of Human Services submitted testimony in opposition.

Your Committees find that access to the range of new and effective medications is crucial to mental health consumers' successful treatment and recovery. The Hawaii Disability Rights Center testified that the pharmacological approach to treating mental illness is far different from that used to treat physical ailments. Given the intricacies of individual human brain chemistry, it requires pinpoint precision to achieve a fine balance so that the delicate desired outcome of mental stability can be achieved. Many factors influence how patients respond to specific medications, such as age, race, ethnicity, gender, and health status. As one proponent testified, it is not the same as prescribing a standard antibiotic for the treatment of a common infection. Therefore, many states exempt mental health medications from preferred drug lists.

Upon further consideration, your Committees have amended this measure by requiring the Department of Human Services to recognize individuals who have not received a decision on their application to be presumptively eligible for psychotropic medication coverage until an eligibility decision is made, and exempting licensed medical care providers from preauthorization for prescription psychotropic medication.

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. 1420, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1420, 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 (Kokubun, Tsutsui, Trimble).

SCRep. 608 Health on S.B. No. 466

The purpose of this measure is to create an income tax credit for physicians and dentists who practice in medically or dentally underserved areas of the State.

Healthcare Association of Hawaii, the American College of Obstetricians and Gynecologists, and Consumer Lawyers of Hawaii submitted testimony in support of this measure. The Department of Taxation submitted testimony in opposition. The Legislative Tax Bill Service submitted comments.

Your Committee finds that there is a serious crisis in the provision of medical and dental services to the poor and uninsured in medically underserved areas of the State, particularly in the rural areas. Financial incentives extended to physicians and dentists will provide an impetus to treat the poor and medically underserved in those areas. Proponents noted that medical malpractice insurance premiums are reaching levels that discourage the practice of medicine, and that an ideal incentive for physicians to treat the poor and uninsured is to provide them with an income tax credit for a portion of the amounts paid for medical malpractice insurance premiums. Certain specialties, especially orthopedics and obstetrics-gynecology and others in short supply are especially scarce in underserved areas.

Upon further consideration, your Committee has amended this measure by limiting eligibility to specific physicians who practice neurosurgery, orthopedics, obstetrics-gynecology, or emergency room medicine.

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. 466, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 466, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 609 (Joint/Majority) Health and Human Services on S.B. No. 1515

The purpose of this measure is to reinstate the Hawaii Tobacco Settlement Special Fund's exemption from the assessment of central services and administrative expenses.

The American Heart Association, American Cancer Society, Coalition for a Tobacco Free Hawaii, and the Tobacco Prevention and Control Advisory Board submitted testimony in support of this measure. The Department of Budget and Finance submitted testimony in opposition. The Department of Health and the American Lung Association of Hawaii submitted comments.

Your Committees find that the Hawaii Tobacco Settlement Special Fund was previously exempt from the five per cent deduction. The deduction amounts to several million dollars each year that could be spent on programs and services that improve the health of Hawaii's residents. As the Coalition for a Tobacco Free Hawaii highlighted in its testimony, the intent of the fund was to offset the costs that the State incurs as a result of tobacco use. The Centers for Disease Control and Prevention recommends that Hawaii invest between \$10,778,000 and \$23,448,000 annually to establish effective tobacco prevention and control programs. In 2004, approximately \$8,000,000 was made available by the State for tobacco use.

The American Heart Association estimates that there are close to 1,100 tobacco-related deaths in Hawaii each year. Further, over twenty-four per cent of Hawaii high school students reported being current cigarette smokers, and the numbers are rising. The funds

should be spent on prevention programs and other measures aimed at discouraging individuals, especially youth, from smoking and assisting others who want to quit.

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. 1515 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, 1 (Trimble). Excused, 3 (Hooser, Kokubun, Whalen).

SCRep. 610 Commerce, Consumer Protection and Housing on S.B. No. 743

The purpose of this measure is to repeal the current uniform securities law, chapter 485, Hawaii Revised Statutes, and to adopt the 2002 Uniform Securities Act.

The Commissioner of Securities, Investment Company Institute, and Hawaii Commission to Promote Uniform Legislation testified in support of the measure. The Hawaii Bankers Association and American Council of Life Insurers opposed the measure. The Office of Information Practices and Securities Industry Association presented comments on the measure.

This measure proposes to adopt the 2002 Uniform Securities Act. The proposed new act gives the state securities regulator broad powers to investigate, prosecute, and sanction individuals and firms that engage in securities transactions. Additionally, the new law better aligns Hawaii's securities law with the laws of other states, thereby promoting consistent regulation and facilitating the ability of businesses to conduct transactions on a nationwide business. Your Committee finds that this measure will enable more efficient and effective regulation of the securities industry by the State.

Your Committee has amended this measure:

- (1) To amend the definition of "broker-dealer" by replacing language referencing a bank or savings institution with language referencing a depository institution to identify entities not included within the definition of "broker-dealer";
- (2) By making amendments throughout the Hawaii Revised Statutes to conform to the repeal of chapter 485, Hawaii Revised Statutes; and
- (3) By making numerous technical amendments for the purposes of clarity and consistency, to reflect preferred drafting style, and 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. 743, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 743, 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 (Espero, Sakamoto).

SCRep. 611 Human Services on S.B. No. 25

The purpose of this measure is to ensure that developmental disabilities residential service providers are adequately reimbursed for the residential services they provide.

Testimony in support of this measure was submitted by the Hawaii State Department of Health, State Council on Developmental Disabilities, Judiciary's Office of the Public Guardian, The Arc in Hawaii, The Arc of Hilo, Hawaii Disability Rights Center, Kona Krafts, Opportunities for the Retarded, Inc, and one individual. The Department of Human Services deferred to the Department of Health on this measure.

Your Committee finds that developmental disabilities residential service providers provide important residential care services for individuals with developmental disabilities or mental retardation. Presently, the providers of these services are not being adequately reimbursed by the State for the high quality residential services they provide to these individuals. As a result, a number of developmental disabilities homes have been forced to close due to a lack of adequate funding, and others have been deterred from opening homes. This is a significant concern to the State given that the majority of these individuals would have been cared for by the State at Waimano Training School and Hospital prior to its closing in June 1999. Thus, your Committee believes that providers of developmental disabilities residential services should be adequately reimbursed.

Your Committee has amended this measure by adding an appropriation for the 2006-2007 fiscal year.

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. 25, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 25, 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 (Hooser, Kokubun).

SCRep. 612 (Majority) Human Services on S.B. No. 41

The purpose of this measure is to authorize the Department of Human Services to establish a youth transition care program for former foster care children and other children not younger than eighteen years and not older than twenty-two, and to make an appropriation.

Your Committee finds that despite an increase in the number of foster care children statewide, these individuals and their foster parents remain largely “invisible” in the community and often lack the necessary resources and social services to assist these children and their caregivers.

When foster children attain the age of eighteen, most lack adequate housing options. This situation is a microcosm of the larger homelessness problem confronting the State where it is estimated that the number of homeless persons has doubled since 1999. On any given day there are more than six thousand homeless persons in Hawaii, of which more than fourteen per cent are children under the age of eighteen. Further, only twenty-two per cent of Hawaii’s homeless are able to sleep in shelters. It is estimated that approximately two hundred youth up to age twenty-one are in need of transitional living services each year. This population includes one hundred youth exiting foster care and one hundred youth who have run away from home or have been thrown out of homes. As such, it is critical that short-term housing options be offered for these youths as they make the transition to adulthood.

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. 41 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 (Trimble). Excused, 2 (Hooser, Kokubun).

SCRep. 613 Human Services on S.B. No. 45

The purpose of this measure is to require the Office of Youth Services to obtain legislative approval before transferring any incarcerated juveniles from the Hawaii Youth Correctional Facility to an out-of-state correctional facility.

Your Committee finds that it is vital that notice be given to the Legislature before any out-of-state transfer of youths under the jurisdiction of the Hawaii Youth Correctional Facility takes place. This measure is the result of recent action taken by the Office of Youth Services which recently transferred incarcerated juveniles from the Hawaii Youth Correctional Facility to an out-of-state youth correctional facility, without notice to their parents or legal guardians. Your Committee finds that it is vital that children remain close to their families in order to achieve the highest level of rehabilitation.

Your Committee has amended this measure by requiring notice be provided to the Legislature via the budgetary process.

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. 45, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 45, 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, Trimble).

SCRep. 614 Human Services on S.B. No. 1780

The purpose of this measure is to place the State Commission on Fatherhood, created by Act 156, Session Laws of Hawaii 2003, under the Department of Human Services for administrative purposes, extend the repeal date of Act 156 to June 30, 2007, and make an appropriation out of general revenues to fund the Commission.

Testimony in support of the measure was received by the Department of Human Services, the State Commission on Fatherhood, and the Hawaii Coalition for Dads.

Your Committee finds that the extension of the repeal date of Act 156 from June 30, 2005, to June 30, 2007, will give the Commission additional needed time to work towards its goals of promoting the role of fathers in promoting healthy childhood development and healthy families. Your Committee also finds that funds are needed to help achieve these goals.

Your Committee has amended the measure by designating that \$50,000 per fiscal year be appropriated for fiscal years 2005-2006 and 2006-2007. Further, your Committee has amended the measure by designating the funding for the commission come from monies the State receives from the Temporary Assistance for Needy Families (TANF) program.

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. 1780, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1780, 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, Kokubun).

SCRep. 615 Ways and Means on S.B. No. 834

The purpose of this short form measure is to serve as a legislative vehicle to conform Hawaii's income tax law to the federal Internal Revenue Code.

Your Committee has amended the measure by inserting provisions that amend Chapter 235, Hawaii Revised Statutes, to conform with:

- (1) Amendments contained in the Working Families Tax Relief Act of 2004 (P.L. No. 108-311; October 4, 2004) by:
 - (A) Making uniform the definition of "child." (Currently, Hawaii already closely follows the federal definition of "child" for net income tax purposes (e.g., determining whether a person is a dependent)); and
 - (B) Making permanent the research and development credit under section 41 of the Internal Revenue Code to which Hawaii's income tax law conforms, with modifications;
- (2) Amendments contained in the American Jobs Creation Act of 2004 (P.L. No. 108-357, October 22, 2004) by:
 - (A) Extending the above-the-line deduction for expenses incurred by elementary and secondary schoolteachers for materials used by a teacher in the classroom available under section 62 of the Internal Revenue Code;
 - (B) Providing the taxpayer with an election to take an itemized deduction for state and local general sales taxes instead of an itemized deduction for state and local income taxes; and
 - (C) Imposing enhanced substantiation requirements for the charitable deduction under section 170 of the Internal Revenue Code, for contributions of motor vehicles, boats, and airplanes valued at more than \$500 limited to charity's sales proceeds; and
- (3) Amendments contained in the Pension Funding Equity Act of 2004 (P.L. No. 108-218, April 10, 2004) by temporarily replacing the thirty-year treasury rate with a rate based on long-term corporate bonds for determining the plan's current liability for funding and deduction purposes. (Hawaii has traditionally conformed to the interest provisions under section 412 of the Internal Revenue Code.)

In addition, the amended measure also makes operative a provision from P.L. No. 109-001 (the Act to accelerate the income tax benefits for charitable cash contributions for the relief of victims of the Indian Ocean tsunami), which was passed by Congress in 2005. The Department of Taxation has requested that this amendment be included in the measure, though it is not a law that was adopted by Congress during the 2004 calendar year. This amendment would ensure that taxpayers filing their 2004 tax returns may claim the deduction for contributions made in January 2005, as allowed on the federal level.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 834, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 834, S.D. 1, and be recommitted to the Committee on Ways and Means, for further consideration.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (Inouye, Kanno, Kim, Trimble).

SCRep. 616 Commerce, Consumer Protection and Housing on S.B. No. 117

The purpose of this measure is to provide express statutory authority for the Housing and Community Development Corporation of Hawaii (HCDCH) to modify and amend contracts and agreements previously executed by the Housing Finance and Development Corporation (HFDC).

HCDCH and Kaanapali Development Corporation testified in support of this measure.

Act 350, Session Laws of Hawaii 1997 (Act 350) consolidated HFDC, the Hawaii Housing Authority, and the Rental Housing Trust Fund Commission into a single agency, the HCDCH. In consolidating the agencies, Act 350 also transferred their jurisdiction and authority, functions, powers, and duties to the newly created agency; all permits, deeds, leases, loans, contracts, and other agreements executed by the consolidated agencies remain in full force and effect.

This measure further clarifies that HCDCH succeeded to the rights and obligations of the subsumed agencies by expressly establishing HCDCH's authority to amend housing project agreements executed between HFDC and developers.

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. 117 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 (Espero, Sakamoto).

SCRep. 617 Commerce, Consumer Protection and Housing on S.B. No. 797

The purpose of this measure is to make housekeeping amendments to the laws governing the operations of the State's housing agency.

The Housing and Community Development Corporation of Hawaii (HCDCH) and a member of the Maui County Council testified in support of this measure.

Your Committee finds that when the Hawaii Housing Authority and the Housing Finance Development Corporation were consolidated into HCDCH, the carryover of common terminology used in different contexts created ambiguity in the law. For instance, the term "housing project" used in the context of public housing has a different meaning when used in the context of affordable housing.

This measure clarifies the law by redefining the term "housing project" as "public housing project" to distinguish between low-income housing projects and affordable housing developments, and by making conforming amendments throughout chapter 201G, Hawaii Revised Statutes. Additionally, this measure corrects inconsistencies in the requirements governing the sale of housing units, including public housing units.

Your Committee made technical amendments to this measure to reflect preferred drafting 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 S.B. No. 797, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 797, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Espero, Sakamoto).

SCRep. 618 (Joint) Commerce, Consumer Protection and Housing and Health on S.B. No. 760

The purpose of this measure is to lower the ceiling on the maximum amount of reserves that a managed care plan may hold and to require refunds of excess reserves to subscribers.

The Department of Commerce and Consumer Affairs and an individual testified in support of this measure. The Hawaii Medical Service Association (HMSA), HMSA Board of Directors, Mutual Benefit Association of Hawaii, Voluntary Employees' Benefit Association of Hawaii, Hawaii Association of Health Plans, HMAA, Kaiser Permanente, Hawaii Pacific Health, and three individuals opposed the measure.

This measure reduces the maximum amount of reserves a managed care plan may hold from fifty per cent to thirty per cent of annual expenses, and repeals the authority for a managed care plan to apply excess reserves to reduce future premium rates. The measure also requires a refund of excess reserves to subscribers, unless the managed care plan needs the reserves to meet anticipated increases in enrollment or for capital investments, or can show that the excess reserves are the result of temporary fluctuations in investments and will not persist.

Your Committees have amended this measure:

- (1) By deleting language that requires a managed care plan to refund excess reserves, subject to certain exceptions;
- (2) To prohibit the Insurance Commissioner (Commissioner) from approving a managed care plan's request for a rate increase if the plan's net worth exceeds thirty per cent of its annual health care expenditures and operating expenses, as reported on its most recently filed financial statement; and
- (3) To allow the Commissioner to approve a rate increase notwithstanding excess reserves if there is evidence that the managed care plan may sustain a negative cash flow due to a high amount of reimbursements in the next reporting period, subject to the requirement of filing a report with the Governor and Legislature.

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. 760, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 760, 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, 2 (Ige, Whalen).

SCRep. 619 Judiciary and Hawaiian Affairs on S.B. No. 264

The purpose of this measure is to amend the law relating to courts.

Your Committee has amended this bill by inserting language allowing defendants traveling from the islands of Molokai and Lanai to attend criminal cases being heard in the second judicial circuit to be reimbursed for travel expenses and provided per diem by the State.

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. 264, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 264, 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, 4. Noes, none. Excused, 2 (Hee, Whalen).

SCRep. 620 Judiciary and Hawaiian Affairs on S.B. No. 255

The purpose of this short form bill is to amend the law relating to the Attorney General.

Your Committee has amended this bill by inserting language proposing an amendment to the Constitution of the State of Hawaii providing for the election of the Attorney General by qualified voters of this State.

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. 255, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 255, 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, 4. Noes, none. Excused, 2 (Hee, Whalen).

SCRep. 621 (Joint) Water, Land, and Agriculture and Energy, Environment, and International Affairs on S.B. No. 956

The purpose of this measure is to amend plant and non-domestic animal importation laws to allow the Department of Agriculture to inspect imported commodities for pests.

Testimony in support of this measure was submitted by the Department of Agriculture, the University of Hawaii College of Tropical Agriculture and Human Resources, Crop Care Hawaii, LLC, Hawaii Agriculture Research Center, Hawaii Farm Bureau, the Nature Conservancy, Kaupo Ranch, Ltd., and one individual.

Your Committees find that imported commodities are considered “high risk” for pests and should receive the level of attention necessary to protect Hawaii from foreign species invasions. This measure allows the Department of Agriculture to adopt rules that identify specific articles on bills of lading for inspection for pests.

Your Committees have amended this measure to:

- (1) Include other types of shipping documents that may be reviewed for specific articles that are subject to inspection for pests; and
- (2) Make technical, nonsubstantive changes for the purpose of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Energy, Environment, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 956, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 956, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 4. Noes, none. Excused, 2 (Fukunaga, Hanabusa).

SCRep. 622 (Joint) Intergovernmental Affairs and Water, Land, and Agriculture on S.B. No. 1586

The purpose of this measure is to conform the statutes on the Hawaii County Board of Water Supply (board) with current provisions of the Hawaii County Charter.

Your Committee received testimony in support of this measure from the Hawaii County Corporation Counsel.

This measure provides that the nine appointed members of the board be appointed by the mayor, with approval of the county council, and with at least one member being a resident of each council district. The members would select their chairperson and vice chairperson. Removal of a member from office is at the discretion of the mayor.

Your Committees find that there exists a home rule issue in making the county boards of water subject to state statute. Your Committees note that chapter 54, Hawaii Revised Statutes (HRS), relating to water systems, was enacted in 1961 when not all counties had a board of water supply. As stated by the Standing Committee on County in House Standing Committee Report No. 149 on H.B. 1166 (1961), “The purpose of this bill is to create independent boards of water supply for counties that do not have such boards at the present time.” Your Committees further note that Hawaii County is the only county with a separate law, as Act 86, Session Laws of Hawaii 1949, established a board of water supply of the County of Hawaii.

Your Committees find that chapter 54, HRS, may need to be revised to reflect the current situation wherein all counties have their own boards of water supply which are governed by county charter and ordinance. However, this would require input from the counties at a future time.

As affirmed by the records of votes of the members of your Committees on Intergovernmental 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. 1586 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, 4 (English, Fukunaga, Inouye, Kim).

SCRep. 623 Judiciary and Hawaiian Affairs on S.B. No. 438

The purpose of this measure is to require members of the Board of Regents of the University of Hawaii, the Board of Land and Natural Resources, the Board of Agriculture, and the Hawaiian Homes Commission to file public financial interest disclosure statements with the State Ethics Commission.

Testimony in support of the measure was submitted by the State Ethics Commission, the Hawaiian Homes Commission, and the League of Women Voters of Hawaii. Comments were received from the Department of Land and Natural Resources.

Your Committee finds that these four boards serve as the executive decision-maker for state departments or agencies and thus should not be excluded from the same financial interest disclosure requirements imposed on other state departments headed by a single executive. Further, your Committee finds that this public disclosure requirement will promote trust and transparency in the operations and management of these executive boards and will not dissuade qualified individuals from serving on these executive 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 S.B. No. 438 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 624 Judiciary and Hawaiian Affairs on S.B. No. 439

The purpose of this measure is to enable the State Ethics Commission to impose a fine, not to exceed \$500, for a violation of the State Ethics Code where no fine is currently authorized.

Testimony in support of this measure was submitted by the State Ethics Commission and the League of Women Voters of Hawaii.

Your Committee finds that despite being responsible for administering the State Ethics Code, the State Ethics Commission lacks the power and authority to issue a fine for violations of the State Ethics Code. By endowing the State Ethics Commission with this authority, your Committee finds that this would deter state officials and employees from engaging in conduct that is prohibited under the State Ethics 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. 439 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, none.

SCRep. 625 Judiciary and Hawaiian Affairs on S.B. No. 440

The purpose of this measure is to strengthen and clarify Hawaii's campaign spending law.

Specifically, this measure:

- (1) Prohibits fundraising on state or county property and creates a misdemeanor offense for violations of this prohibition;
- (2) Limits contributions from non-residents, including a noncandidate committee organized under the laws of another state, to thirty per cent of the total contributions received by a candidate or candidate's committee;
- (3) Prohibits campaign contributions from corporations, labor unions, and banks, but allows these entities to establish a separate segregated fund from which to make campaign contributions;
- (4) Reduces the time period from ten years to four years that county clerks must preserve all reports filed with the Campaign Spending Commission;
- (5) Extends the requirement of electronically filing reports with the Campaign Spending Commission to include candidates for the State Senate, State House of Representatives, and the Office of Hawaiian Affairs, while still allowing campaigns without access to the Internet to file reports by non-electronic means;

- (6) Prohibits campaign contributions from being used or given to community or charitable organizations during an election, but allows surplus funds to be used or given to these same organizations during a ninety-day period after the election;
- (7) Imposes a \$25,000 cap on an individual's or entity's contributions to all candidates, reduces the cap on contributions to political parties to \$25,000, and clarifies that contribution caps are also applicable to noncandidate committees;
- (8) Prohibits campaign contributions from state and county government contractors;
- (9) Clarifies provisions relating to loans made to a candidate or the candidate's committee by requiring that the terms of the loan, including the interest rate and repayment schedule, be disclosed and that the loan, with certain exceptions, be reported as a campaign contribution;
- (10) Prohibits campaign contributions received by a candidate for a specific federal, state, or county office from being used by the same candidate for another federal, state, or county office;
- (11) Prohibits the deposit of campaign contributions until all relevant information relating to the date and amount of the contribution as well as the identity of the donor is on file with the Commission;
- (12) Mandates the return of all campaign contributions if a candidate, committee, or individual who receives contributions for an elective office does not file nomination papers;
- (13) Increases the amount of public funds available to candidates for the Office of Hawaiian Affairs from \$100 to \$1500;
- (14) Allows publicly funded candidates to receive public funds in both the primary and general election by raising qualifying campaign contributions only in the primary election and matches \$2 for every \$1 raised in excess of the minimum amount of qualifying campaign contributions;
- (15) Clarifies that candidates in special elections are not eligible for public funding; and
- (16) Makes technical, non-substantive amendments for purposes of clarity and to conform to the requirements of federal law.

The Campaign Spending Commission submitted testimony in support of the measure. The Hawaii Government Employees Association submitted testimony in opposition to the measure. The Department of the Attorney General offered comments on the measure.

Your Committee finds that this measure is designed to promote trust, transparency, and fairness in the conduct of Hawaii's elections by making necessary amendments to Hawaii's campaign spending laws. This measure is designed to provide greater accountability to the public by prohibiting campaign contributions from certain organizations and entities as well as requiring the disclosure of additional information with respect to the source and conditions upon which campaign contributions are made to candidates. This measure also implements "caps" in regard to the amount of contributions that may be donated to candidates as well as regulates the ability of candidates to utilize campaign contributions for non-election-related purposes. Further, this measure is designed to reduce a candidate's reliance on campaign contributions by making the option of publicly funded campaigns a more attractive alternative for candidates.

Your Committee seeks to provide guidance and clarification with respect to two provisions in this measure. The prohibition against fundraising on state or county property would not preclude a candidate from hosting a campaign-related function or event at a school cafeteria or other state or county forum, if these premises and facilities are also available, on similar terms and conditions, for use by members of the public or community groups.

The second clarification concerns the prohibition on contributions or donations by candidates to community organizations, including community service, educational, youth, recreational, charitable, scientific, or literary organizations during an election period. Your Committee is mindful that this restriction may negatively impact community organizations that a candidate has consistently supported over the years. However, any negative impact that may arise from the enforcement of this prohibition is ameliorated by a provision in this measure that allows for the disbursement of surplus campaign funds to these organizations during a ninety-day period after the election.

Your Committee has amended this measure by:

- (1) Removing labor unions from the prohibition against contributions or expenditures that applies to banks and corporations;
- (2) Clarifying the time period that the ban on contributions and solicitations from state and county government contractor applies to include the execution of the contract through the completion of the government contract;
- (3) Including the purchase of property between a government contractor and a county or state government agency in determining the applicability of the restriction against soliciting or receiving contributions from government contractors;
- (4) Removing the ability of the Campaign Spending Commission to issue a public censure against a candidate who fails to comply with the Code of Fair Campaign Practices. This amendment is designed to conform Hawaii's law to the recent ruling by a federal court in the Ancheta case which struck down similar provisions as unconstitutional;

- (5) Modifying the prohibition against a candidate using campaign contributions received for a specific state or county office for another political office, by permitting this transfer if the candidate obtains the written consent of the donor regarding the subsequent use of that contribution;
- (6) Clarifying the public financing law to allow a candidate to receive public funds, provided that the candidate is able to obtain the minimum amount of qualifying contributions at least once for that election period; and
- (7) Making technical, non-substantive amendments for purposes of clarity.

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. 440, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 440, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 626 Judiciary and Hawaiian Affairs on S.B. No. 595

The purpose of this measure is to implement a training program for poll watchers as well as change the deadline for qualified political parties to submit its list of poll watchers from ten days to ninety days prior to an election.

Your Committee received testimony in support of the measure from the Office of Election and the League of Women Voters of Hawaii. Testimony in opposition to the measure was submitted by the Hawaii Government Employees Association.

Your Committee finds that it is crucial that poll watchers be properly trained in election laws and procedures to ensure that these individuals do not become a distraction for voters or hinder the ability of precinct officials in carrying out their duties and responsibilities on election day. This training will minimize any potential disruptions and allow for the orderly administration of an election at each polling location. This measure also changes the submission deadline for qualified political parties to submit names for poll watchers from ten days to ninety days before an election.

Your Committee has amended this measure by changing the submission deadline by which qualified political parties must submit the names of individuals who will serve as poll watchers to thirty days before an 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. 595, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 595, 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, none.

SCRep. 627 (Majority) Judiciary and Hawaiian Affairs on S.B. No. 600

The purpose of this measure is to raise the minimum age for allowable transfers of rifles or shotguns from eighteen to twenty-one years of age.

Testimony in support of this measure was submitted by the Honolulu Police Department. Testimony in opposition was submitted by the Hawaii Rifle Association.

Your Committee finds that raising the minimum age for permissible transfers of shotguns and rifles will ensure that access to these weapons is reserved for individuals who are familiar and experienced with these types of firearms.

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. 600 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, 1 (Whalen). Excused, none.

SCRep. 628 Judiciary and Hawaiian Affairs on S.B. No. 695

The purpose of this measure is to ratify the National Crime Prevention and Privacy Compact.

Testimony in support of this measure was submitted by the Department of the Attorney General.

Your Committee finds that ratification of the National Crime Prevention and Privacy Compact will enable the State to administer criminal history records as well as process background checks in a more expeditious and cost effective manner. The adoption of the National Crime Prevention and Privacy Compact will also enable Hawaii to participate in the FBI National Fingerprint File and become a member on the Compact Council that establishes policies relating to use and exchange of criminal justice data.

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. 695 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, none.

SCRep. 629 Transportation and Government Operations on S.B. No. 532

The purpose of this measure is to increase the membership of the Metropolitan Planning Organization (MPO) from thirteen to fourteen members to add the Chairperson of the Citizen's Advisory Group.

Your Committee received testimony in support of this measure from the Citizen's Advisory Group (CAG).

The CAG is created pursuant to section 279E-7(14), Hawaii Revised Statutes, to present technical or other expert opinions or facts to the MPO. CAG consists of non-governmental organizations and the City and County of Honolulu Neighborhood Boards. Your Committee finds that the CAG is a knowledgeable organization and competent to give advice to the MPO on traffic planning matters.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 532 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 (Hee, Kanno, Menor).

SCRep. 630 Transportation and Government Operations on S.C.R. No. 25

The purpose of this measure is to request the Department of Accounting and General Services (DAGS) to ensure that all new state public buildings erected in areas not served by a public shelter include a portion of the building designated to serve as a public shelter.

Your Committee finds that many areas of the State do not have a designated public shelter in case of emergencies that threaten the surrounding communities. There is a severe shortage of public shelter space in Hawaii, and the public looks to the State and the counties to open public buildings as shelters during hurricanes, tropical storms, and other natural disasters.

In lieu of constructing actual public shelters, a portion of new public buildings could serve as public shelters if designed and constructed accordingly. Your Committee further finds that this arrangement will be a cost-effective way to provide more suitable public shelters.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 25 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Menor).

SCRep. 631 Commerce, Consumer Protection and Housing on S.B. No. 107

The purpose of this measure is to establish definitions for the terms "master development" and "person", and to clarify the definitions of "blanket lien", and "project" in the time share law.

The Department of Commerce and Consumer Affairs, Starwood Vacation Ownership, Marriott International, Inc., American Resort Development Association, Cendant Timeshare Resort Group, and Paho Resorts testified in support of this measure.

This measure establishes additional definitions and amends existing definitions in the time share law to reflect industry practices. More specifically, this measure:

- (1) Defines "master development" to mean a real estate development that consists of more than one project, including but not limited to a planned community association with one or more sub-associations;
- (2) Establishes a standard definition of "person" that includes an individual and business entities in their various forms;
- (3) Clarifies the definition of "blanket lien" to include a master lease, and to exclude taxes and assessments not yet due and payable, a lien for common expenses on an individual time share unit, a lease or conveyance document that demises a single condominium apartment, and trustee's fees not yet due and payable; and
- (4) Redefines "project" to include an individual condominium project, two or more contiguous condominium projects that operate as a single project, an individual cooperative housing project, an individual subdivision of single-family homes, and an individual subdivision of townhomes, and to exclude a master development.

Your Committee finds that this measure will facilitate the development and administration of time share projects in 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. 107 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 (Sakamoto, Hogue).

SCRep. 632 Commerce, Consumer Protection and Housing on S.B. No. 1798

The purpose of this measure is to exempt condominium associations from the requirements governing cumulative voting by members of nonprofit corporations.

Testimony in support of this measure was submitted by an individual. The Hawaii Independent Condominium and Cooperative Owners presented comments on the measure.

Condominium associations that are incorporated as nonprofit corporations are subject to the nonprofit corporations law codified in chapter 414D, Hawaii Revised Statutes (Chapter 414D). Chapter 414D establishes requirements for cumulative voting to elect or remove directors. However, many condominium associations have bylaws that establish their own procedures for cumulative voting.

Your Committee finds that having dual sets of requirements for cumulative voting has resulted in problems when the statutory requirements are invoked in order to preclude the use of cumulative voting that would have otherwise been permitted under an association's bylaws or to establish requirements for removal greater than that contained in an association's bylaws.

This measure addresses the potential conflict and uncertainty created by the dual requirements by providing that the nonprofit corporation laws governing cumulative voting do not apply to incorporated condominium associations. Your Committee further finds that this exemption is consistent with the principle of condominium self-governance.

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. 1798 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 (Sakamoto, Hogue).

SCRep. 633 Judiciary and Hawaiian Affairs on S.B. No. 436

The purpose of this measure is to require the disclosure of business and real property interests held by state officials and employees outside of Hawaii under the State's financial disclosure law.

Testimony in support of this measure was submitted by the State Ethics Commission, the League of Women Voters of Hawaii, and Citizen Voice.

Your Committee finds that requiring disclosure of business and real property interests held within and outside of Hawaii by state officials and employees is an important facet of the disclosure law as these interests, whether within or outside of Hawaii, may be affected by official action taken by these public officials or employees.

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. 436 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, none.

SCRep. 634 Judiciary and Hawaiian Affairs on S.B. No. 437

The purpose of this measure is to require state employees to recuse themselves from taking any official action affecting a business or other undertaking in which that employee's brother, sister, parent, or emancipated child has a substantial financial interest.

Testimony in support of the measure was submitted by the State Ethics Commission and the League of Women Voters of Hawaii.

Currently, the law requires recusal when the state employee's action would directly affect a business or undertaking in which the employee, the employee's spouses or dependent children has a substantial financial interest. This measure will prohibit a state employee from taking any official action that affects a business or undertaking in which the employee's brother, sister, parent, and emancipated child has a substantial financial 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. 437 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, none.

SCRep. 635 Judiciary and Hawaiian Affairs on S.B. No. 603

The purpose of this measure is to create a misdemeanor offense of misuse of 911 telephone emergency services when an individual accesses 911 and knowingly causes a false alarm or recklessly makes a false complaint or report.

Testimony in support of the measure was submitted by the Department of the Prosecuting Attorney for the City and County of Honolulu, the Office of the Prosecuting Attorney for the County of Kauai, the Honolulu Police Department, the Maui County Police Department, and the Hawaii County Police Department.

Your Committee finds that the 911 telephone emergency system functions as an important lifeline for Hawaii's citizens who require the immediate assistance of medical, fire fighting, and law enforcement personnel. The misuse of the 911 telephone emergency system not only wastes important public resources in responding to false emergencies, but also diverts critical police, firefighter, and emergency service personnel from legitimate needs. The creation of a misdemeanor offense will prevent the misuse of the 911 telephone emergency system and ensure that these services are reserved for individuals who legitimately require immediate assistance.

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. 603 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, none.

SCRep. 636 Judiciary and Hawaiian Affairs on S.B. No. 607

The purpose of this measure is to provide that an individual commits the felony offense of theft in the second degree if the individual is arrested with stolen property belonging to three or more persons regardless of the value of the stolen property.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney for the City and County of Honolulu, the Honolulu Police Department, the County of Hawaii Police Department, the Office of the Prosecuting Attorney for the County of Kauai, the Maui County Police Department, and the Hawaii Visitor Industry Security Association. Testimony in opposition to the measure was submitted by the Office of the Public Defender, the Community Alliance on Prisons, and one individual.

Your Committee finds that this measure is designed to address situations where an individual is arrested and has in his or her possession items that belong to three or more individuals, but collectively these items do not meet the \$300 threshold value required to qualify for felony theft. This offense would apply to situations arising in the context of identity theft where a defendant may have in his or her possession mail or other identifying documents belonging to three or more individuals as well as thefts of multiple items from several individuals regardless of the value of these items.

Your Committee has amended this measure by requiring that the theft of these items be carried out as part of a common scheme or plan. This not only provides a temporal relationship between the acts of the defendant, but also demonstrates the intent of the defendant to commit multiple thefts against more than one 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 S.B. No. 607, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 607, 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, none.

SCRep. 637 Judiciary and Hawaiian Affairs on S.B. No. 681

The purpose of this measure is to remove a duplicate definition of "sexual conduct" from a section of the Hawaii Penal Code.

Testimony in support of this measure was submitted by the Department of the Attorney General.

Your Committee finds that this measure will promote clarity by removing a duplicate definition of "sexual conduct" in a section of the Hawaii Penal 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. 681 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, none.

SCRep. 638 Judiciary and Hawaiian Affairs on S.B. No. 700

The purpose of this measure is to clarify and strengthen Hawaii's nuisance abatement law.

Specifically, this measure:

- (1) Establishes that the preponderance of the evidence standard is the standard of proof applicable to nuisance abatement actions;
- (2) Authorizes a court to issue a protective order to prohibit the disclosure of the identity of a witness when presented with evidence of acts or prior threats of violence by any defendant or any other person;
- (3) Subjects an individual who knowingly violates a protective order to civil as well as criminal contempt of court; and
- (4) Enables a court to enter an order suspending or revoking a business, professional, operational, or liquor license of an entity involved in maintaining, aiding, abetting, or permitting the nuisance.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Office of Lieutenant Governor, and the Honolulu Police Department.

Your Committee finds that nuisance abatement actions enable residents to remove drug houses or businesses that engage in illegal drug related activity from their communities. This measure clarifies that the preponderance of the evidence standard applies to these civil actions and allows a court to issue a protective order to prevent the disclosure of the identity of a witness when there are acts or prior threats of violence made against them by the defendant or any person.

Your Committee has amended the protective order provision by limiting the scope of the protective order to defendants involved in a nuisance abatement action and who have engaged in acts of violence or made prior threats of violence against a witness. The amendment ensures that this protective order is not overly broad in scope and will not be applied to persons who are not directly involved in the threatening activity for which the protective order was issued. Additionally, your Committee has made technical, non-substantive amendments for purposes of clarity.

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. 700, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 700, 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, none.

SCRep. 639 Energy, Environment, and International Affairs on Gov. Msg. Nos. 169, 170, 171, 172

Recommending that the Senate advise and consent to the nominations of the following:

ENVIRONMENTAL COUNCIL.

- G.M. No. 169 DENISE E. ANTOLINI, for a term to expire 06-30-2008;
- G.M. No. 170 ROBERT A. KING, for a term to expire 06-30-2008;
- G.M. No. 171 EILEEN O'HORA-WEIR, for a term to expire 06-30-2008; and
- G.M. No. 172 ORLAN L. PETERSON JR., for a term to expire 06-30-2008

Your Committee received written and oral testimony in support of all nominees by the Director of the Office of Environmental Quality Control.

Your Committee received written and oral testimony in support of DENISE E. ANTOLINI from the Environmental Coordinator of the University of Hawaii Environmental Center, and written testimony from a professor of law at the University of Hawaii School of Law, an attorney and former associate to Ms. Antolini, and a project manager for Parsons Brinckerhoff Quade & Douglas, Inc. The nominee also submitted a written statement.

Your Committee finds that DENISE E. ANTOLINI received an A.B. degree from Princeton University, a master's degree in public policy, and a law degree from the University of California, Berkeley. Ms. ANTOLINI has practiced law for the past fifteen years, clerked for a Federal district court judge, was the managing attorney of the Hawaii office of the Sierra Club Legal Defense fund, and since 1996 has been a professor of law at the University of Hawaii, William Richardson School of Law, where she is the Co-Director of the Environmental Law Program.

Your Committee received written testimony in support of ROBERT A. KING from the CEO of Maui Land & Pineapple Company. The nominee also submitted a written statement noting that he would be unable to appear before your Committee.

Your Committee finds that ROBERT A. KING attended the California State University, Chico, and studied agricultural engineering. Since 1981 Mr. KING has been the owner of King Diesel, and since 1996 has also been the President of Pacific Biodiesel, a renewable fuel and recycling concern.

Your Committee received written testimony in support of EILEEN O'HORA-WEIR from the Director of the Department of Environmental Management for the County of Hawaii.

Your Committee finds that EILEEN O'HORA-WEIR received an A.S. from the City College of San Francisco, a B.S. from the University of Hawaii at Hilo, an M.A. from the University of Hawaii at Manoa, and a Ph.D. in Natural Resource Economics from the University of Hawaii. Ms. O'HORA-WEIR has had a variety of research, consulting, and teaching experiences in education, economics, and energy. Ms. O'HORA-WEIR also has been Executive Director of Recycle Hawaii. Further, Ms. O'HORA-WEIR has experience in county government, both as a planner and as the Recycling Program Coordinator for the Department of Environmental Management, County of Hawaii. Ms. O'HORA-WEIR is also an organic farmer.

Your Committee received testimony in support of ORLAN L. PETERSON, JR., from the Director of the Office of Environmental Quality Control.

Your Committee finds that ORLAN L. PETERSON, Jr., received a B.A. from Chaminade University and an M.S. in Administration from Central Michigan University. Mr. PETERSON was on active duty in the United States Army and then spent almost twenty nine years with the Hawaii National Guard. Mr. PETERSON currently is with the Hawaii Army National Guard Environmental Program. Mr. Peterson has received numerous military honors, including the Legion of Merit, the Distinguished Flying Cross for Valor, and the Bronze Star. Mr. Peterson has also been involved with the clean up of the Ala Wai Canal and its tributaries and wetland projects in the Heeia Kea area.

Your Committee has reviewed the general histories, resumes, statements, and other information submitted by the nominees, and finds all nominees hereinabove to have the necessary qualifications to be appointed to the Environmental Council.

Your Committee notes that only one of the four nominees, DENISE E. ANTOLINI, appeared before your Committee and answered questions posed by your Committee.

Although your Committee finds that all nominees meet the minimum qualifications to serve on the Environmental Council, it is seriously concerned that the failure of three of the four nominees to appear before your Committee indicates a belief on the part of these nominees that the confirmation process is an inconvenient imposition on their time or an unwanted opportunity for the Legislature and the public to examine their nominations. The confirmation process is the public's opportunity to evaluate nominees to determine whether their nominations are in the public's best interest. Your Committee takes the confirmation process very seriously, and the failure of these nominees to appear hampers your Committee's ability to carry out its duty to the public. Your Committee also believes that these absences call into question the attendance record of, and work done by, these nominees during their interim appointments. Further, your Committee finds that these absences call into question whether the Environmental Council has outlived its usefulness as state regulation of the environment continues to mature and the regulatory scheme becomes more complete.

As affirmed by the record of votes of the members of your Committee on Energy, Environment and International Affairs, 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 (Hanabusa, Hooser).

SCRep. 640 (Joint) Health, Human Services and Ways and Means on S.B. No. 1235

The purpose of this measure is to extend the Program for All-inclusive Care for the Elderly (PACE) in the Department of Health's Maluhia long-term care health center to June 30, 2007.

Testimony in support of this measure was submitted by the Department of Human Services and Hawaii Health Systems Corporation.

Your Committees find that PACE provides a complete package of services that enhances the quality of life for elderly participants. A benefit to families, as well as the State, is that PACE costs less than what Medicare, Medicaid, and private individuals currently pay for long-term care. Thus, your Committees believe that PACE should be extended because it allows the viability of a cost-effective statewide program offering quality community-based, long-term care programs to be evaluated.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1235 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, 15. Noes, none. Excused, 5 (Hanabusa, Kanno, Kim, Sakamoto, Whalen).

SCRep. 641 Human Services on Gov. Msg. Nos. 256, 257, 258, 259, 260, 261, 262, and 264

Recommending that the Senate advise and consent to the nominations of the following:

STATE REHABILITATION COUNCIL

G.M. No. 256 DEBRA T. FARMER, for a term to expire 06-30-2006;

G.M. No. 257 GERALDINE M. FERGE, for a term to expire 06-30-2007;

G.M. No. 258 LARRY GELLER, for a term to expire 06-30-2007;

G.M. No. 259 PRISCILLA B. HAVRE, for a term to expire 06-30-2007;

G.M. No. 260 KATIE KEIM, for a term to expire 06-30-2007;

G.M. No. 261 GAIL LERCH, for a term to expire 06-30-2007;

G.M. No. 262 JULIE K. SMITH, for a term to expire 06-30-2007;

G.M. No. 264 VIRGINIA G. TOMPKINS, for a term to expire 06-30-2007

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 Rehabilitation Council (Council).

Your Committee received testimony in support of DEBRA T. FARMER from the Hawaii State Board of Education and the Council. Ms. Farmer currently works as an Administrator in the Special Education Section of the Department of Education. She has worked for the Department of Education in various capacities from 1976-1981 and 1988-present. She is a member of the National Secondary Principals Association, the Exceptional Children's Council, the Special Education Advisory Council, and the Maui Mental Health Council. Ms. Farmer was active in her community through her participation with the Cathedral School Board and other church organizational activities.

Your Committee received testimony in support of GERALDINE M. FERGE from the Council. Mrs. Ferge has been gainfully employed for all of her adult life in the administrative and financial areas of the construction industry here in Hawaii. She is currently employed by Central Construction Inc. In 1998, she became physically challenged due to a spinal stroke that left her partially paralyzed. Through medical technology and strenuous physical therapy, she now functions independently. As a beneficiary of rehabilitation, she can speak to allowing the physically challenged an opportunity to be productive citizens in the community. Ms. Ferge is active in her community through her participation with the Valley Isle Timing Association.

Your Committee received testimony in support of LARRY GELLER from the Council. Mr. Geller is an advocate for Felix children and for persons with disabilities, and received an interim appointment to the Council in 2004. He currently works as a Public Information Coordinator for the Assistive Technology Resource Centers of Hawaii, and as the Executive Director for the Hawaii Coalition for Health. He was formerly secretary of the Honolulu Community-Media Council. He is a board member of the Drug Policy Forum of Hawaii, and is president of Kokua Council, one of the oldest advocacy organizations in Hawaii.

Your Committee received testimony in support of PRISCILLA B. HAVRE, M.Ed., CRC, from the Council. Ms. Havre is currently working for Ballesteros, Havre & Associates, Inc. as an independent provider of vocational rehabilitation services. She is also a court qualified expert witness in employability assessments. She has been professionally affiliated with the local chapters of the Rehabilitation Association of Hawaii and the Hawaii Rehabilitation Counselors Association since 1980. She was also the Executive Board Vice President of Network Enterprises, Inc., from 1997 to 2003.

Your Committee received testimony in support of KATIE KEIM from the Council. Ms. Keim currently works for the Department of Human Services, Ho'opono Rehabilitation Teacher for the Blind. She is a member of Toastmasters International, Disabled Business Persons Association, National Federation of the Blind National Rehabilitation Division, and secretary of the National Federation of the Blind Hawaii. Ms. Keim is active in her community through her participation in the Honolulu Sunrise Rotary, the Gold Coast Neighborhood Association, and Tropic Seas, Inc.

Your Committee expressed concerns regarding a potential conflict of interest between Ms. Keim's employment with Ho'opono Rehabilitation and serving on the Council. Testimony was submitted by John Nolan, Director of Vocational Rehabilitation and Services, who assured the Committee that should a conflict of interest arise, Ms. Keim would be recused from discussion and decision-making on any such issue.

Your Committee received testimony in support of GAIL LERCH from the Council and one individual. Ms. Lerch currently works as the Vice President of Human Resources at Hawaii Pacific Health where she is responsible for strategy, planning, and management. She holds a bachelor's degree in nursing from Purdue University, and a master's degree in business administration from Hawaii Pacific University. She is active in her community through her participation in Hospice Hawaii, Easter Seals, United Cerebral Palsy, the Hawaii Nurses Association, and the Society of Human Resources National.

Your Committee received testimony in support of JULIE K. SMITH, PhD, from the Council. Ms. Smith currently works as a professor within the Department of Special Education at the University of Hawaii. Her professional memberships include the Council for Exceptional Children in the divisions of behavioral disorders and teacher education, Association of Supervision and Curriculum Development, and Kappa Delta Pi. Her professional service includes serving on ad hoc and standing committees at the University of Hawaii at Manoa.

Your Committee received testimony in support of VIRGINIA G. TOMPKINS by the Council. Mrs. Tompkins is currently the Administrator for the Veterans Affairs Geriatrics Rehabilitation Transitional Extended Care Facility at Tripler Medical Center which followed careers as a nurse, teacher, and banker. She has also been appointed the EEO manager for the Veterans Administration Medical Center and Regional Office. Mrs. Tompkins has worked with research projects and vocational rehabilitation programs for veterans both locally and nationally.

As affirmed by the record of votes of the members of your Committee on 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, 2 (Ihara, Kokubun).

SCRep. 642 Judiciary and Hawaiian Affairs on S.B. No. 122

The purpose of this measure is to exempt from discovery the proceedings and records discussed at a case review forum.

Testimony in support of this measure was submitted by Kaiser Permanente, the Consumer Lawyers of Hawaii, Healthcare Association of Hawaii, and one individual.

This measure exempts from discovery the proceedings and records discussed at a case review forum. This forum is convened by the administrative or professional staff of a licensed hospital or clinic to present and critique cases for educational purposes.

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. 122, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 643 (Majority) Judiciary and Hawaiian Affairs on S.B. No. 536

The purpose of this measure is to repeal the prohibition against picketing at the residence or dwelling of any individual.

Testimony in support of the measure was submitted by the Hawaii State Teachers Association and the ILWU Local 142. Testimony in opposition to the measure was submitted by the Department of Labor and Industrial Relations, the Honolulu Police Department, the Hawaii Association of Realtors, and the Hawaii Hotel & Lodging Association.

This measure removes the prohibition against picketing at the residence or dwelling of any individual. Your Committee finds that this prohibition touches upon important constitutional issues as well as potential preemption issues with respect to federal law on this 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 S.B. No. 536 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 2 (Chun Oakland, Whalen). Excused, none.

SCRep. 644 (Majority) Judiciary and Hawaiian Affairs on S.B. No. 925

The purpose of this measure is to require the Governor to appoint one member of the Land Use Commission from a list of three nominees submitted by the Office of Hawaiian Affairs.

Testimony in support of the measure was submitted by the Office of Hawaiian Affairs, the Land Use Commission, and one individual. Testimony in opposition to the measure was submitted by the State Office of Planning, the Department of Land and Natural Resources, and the Hawaii Association of Realtors.

This measure ensures native Hawaiian representation on the Land Use Commission. Sound and prudent management of all state land resources is of critical importance to native Hawaiians both as a revenue source for their self-determination as well as for the preservation of their religious and cultural practices.

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. 925, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (Whalen). Excused, none.

SCRep. 645 Judiciary and Hawaiian Affairs on S.B. No. 1170

The purpose of this measure is to establish the Hawaii anti-phishing task force to review other jurisdictions' efforts to regulate and curtail electronic commerce related criminal activities.

Your Committee finds that this measure addresses the recent phenomenon of "phishing", whereby confidential personal information is divulged under false pretenses and often used for identity theft. This measure convenes a task force with the responsibility of reviewing other jurisdictions' approaches to curtailing electronic commerce-related criminal activity and submitting findings and recommendations to the Legislature prior to the convening of the 2006 legislative session.

Your Committee has amended the bill by making a technical 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. 1170, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1170, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 646 Judiciary and Hawaiian Affairs on S.B. No. 1512

The purpose of this measure is to authorize the Director of Health to establish domestic violence fatality review teams to review domestic violence related fatalities.

Testimony in support of the measure was submitted by the Department of the Attorney General, the Department of Health, the Judiciary, the Office of the Prosecuting Attorney for the County of Hawaii, the Honolulu Police Department, the Domestic Violence Clearinghouse and Legal Hotline, and the Hawaii State Coalition Against Domestic Violence.

This measure authorizes the Director of Health to convene domestic violence fatality review teams, comprised of individuals with multidisciplinary and multi-agency backgrounds, to conduct reviews of domestic violence related fatalities with the goal of reducing the occurrences of preventable domestic violence related fatalities.

Your Committee has amended this measure by broadening the definition of "victim" to include both adults and 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. 1512, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1512, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 647 Judiciary and Hawaiian Affairs on S.B. No. 1742

The purpose of this measure is to propose amendments to the Hawaii Constitution relating to the Judicial Selection Commission.

Specifically, this measure:

- (1) Establishes a rotation among the appointive authorities to ensure that a Judicial Selection Commission member from the neighbor islands is appointed;
- (2) Requires the publication of the biographies of Judicial Selection Commission members; and
- (3) Prohibits Judicial Selection Commission members from actively supporting or opposing a political candidate or ballot question while serving as a member of the Commission.

Testimony in support of the measure was submitted by the League of Women Voters of Hawaii and one individual.

Your Committee finds that the Hawaii Constitution does not expressly stipulate which appointive authority is required to appoint an individual from the neighbor islands to the Judicial Selection Commission. This measure seeks to remedy this situation by implementing a rotation among the appointive authorities under which this responsibility would be shared. Further, this measure requires the publication of the biographies of Judicial Selection Commission members as well as prohibits Judicial Selection Commission members from actively supporting or opposing a political candidate or ballot question while serving as a member of the 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 is in accord with the intent and purpose of S.B. No. 1742 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, none.

SCRep. 648 (Majority) Judiciary and Hawaiian Affairs on S.B. No. 1884

The purpose of this measure is to require the counties to adopt ordinances that require subdividers or developers to connect existing accesses to the shoreline with lateral public access along the shoreline as a condition to the final approval of a subdivision.

Testimony in support of the measure was submitted by the Department of Land and Natural Resources, the County of Kauai, a member of the Maui County Council, Sierra Club-Hawaii Chapter, and Life of the Land. Testimony in opposition to the measure was submitted by the City and County of Honolulu, the Land Use Research Foundation, and the Hawaii Association of Realtors.

This measure establishes additional requirements for county ordinances in requiring a subdivider or developer to connect existing accesses to the shoreline with lateral public access along the shoreline as a condition to the final approval of a subdivision. Your Committee finds that this measure will enable the public to freely traverse to and from the shoreline.

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. 1884, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

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

SCRep. 649 Commerce, Consumer Protection and Housing on S.B. No. 111

The purpose of this measure is to exempt from the registration and filing requirements of the securities law the offer or sale by a licensed real estate salesperson or broker of a rental management contract under an apartment rental program.

Chun, Kerr, Dodd, Beaman and Wong and Outrigger Resorts testified in support of this measure. The Commissioner of Securities presented comments.

Currently, the securities law exempts from registration and filing requirements a transaction involving the offer or sale by a licensed real estate salesperson or broker of a condominium apartment, coupled with a rental management contract under an apartment rental program. This measure broadens the exemption to apply to the offer and sale of a rental management contract under an apartment rental program, regardless of whether the management contract offer or sale is made in conjunction and concurrently with an offer or sale of an apartment.

Your Committee finds that after the sale of a condominium apartment has been transacted, it is common practice for the apartment's owner, especially an absentee owner with a unit located in a resort area, to make the unit available for inclusion in a short-term rental pool. This measure would relieve rental pool operators from the burdensome requirements of registering and filing the management contract offer or sale with the Securities Division so long as the transaction is conducted by a licensed real estate salesperson or broker. Your Committee further finds that broadening the exemption will not weaken consumer protection since these transactions are still subject to regulatory oversight under the real estate licensing law and the anti-fraud provisions of the securities law.

Your Committee has amended this measure by:

- (1) Adding a conforming amendment to Act 164, Session Laws of Hawaii 2004, and conforming the measure's effective date provision to this addition; and
- (2) Making technical amendments 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. 111, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 111, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Espero, Ige).

SCRep. 650 Commerce, Consumer Protection and Housing on S.B. No. 119

The purpose of this measure is to require continuing education as a condition for renewal of an architect's license.

The Board of Professional Engineers, Architects, Surveyors, and Landscape Architects, American Institute of Architects - Hawaii State Council, Riecke Sunnland Kono Architects, Ltd., Maui Architectural Group, Kimmey Unabia Architects, Ltd., Garduque Architects, Ferraro Choi and Associates, Ltd., and Mason Architects testified in support of this measure.

Your Committee finds that the practice of architecture requires keeping current and informed on issues facing the profession, including consumer protection issues, such as those related to building security, indoor air quality, energy efficiency, and access for persons with disabilities. This measure would help to ensure that architect licensees continue to develop and update their knowledge and expertise throughout their careers by requiring annual continuing education as a condition of license renewal.

Your Committee made technical amendments to this measure to clarify the requirements for an exemption from the continuing education requirement. More specifically, the measure, as amended:

- (1) Deletes references to a license on inactive status, since this status is not recognized under architect licensure;
- (2) Clarifies that an exemption for military duty is for active duty deployment during a state or national crisis;
- (3) Clarifies that an exemption due to illness requires documentation from a licensed physician;
- (4) Permits an exemption for a licensee who is retired from the practice of architecture and no longer performing architectural services; and

- (5) Provides that exemption from the continuing education requirement is subject to the approval of the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects.

Your Committee made additional clarifying amendments 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. 119, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 119, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 651 Commerce, Consumer Protection and Housing on S.B. No. 625

The purpose of this measure is to require the Department of Commerce and Consumer Affairs to establish minimum requirements for public access to the meetings and meeting records of public, educational, and governmental access (PEG) organizations and to include the requirements in organization contracts.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition from the Community Television Producers Association, 'Olelo Community Television, the League of Women Voters of Hawai'i, and one individual. Your Committee also received comments from the Department of Commerce and Consumer Affairs and the Office of Information Practices.

Your Committee finds that public access to PEG organization records is critical to ensure the organizations' accountability. The various PEG organizations differ in their policies for public access to board meetings and meeting records. Your Committee further finds that this measure ensures the public's right to participate in PEG organization meetings and access meeting records.

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. 625, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 652 Commerce, Consumer Protection and Housing on S.B. No. 753

The purpose of this measure is to repeal the law that limits pooled insurance to construction projects estimated to cost \$50,000,000 or more for the total construction project.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the Hawaii Independent Insurance Agents Association, and King & Neel, Inc. Testimony in opposition to this measure was submitted by the Subcontractors Association of Hawaii. Comments on this measure were also submitted by the Hawaii Medical Service Association.

Your Committee finds that under the current law, an insurer may offer pooled insurance only for construction projects that are estimated to cost \$50,000,000 or more for the total construction project. Pooled insurance allows a group of companies, including a general contractor and its subcontractors, to approach insurance companies and ask that the entire group or pool of companies be insured as a unit for the construction of a particular project. This group approach allows companies to take advantage of lower premiums since their risks are spread across all the companies involved in the project. It also aids smaller construction firms who might otherwise have difficulty obtaining insurance on their own and helps to lower the cost of construction by allowing pooled insurance arrangements for housing and other building projects.

Your Committee further finds that the current limitation prevents many contractors and subcontractors performing work on multi-million dollar projects from benefiting from the utilization of pooled insurance. Therefore, your Committee determines that the \$50,000,000 limitation should be removed in order to allow the construction industry, and ultimately the public, to benefit by another option for insurance coverage being made available under pooled insurance.

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. 753 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 (Espero, Ige).

SCRep. 653 Commerce, Consumer Protection and Housing on S.B. No. 754

The purpose of this measure is to conform the insurance code to federal law and national standards.

The Department of Commerce and Consumer Affairs testified in support of this measure. The American Council of Life Insurers presented comments.

In 2001, the State enacted the Producer Licensing Model Act in compliance with the federal mandate of the Gramm-Leach-Bliley Act. In the following three years, the Insurance Division continued to bring the insurance code into compliance with federal law and national standards. This measure continues those efforts, and among other things:

- (1) Requires the examination of domestic insurers every five years, rather than every three years;
- (2) Authorizes extended suspensions of an insurer's certificate of authority;
- (3) Repeals the requirement that adjusters and independent bill reviewers maintain an office in the State;
- (4) Repeals the one-year limitation on license suspensions for adjusters and independent bill reviewers;
- (5) Prohibits adjusters from receiving compensation on a contingency fee basis;
- (6) Authorizes the electronic filing of policy revisions that alter coverage and requires a filing to include an analysis of a revision's impact on rates;
- (7) Clarifies the scope of a liquidator's authority prior to and during a hearing;
- (8) Streamlines the process for the liquidator's recovery of unpaid premiums by authorizing the recovery of unpaid premiums owed to the insolvent insurer and establishing original jurisdiction to determine premium collection cases in the liquidation court; and
- (9) Makes amendments to conform to the Interstate Insurance Product Regulation Compact.

By bringing the insurance code into further alignment with federal law and national standards, your Committee finds that this measure will promote greater efficiency and consistency in the administration of the insurance laws.

Your Committee has amended this measure:

- (1) To retain the requirement that adjusters and independent bill reviewers maintain an office in this State;
- (2) To remove the proposed prohibition on contingency fees for adjusters; and
- (3) By making technical, stylistic 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. 754, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 754, 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 (Espero, Ige).

SCRep. 654 Commerce, Consumer Protection and Housing on S.B. No. 766

The purpose of this measure is to facilitate license restoration for persons serving in the military during a state or national crisis who hold professional and vocational licenses in the State.

The Department of Commerce and Consumer Affairs and The Chamber of Commerce of Hawaii testified in support of this measure.

Your Committee finds that, according to a survey by the National Governors Association, one of the challenges facing regular, National Guard, and reserve military members is maintaining a state professional or vocational license in good standing while deployed on active duty. The survey further reports that twenty-four states have made special accommodations for the license renewals of these military members.

This measure proposes to make similar accommodations by relaxing license restoration requirements for members of the armed forces, National Guard, and reserves whose professional and vocational licenses expire while the members are on active duty deployment during a state or national crisis, or within four months of being discharged or released therefrom. Under this measure, restoration shall be permitted simply upon payment of the renewal fee within one hundred twenty days of being discharged or released from active duty deployment, unless licensure is also subject to verification of the licensee's financial integrity. Otherwise, the license shall be reinstated without the need to pay a penalty, apply as a new applicant, or comply with continuing education requirements. Your Committee finds this measure will help to support the efforts of Hawaii's men and women in uniform who risk their lives to protect our State and nation.

Your Committee has amended this measure by making technical amendments for the purposes of style and clarity.

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. 766, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 766, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

SCRep. 655 Commerce, Consumer Protection and Housing on S.B. No. 768

The purpose of this measure is to clarify the law regarding the prohibition on no rules combat, extreme or ultimate fighting, and other similar competitions.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs.

Your Committee finds that under the current law, the prohibition on no rules combat, extreme or ultimate fighting, or similar competitions, pursuant to Chapter 440D, Hawaii Revised Statutes, is unclear and, thus, not properly enforced within the State. Your Committee further finds that over the past twenty-five years, the aforementioned combat contests have resulted in thirteen deaths and six cases of serious injuries nationwide. There is great concern over the protection and safety of the individuals participating in these types of combat contests, evidenced through the prohibition of some form of unarmed combat in thirteen states and the regulation of unarmed combat in twenty-four states.

Your Committee determines that further clarification of the law is necessary in order to protect against unnecessary deaths or injuries resulting from unarmed combat competitions held within the State. The inclusion of additional requirements for ensuring that a safe yet competitive and entertaining environment is maintained at these types of contests will act to better serve those participating in the events as well as the public.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of consistency and clarity.

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. 768, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 768, 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 (Ige, Hogue).

SCRep. 656 Commerce, Consumer Protection and Housing on S.B. No. 1802

The purpose of this measure is to clarify certain definitions and requirements in the captive insurance law.

The Department of Commerce and Consumer Affairs and an individual testified in support of this measure.

This measure clarifies the scope and requirements of the captive insurance law by:

- (1) Replacing references to companies with references to entities in the definitions of “affiliated company”, “parent”, “pure captive insurance company”, and “pure nonprofit captive insurance company” to reflect the law’s broader application to legal entities other than companies;
- (2) Providing a cross reference to the insurance code provision establishing requirements for service of process upon the Insurance Commissioner (Commissioner) as an agent for an insurer; and
- (3) Repealing the prohibition on the ownership of more than ten per cent of outstanding stock by a stockholder of a risk retention captive.

Your Committee finds that these amendments provide greater clarity on the application of the captive insurance law and that the repeal of the prohibition on stock ownership eliminates a cumbersome requirement that has proven difficult to administer.

Your Committee further finds the current requirement of a triennial examination for a captive insurance company is costly for captives and may not be necessary as to those companies that are well-managed and that have undergone prior triennial examinations with no reports of adverse findings. Accordingly, your Committee has amended this measure to allow the Commissioner to conduct an examination of a captive insurance company once every five years, rather than once every three years, provided that the company has already undergone a triennial examination.

Your Committee has further amended this measure by making 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. 1802, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1802, 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 (Espero, Ige).

SCRep. 657 Commerce, Consumer Protection and Housing on S.B. No. 711

The purpose of this measure is to update and clarify the requirements of the Small Business Regulatory Flexibility Act.

The Department of Business, Economic Development and Tourism and National Federation of Independent Business testified in support of this measure.

This measure clarifies and amends the requirements of the Small Business Regulatory Flexibility Act, which was enacted in 1998 to provide regulatory relief for small businesses in the State. More specifically, this measure:

- (1) Defines “rule”, as the term relates to an agency regulation subject to review by the Small Business Regulatory Review Board (Board), consistent with the Administrative Procedure Act;
- (2) Requires proposed rules that may affect small businesses to be submitted for review when the rules are essentially complete and before they are submitted to the Governor for approval for public hearing;
- (3) Authorizes the Board to review proposed new or amended agency rules, in addition to existing rules;
- (4) Allows a Board member to serve more than one term as chairperson;
- (5) Requires the Board’s annual report to the Legislature to contain a summary of rule review comments to the agencies;
- (6) Replaces the biennial periodic review of an agency’s rules with a five-year review; and
- (7) Makes technical, housekeeping revisions.

Your Committee finds that this measure enhances the State’s efforts to provide relief to small businesses from burdensome and unnecessary regulation and helps to further Hawaii’s position as a leader in the area of small business regulatory reform.

Your Committee has amended this measure by making technical amendments for the purpose of style and 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. 711, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 711, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

SCRep. 658 Commerce, Consumer Protection and Housing on S.B. No. 118

The purpose of this measure is to require the Board of Dental Examiners to accept the results of regional examinations for the licensure of dentists and dental hygienists.

This measure also provides that the national examination, once available, shall supercede the state and all regional examinations.

Testimony in support of this measure was submitted by the Board of Dental Examiners, the Hawaii Dental Hygienists’ Association, the Hawaii Medical Service Association, and five individuals.

Your Committee finds that although there is currently no national examination for dentists or dental hygienists, the development and implementation of national uniform examinations are anticipated within the next year. As these professions move towards nationwide uniformity in terms of the standards for licensure, Hawaii must also conform to this ideal. Your Committee further finds that the standardization of examination in these professions will aid in the mobility of dentists and dental hygienists to move in and out of the State, while ensuring that the highest standards and qualifications are maintained within the professions. This measure provides for the smooth and uninterrupted transition of qualifications for licensure as dentists and dental hygienists through the utilization of regional examinations, in conjunction with the state examination, until such time as the national examination is made available.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of consistency and clarity.

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. 118, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 118, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Espero, Sakamoto).

SCRep. 659 Commerce, Consumer Protection and Housing on S.B. No. 1285

The purpose of this measure is to replace references to a panel or panel members to the kupuna council or kupuna council members, with regards to the regulation of traditional Hawaiian healing practices.

This measure also:

- (1) Prohibits the kupuna council members from being sued in relation to their selection, convening, or certification process;

- (2) Expands the practice to include all traditional Hawaiian healers, rather than only traditional native Hawaiian healers; and
- (3) Requires the kupuna council to be separate and independent from the State.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, the Waianae Coast Comprehensive Health Center, the Traditional Native Hawaiian Healing Center, and the Nanakuli Homestead Association. Comments on the measure were also submitted by Papa Ola Lokahi.

Your Committee finds that the protection and preservation of native Hawaiian practices is of paramount importance during these changing times. Efforts must be made to ensure that the ancient practices are neither lost nor altered. To this end, the less involvement in terms of government restrictions and regulations is crucial to the unfettered practice and preservation of traditional native Hawaiian healing practices. Your Committee determines that changes to the law are necessary in order to accurately represent the Hawaiian culture and the practice, through references to the kupuna council, through the removal of the threat of lawsuits associated with the internal regulation of the practice, and through the ability of the kupuna council to exist autonomously from the State.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1285, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1285, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Espero, Sakamoto).

SCRep. 660 Commerce, Consumer Protection and Housing on S.B. No. 953

The purpose of this measure is to require the disclosure of nearby agricultural lands in the sale of residential real property.

The Department of Agriculture and City and County of Honolulu testified in support of this measure. The Hawaii Association of Realtors opposed the measure.

Currently, the law requires residential property sellers to make certain disclosure to buyers, including the subject property's location within areas that render it vulnerable to floods and tsunami inundation, and expose it to noise and flight activity. This measure establishes an additional requirement to disclose whether the subject property is within one thousand lineal feet of land zoned or classified for agricultural use. Your Committee finds that this requirement will help to alert potential purchasers of nearby agricultural activity and the conditions that accompany it, such as the presence of chemicals and fertilizers, dust, noise, and odors.

Your Committee further finds that the county planning commissions do not prepare, adopt, or maintain zoning maps. Therefore, your Committee has amended this measure to clarify that the county maps used to ascertain the zoning or classification of land in conducting the disclosure are maps adopted by the counties, rather than maps prepared by the county planning 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. 953, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 953, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 661 Ways and Means on S.B. No. 101

The purpose of this measure is to clarify the law with respect to modifying the state budget.

Specifically, the bill makes a technical amendment to the budgetary provision concerning the director of finance's authority to modify or amend a previous allotment.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 101 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 662 Ways and Means on S.B. No. 842

The purpose of this measure is to clarify the applicability of withholding requirements under the Hawaii Real Property Tax Act to nonresident single member limited liability companies that elected not to be taxed as corporations.

The Hawaii Real Property Tax Act requires buyers of real property to withhold five per cent of the gross proceeds of the sale to ensure that appropriate tax returns are filed and taxes are paid by the seller. Under present law, non-resident single member limited

liability companies that have not elected to be taxed as corporations are exempt from this withholding requirement. As a result, these companies have little incentive to file the appropriate tax returns or to pay the State any taxes due. Further, because the single member is a nonresident, the Department of Taxation is at a serious disadvantage in enforcing compliance.

Your Committee finds that this bill closes the loophole by clarifying that where the single member limited liability company has elected not to be taxed as a corporation, withholding requirements may apply to the sales transaction, depending upon the residency of the single member.

Your Committee has amended the measure by clarifying that nothing in the measure shall be construed to create any inference with respect to the proper tax treatment of single member limited liability companies for taxable years prior to the taxable year beginning on January 1, 2005. Technical nonsubstantive amendments were also 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. 842, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 842, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (English, Fukunaga).

SCRep. 663 Ways and Means on S.B. No. 840

The purpose of this measure is to clarify the income tax withholding requirements for an employer with an annual withholding tax liability in excess of \$40,000.

The measure also provides a sufficient number of banking days to remit the withholding to the State and requires that all income tax withholding returns be filed with the Director of Taxation in the First Taxation District, rather than in the taxation district in which the employer has the employer's principal place of business.

Your Committee finds that the measure clarifies that the filing of an income tax withholding return and the remission of the complete amount of tax withheld for an employer with an annual withholding tax liability in excess of \$40,000 shall be done on a semi-weekly basis. The measure also provides that if the semi-weekly filing deadline falls on a nonbanking day, the taxpayer will have an additional three banking days beyond the semi-weekly filing deadline to file the return and remit the taxes withheld.

Your Committee has amended the measure by deleting the requirement that the measure apply retroactively to January 1, 2005, and 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. 840, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 840, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (English, Fukunaga).

SCRep. 664 Ways and Means on S.B. No. 460

The purpose of this measure is to allow taxpayers to appeal a tax refund claim when the Department of Taxation fails to act on the claim within one hundred eighty days after the claim was filed.

Additionally, this measure allows taxpayers to appeal a tax refund claim within thirty days after the department denies a claim.

Your Committee finds that under the current law if the Department of Taxation ignores a refund claim indefinitely, then the taxpayer has no relief. Simple fairness requires that a taxpayer who makes a refund claim should have some way to get a hearing if the claim is not paid. A similar federal law applies to claims for federal tax refunds.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 460 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, 13. Noes, none. Excused, 2 (English, Fukunaga).

SCRep. 665 Ways and Means on S.B. No. 102

The purpose of this measure is to clarify the definition of "state funds" with respect to the deposit of state funds in the treasury.

The measure clarifies that "state funds" means "moneys that have come into the possession of a state officer or employee who has the responsibility on behalf of the State for the initial custody, accountability, and disposition of the moneys."

Your Committee finds that this clarification is necessary to ensure the proper accountability and disposition of 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. 102 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 666 (Majority) Ways and Means on S.B. No. 1673

The purpose of this measure is to require appropriation transfers and changes to be reported to the Legislature and put into effect only with legislative approval.

Your Committee finds that the intent of the Legislature in enacting section 37-74(d), Hawaii Revised Statutes, concerning appropriation transfers or changes between programs and agencies, is now and was originally that these transfers and changes shall not be put into effect without legislative approval. However, the administration has made appropriation transfers and changes without legislative approval, including but not limited to the tourism liaison, and only reported these after-the-fact to the legislature. This bill will require the administration to report proposed transfers and changes to the Legislature and permit implementation of them only with legislative approval.

Your Committee has amended this bill to clarify its intent and 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. 1673, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1673, S.D. 1, 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 (Hooser, Kanno).

SCRep. 667 (Majority) Ways and Means on S.B. No. 736

The purpose of this measure is to authorize the assessment of a fixed fee for administering the issuance of special purpose revenue bonds.

Chapter 39A, Hawaii Revised Statutes, allows the Department of Budget and Finance to be reimbursed for "actual expenses incurred" by the Department for the issuance of special purpose revenue bonds. This creates an unknown cost factor to the entities assisted by the bonds, since "actual expenses incurred" cannot be determined until completion of the bond sale.

Your Committee finds that establishment of a fixed fee that is paid up front will accord all parties eligible for special purpose revenue bonds with a greater degree of certainty with respect to the expenses that will be incurred in structuring their bond issue.

Your Committee has amended the 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. 736, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 736, 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 (Slom, Trimble). Excused, 2 (Hooser, Kanno).

SCRep. 668 Ways and Means on S.B. No. 944

The purpose of this measure is to fund, for fiscal biennium 2005-2007, all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining units (1), nonsupervisory employees in blue collar positions, and (10), institutional, health, and correctional workers.

Additionally, the measure also funds, for fiscal biennium 2005-2007, the salary increases and other cost adjustments authorized under chapter 89C, Hawaii Revised Statutes, for employees who are excluded from collective bargaining.

Although no sums have been appropriated or authorized from the sources of funding indicated in the 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 (1) and (10) will eventually produce a settlement.

Your Committee has amended the measure by:

- (1) Inserting language that authorizes the various departments and agencies to expend the funds allotted;
- (2) Inserting language to clarify that the appropriations made for officers and employees who are subject to chapter 89C, Hawaii Revised Statutes, are for those excluded employees who are under the same compensation plans as those officers and employees within collective bargaining units (1) and (10); and

- (3) Making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 944, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 944, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 669 Ways and Means on S.B. No. 945

The purpose of this measure is to fund, for fiscal biennium 2005-2007, 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 twenty hours a week who are equal to one-half of a full-time equivalent.

Additionally, the measure also funds, for fiscal biennium 2005-2007, the salary increases and other cost adjustments authorized under chapter 89C, Hawaii Revised Statutes, for employees who are excluded from collective bargaining.

Although no sums have been appropriated or authorized from the sources of funding indicated in the 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.

Your Committee has amended the measure by:

- (1) Inserting language that authorizes the various departments and agencies to expend the funds allotted;
- (2) Inserting language to clarify that the appropriations made for officers and employees who are subject to chapter 89C, Hawaii Revised Statutes, are for those excluded employees who are under the same compensation plans as those officers and employees within collective bargaining unit (5); and
- (3) Making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 945, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 945, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 670 (Joint) Tourism and Commerce, Consumer Protection and Housing on S.B. No. 1141

The purpose of this measure is to redefine "developer" in the time sharing plan law to exclude a person owning not more than twelve time share interests who did not create the plan and offers it for resale, and an association employing a third party to sell its time share interests acquired for non-payment of assessments to owner-occupants.

Testimony in support of this measure was submitted by one individual. Testimony in opposition to this measure were submitted by Candant Timeshare Resort Group, Inc. and Fairfield Resorts, Inc. Comments on this measure were also submitted by the Department of Commerce and Consumer Affairs and the American Resort Development Association's Hawaii chapter.

Your Committees find that individuals and associations that own time share units in Hawaii sometimes have units that they cannot sell, do not want, or cannot afford, and subsequently sell these units to real estate brokers. Currently, a person is prohibited from purchasing a time share unit from an owner and re-selling it unless the person occupies the unit or registers with the State pursuant to section 237D-4. This measure will exempt a person who owns not more than twelve interests in a time share plan from the definition of developer, and those associations that take back their own inventory to be treated as re-sales and not require the same registration that is required of developers.

Your Committee amended this measure by altering the effective date to July 1, 2010 to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Tourism 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. 1141, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1141, 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 (Hee, Ige).

SCRep. 671 Commerce, Consumer Protection and Housing on S.B. No. 108

The purpose of this measure is to exempt time share sales agents from the licensure requirement for mortgage brokers and solicitors.

Pahio Resorts, Inc., Starwood Vacation Ownership, Marriott International, Inc., American Resort Development Association-Hawaii, Cendant Timeshare Resort Group, and Fairfield Resorts, Inc. testified in support of this measure. The Department of Commerce and Consumer Affairs opposed the measure.

This measure establishes an exemption from the mortgage broker and solicitor licensure requirement for a licensed real estate salesperson or broker who sells time share interests on behalf of a time share plan developer that is licensed as a mortgage broker.

Your Committee finds that the conduct of entities involved in time share sales is subject to regulation under the time share law and, additionally, under professional and vocational licensing laws; a time share plan developer is required to be licensed as a mortgage broker and a sales agent who sells time share interests on behalf of the developer is required to be licensed as a real estate salesperson or broker. This measure would avoid redundancy in licensing by exempting time share sales agents from the licensing requirement for mortgage brokers and solicitors.

Your Committee further finds that, notwithstanding the above, there continue to be concerns that time share sales consumers will not be adequately protected if sales agents are exempted from licensure as mortgage brokers or solicitors. Testimony was received that time share sales often involve the provision of financing through the developer, and as a mortgage broker, the developer is subject to compliance with certain federal consumer protection laws and other requirements in transacting the financing agreement. Under this measure, a consumer would not have recourse under the mortgage broker and solicitor law against a sales agent who failed to comply with the law's requirements.

To address these concerns, your Committee has amended this measure to provide that:

- (1) The acts or conduct of a time share plan developer's authorized representative shall be deemed to be the acts or conduct of the developer for purposes of the mortgage brokers and solicitors license suspension and revocation law; and
- (2) A real estate licensee who engages in conduct that is grounds for suspension of a mortgage broker or solicitor license is subject to disciplinary action under the real estate licensing law.

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. 108, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 108, 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 (Ige).

SCRep. 672 Commerce, Consumer Protection and Housing on S.B. No. 756

The purpose of this measure is to establish an expedited certification process for a foreign health maintenance organization (HMO).

The Department of Commerce and Consumer Affairs and Kaiser Permanente testified in support of this measure.

Your Committee finds that Hawaii's health insurance market is served by a small number of health insurers, mutual benefit societies, and HMOs. This measure would facilitate the entry of more HMOs into the Hawaii market by establishing an expedited process for the certification of a foreign HMO. A foreign HMO is an entity that operates as a domestic HMO in another state under a certificate of authority issued by its home state. Therefore, the foreign HMO has already met the necessary requirements to operate in its home state and has been subject to scrutiny and examination by a regulatory authority.

More specifically, this measure authorizes the Insurance Commissioner (Commissioner) to waive the filing by a foreign HMO of any information required to be filed in an application for a certificate of authority. This "fast track" certification process is similar to that available to foreign insurers under the insurance code. The Commissioner would retain the right to require the foreign HMO to submit to the certification process if determined to be in the public interest. Your Committee further finds that this measure would foster competition in the State's health insurance market and provide Hawaii's consumers and employers with greater choices in healthcare coverage.

Your Committee has amended this measure:

- (1) To allow a waiver only as to the filing of information or documents relating to the HMO's organization, governance, management, contract forms between a class of providers and the HMO, form of evidence of coverage to be issued to enrollees, power of attorney, and statement of geographic areas served; and
- (2) By making a technical amendment for the purpose of 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. 756, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 756, 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 (Espero, Sakamoto).

SCRep. 673 Commerce, Consumer Protection and Housing on S.B. No. 1140

The purpose of this measure is to authorize additional loan fees that may be charged by financial services loan companies.

The Hawaii Financial Services Association testified in support of this measure. The Department of Commerce and Consumer Affairs and Hawaii Bankers Association submitted comments on the measure.

Currently, financial services loan companies are limited in the fees they may charge in connection with a loan transaction to those specifically authorized by statute or rule. This measure proposes to remove this restriction, and additionally, to specifically authorize the imposition of fees for a dishonored check received for payment on a loan, real property tax services, wire transfers, and administrative costs related to the processing of non-real estate and open-end consumer loans.

Your Committee has amended this measure:

- (1) To retain the current law's prohibition on a financial services loan company charging a fee other than one specifically authorized by statute or rule;
- (2) To allow a financial services loan company to charge a returned check fee, up to \$20, for all loan transactions, not just consumer loans, subject to certain requirements and restrictions;
- (3) By deleting language authorizing the imposition of a \$75 administrative fee for the processing of non-real estate consumer loans and open-end consumer loans, and otherwise amending section 412:9-305(b), Hawaii Revised Statutes, relating to permissible charges on an open-end consumer loan;
- (4) By repealing language requiring consumer loan fees to be bona fide and reasonable and not unfair or deceptive, but establishing a limit on the total fees that may be charged on a consumer mortgage loan of one per cent of the principal amount of the loan;
- (5) To prohibit a third party or affiliate or subsidiary of a financial service loan company that receives loan fees from the company for rendering loan-related services from rebating or refunding money to the financial services loan company;
- (6) To expand the category of permissible consumer loan-related fees to include fees for real property tax services and wire transfers;
- (7) By adding a savings clause provision;
- (8) By changing the effective date to July 1, 2005; and
- (9) By making technical, stylistic 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. 1140, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1140, 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 (Ige).

SCRep. 674 Commerce, Consumer Protection and Housing on S.B. No. 761

The purpose of this measure is to amend the definition of "serious mental illness" to include obsessive compulsive disorder, dissociative disorder, delusional disorder, and major depression.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the Department of Health, the Hawaii Disability Rights Center, the National Association of Social Workers, the Hawaii Psychological Association, the Queen's Medical Center, Kaiser Permanente, the Hawaii Psychiatric Medical Association, the National Alliance for the Mentally Ill-Oahu, the National Alliance of the Mentally Ill-Hawaii, the Mental Health Association in Hawaii, the Hawaii Medical Service Association, the Hawaii Medical Association, and two individuals.

Your Committee finds that pursuant to Act 121, Session Laws of Hawaii 1999, certain medical disorders, including obsessive compulsive disorder, dissociative disorder, delusional disorder, and major depression, were removed from the definition of "serious mental illness" under Chapter 431M, Hawaii Revised Statutes. The deletion of these conditions from the definition of "serious mental illness" runs counter to the national trend in mental health care which is to expand mandated mental health treatment benefits through parity with other physical illnesses. This trend is based largely upon the assumption that it is discriminatory to restrict or offer less access to health care in the area of mental health care relative to other areas of health care. Your Committee believes that the inclusion of obsessive compulsive disorder, dissociative disorder, delusional disorder, and major depression is necessary to promote parity in insurance coverage in the treatment of mental illnesses in the same manner as physical illnesses. Furthermore, this expansion of coverage will act to improve the health of the people of Hawaii, while helping to reduce the overall costs of care over the long term.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for purposes of consistency and clarity.

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. 761, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 761, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Espero, Sakamoto).

SCRep. 675 Commerce, Consumer Protection and Housing on S.B. No. 1230

The purpose of this measure is to delay the repeal of Act 132, Session Laws of Hawaii (SLH) 2001, as amended, which allows the Insurance Commissioner to monitor the solvency of dental service corporations and dental service organizations.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs (DCCA).

Your Committee finds that Act 132, SLH 2001, authorized the DCCA to protect the interests of consumers by closing insolvent dental insurance plans that failed to pay claims and by pursuing claims against the principal agents of these plans in order to recover assets on behalf of the policyholders and providers. Under Act 132, SLH, the Insurance Commissioner's authority was established for one year, but has subsequently been extended over the past three years. Although the DCCA has successfully instituted action against the Hawaii Dental Health Plan (HDHP), it is still awaiting information from the federal government regarding any other outstanding claims against the HDHP. Therefore, your Committee determines that an extension of the duration of the Commissioner's authority in this capacity is necessary in order to allow the liquidation proceedings against the HDHP to be brought 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. 1230 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Espero, Sakamoto).

SCRep. 676 Media, Arts, Science and Technology on Gov. Msg. Nos. 198, 199 and 200

Recommending that the Senate advise and consent to the nominations of the following:

KING KAMEHAMEHA CELEBRATION COMMISSION

G.M. No. 198 CECILIA K. AKIM, for a term to expire 06-30-2008;

G.M. No. 199 PONI ELLIOT KAMAUU, for a term to expire 06-30-2008; and

G.M. No. 200 CASINA K. WATERMAN, for a term to expire 06-30-2008

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the King Kamehameha Celebration Commission.

CECILIA K. AKIM was born and raised in Hawaii. She graduated from Sacred Hearts Academy and attended the University of Hawaii. Ms. Akim has been an active member of the Ahahui Ka'ahumanu since 1966. She has been involved with the Punaluu Community Association for twenty-five years, and the Laie Community Association for fifteen years. Ms. Akim has been a dancer her entire life, and is very proud of Hawaii and her Hawaiian heritage. Ms. Akim has served as an interim commission member representing Ahahui Ka'ahumanu since September 2004.

Your Committee received testimony in support of PONI ELLIOT KAMAUU from the Papakolea Community Development Corporation. Mr. Kamauu is a lifelong Hawaii resident who was educated at Brigham Young University, Hawaii Campus. Mr. Kamauu is dedicated to perpetuating Hawaiian culture through sharing traditional hula, chant, and knowledge. He served as the Hawaiian Cultural Teacher (kumu) for two years at the Papakolea After School Program, and is presently the kumu at Halau Kaleihulumamo. He has been employed by the Department of Education as a Hawaiian Studies teacher since 1989. Mr. Kamauu is a member of the Papakolea Homestead Association and Hui Mamakakaua (Daughters and Sons of Hawaiian Warriors). He looks forward to carrying on a family tradition of service by representing the Papakolea Homestead Association on the commission.

Your Committee received testimony on behalf of CASINA K. WATERMAN from seven individuals. Ms. Waterman is the president of the Queen Emma Hawaiian Civic Club and has served as the chair of various committees for the Oahu Council of Hawaiian Civic Clubs and the Association of Hawaiian Civic Clubs, as well as the Queen Emma Hawaiian Civic Club. She is committed to perpetuating Hawaiian culture, music, language, history, education, native rights, historical and cultural sites, and the overall advancement of Native Hawaiians. Ms. Waterman has served as a commission member representing the Association of Hawaiian Civic Clubs since July 2000.

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 Media, Arts, Science, 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, Ihara).

SCRep. 677 Media, Arts, Science and Technology on Gov. Msg. No. 229

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

G.M. No. 229 RICHARD HENDERSON, for a term to expire 06-30-2008

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Board of Directors of the Natural Energy Laboratory of Hawaii Authority.

Your Committee received testimony in support of Mr. Henderson's nomination from the Department of Business, Economic Development, and Tourism.

RICHARD HENDERSON graduated from Punahou School and earned a bachelor's degree in economics at the University of Pennsylvania, Wharton School of Finance and Commerce. He is a successful businessman and former state senator. Drawing on his diverse background, knowledge, experience, and expertise, Mr. Henderson has demonstrated his ability to forge public-private relationships and is leading the Natural Energy Laboratory of Hawaii Authority toward self-sufficiency. He understands how technology fits into Hawaii's economic future and is a strategic thinker who is guiding the Authority to increased integration with the community. Mr. Henderson currently serves as the Chair of the Board of Directors of the Natural Energy Laboratory of Hawaii, and is seeking reappointment to the board.

Based upon his responses to questions posed, your Committee finds the nominee to be especially qualified to lead NELHA's transition from a technology incubator to an agency poised to deliver key economic benefits to the Big Island and to the State. NELHA was launched during his tenure in the state legislature, and he is very familiar with the unique challenges it has faced over succeeding years. He pointed out the need for potable water as a key ingredient in its future success, and is committed to helping the agency move to a higher level of development.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, 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 eminently well-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, Ihara).

SCRep. 678 Media, Arts, Science and Technology on Gov. Msg. No. 273

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. 273 EDWARD H.W. YOUNG, for a term to expire 06-30-2007

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Board of Directors of the Hawaii Strategic Development Corporation.

Your Committee received testimony in support of the nomination from the Department of Business, Economic Development, and Tourism; the Hawaii Strategic Development Corporation; the Hawaii Technology Trade Association; HiBeam; and one individual.

EDWARD H.W. YOUNG earned a bachelor's degree in accounting from the University of Hawaii at Manoa. He has extensive professional experience in the private banking industry, in which he assisted many start-up technology firms. His knowledge and skills have contributed significantly to the development of Hawaii's technology industry and venture capital community, partly through the pivotal role that his prior company's TIGR program played since 1999-2000. Mr. Young is Project Manager of the Hawaii Technology Development Venture at Enterprise Honolulu, a federal program promoting commercialization of dual use technology. He was a founding member of the Hawaii Technology Trade Association and served as its treasurer for five years, and was also a founding member of HiBeam (Hawaii Business and Entrepreneur Acceleration Mentors). Mr. Young is an ardent supporter of economic development and diversification, particularly in the area of emerging and technology industries. He has served on the board as an interim member since mid-2004, and his financial services experience make him an ideal choice for expanded venture financing activities of the board.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, 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 very 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, Ihara).

SCRep. 679 Media, Arts, Science and Technology on Gov. Msg. Nos. 190, 191, 192 and 193

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII HISTORIC PLACES REVIEW BOARD

- G.M. No. 190 DAWN E. DUENSING, for a term to expire 06-30-2008;
G.M. No. 191 VICTORIA N. KNEUBUHL, for a term to expire 06-30-2006;
G.M. No. 192 MICHIKO KODAMA-NISHIMOTO, for a term to expire 06-30-2008; and
G.M. No. 193 PETER R. MILLS, for a term to expire 06-30-2008

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Hawaii Historic Places Review Board.

Your Committee received testimony on behalf of DAWN E. DUENSING from the Department of Land and Natural Resources and three individuals. Ms. Duensing earned bachelor's and master's degrees from Northern Illinois University and a Graduate Certificate in Historic Preservation from the University of Hawaii at Manoa. Ms. Duensing has extensive experience in matters relating to cultural resources, including experience as a cultural resources planner, historical researcher, preservation planner, architectural historian, historic structure cataloguer, and national register of historic places nominations drafter. She has served as an interim board member representing the discipline of history since July 2004.

Your Committee received testimony on behalf of VICTORIA N. KNEUBUHL from the Department of Land and Natural Resources. Ms. Kneubuhl earned a bachelor's degree with a concentration in Hawaiian cultural studies from Antioch University and a master's degree from the University of Hawaii. She is the director of educational programs at the Manoa Heritage Center. Ms. Kneubuhl has extensive experience developing educational and interpretive programs to preserve and share Hawaiian history. She is also an accomplished playwright who has received numerous accolades for her works about Hawaiian history. Ms. Kneubuhl has served as an interim board member specializing in Hawaiiana since July 2004.

Your Committee received testimony on behalf of MICHIKO KODAMA-NISHIMOTO from the Department of Land and Natural Resources. Ms. Kodama-Nishimoto earned bachelor's degrees in history and anthropology from the University of Hawaii at Manoa, and has worked as a historian at the Center for Oral History for over twenty-five years. She has been a volunteer with the American Cancer Society, the American Youth Soccer Organization, and National Junior Basketball. Ms. Kodama-Nishimoto has served as an interim board member representing the discipline of history since July 2004.

Your Committee received testimony on behalf of PETER R. MILLS, Ph.D. from the Department of Land and Natural Resources and two individuals. Dr. Mills earned bachelor's degrees in anthropology and psychology from the University of Vermont, a master's degree in anthropology from Washington State University, and a Ph.D. in anthropology from the University of California at Berkeley. Dr. Mills is an associate professor of anthropology at the University of Hawaii at Hilo, and he has extensive experience in review and compliance procedures for National Register determinations of eligibility and the National Register nomination process for historic properties. He is currently working with the university to develop a cultural resource management master's degree program to help address Hawaii's historic preservation challenges. Dr. Mills has served as an interim board member representing the discipline of archeology since July 2004.

Through questioning by your Committee, all of the nominees demonstrated a solid understanding of the issues and resource challenges faced by the Hawaii Historic Places Review Board, and will be able to make strong contributions towards its improvement.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, 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 fully qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Ihara).

SCRep. 680 Media, Arts, Science and Technology on Gov. Msg. No. 146

Recommending that the Senate advise and consent to the nomination of the following:

STATE FOUNDATION ON CULTURE AND THE ARTS COMMISSION

- G.M. No. 146 GEORJA SKINNER, for a term to expire 06-30-2008

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the State Foundation on Culture and the Arts Commission.

Your Committee received testimony in support of Ms. Skinner's nomination from the Department of Business, Economic Development, and Tourism; the Hawaii State Foundation on Culture and the Arts; the Academy for Creative Media at the University of Hawaii; the Garden Island Arts Council; the Hawaii Consortium for the Arts; and sixteen individuals.

GEORJA SKINNER received an Associate of Arts degree from Los Angeles City College in Radio and Film Production. Ms. Skinner is the president of Skinner Entertainment, a marketing and production firm with offices in Hawaii and California that has specialized in developing Hawaii and Pacific Rim film projects for clients in Hawaii, New York, and Los Angeles since 1999. She is the Marketing and Sponsorship Director for the annual Maui Writers Conference, and serves as the production liaison for Lions Gate Entertainment, negotiating deals with sponsors, hotels, airlines, and locations for upcoming Hawaii-based television shows. Ms. Skinner was also the production liaison for 20th Century Fox Television's movie of the week "Baywatch Blast" in 2001.

While serving as the Maui film commissioner, Ms. Skinner established the first film office for the County of Maui, leading its efforts in the development of the film, television, culture, and arts programs. After her tenure as film commissioner ended, Ms. Skinner was instrumental in the creation of the Hawaii Filmmakers Initiative, a nonprofit organization that supports education in digital media.

Ms. Skinner has served as an interim commission member since July 2004. Since her appointment, she has been an active participant at commission meetings and has contributed significantly to its communication, marketing, and public relations efforts. More importantly, she can play a significant role in bridging new initiatives being undertaken by the State Foundation on Culture and the Arts and the Department of Business, Economic Development, and Tourism's Arts, Film, and Entertainment Division, particularly in digital media.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, 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, Ihara).

SCRep. 681 Human Services on Gov. Msg. Nos. 196, and 197

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE COUNCIL ON INDEPENDENT LIVING

G.M. No. 196 WAYNETTE K.Y. CABRAL, for a term to expire 06-30-2007; and

G.M. No. 197 PINA LEMUSU, for a term to expire 06-30-2007

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Statewide Council on Independent Living.

Testimony in support of Waynette K.Y. Cabral was submitted by the Statewide Independent Living Council of Hawaii and an individual. Mrs. Cabral holds bachelor's and master's degrees in social work from the University of Hawaii and has twenty-eight years experience in the field of developmental disabilities. Presently, she is employed with the State Council on Developmental Disabilities where she has spent eighteen years in various positions, with the last two and half years as its executive director.

Testimony in support of Pina Lemusu was submitted by the Statewide Independent Living Council of Hawaii. During Ms. Lemusu's first term as a member she has brought her unique perspectives and experience to the work that the council performs. She is currently a graduate student at the University of Hawaii at Manoa studying Rehabilitation Counseling and holds a degree in Justice Administration from the University of Hawaii at West Oahu.

Your Committee members diligently questioned the nominees regarding their vision and priorities regarding the promotion of independent living and integration of persons with disabilities into the community and to aid individuals in achieving their goals and basic human rights. The nominees demonstrated a commitment to proactively protect and improve the Statewide Council on Independent Living. 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 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, 2 (Ihara, Kokubun).

SCRep. 682 (Joint) Health and Human Services on S.C.R. No. 24

The purpose of this measure is to request the Hawaii State Council on Developmental Disabilities to continue the Residential Settings Task Force to identify issues and solutions regarding individuals with developmental disabilities and their choice of residential setting.

The Judiciary's Office of the Public Guardian, the Department of Health, the State Council on Developmental Disabilities, the Disability and Communication Access Board, the Hawaii Disability Rights Center, the Arc of Kauai, the Arc in Hawaii, and Alternative Care Services, Inc. submitted testimony in support of this measure.

Your Committees find that a second year of work is necessary for the Task Force to do further analysis to fully address how to increase residential options, including residency in unlicensed homes, for individuals with developmental disabilities. The Task Force agreed by a majority of its members to continue its work, which will include addressing increasing residential options; further analysis of statutes, administrative rules, policies, and directives; and discussing and outlining the details of recommendations that were not included in the recent report.

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. 24 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Ihara, Kokubun, Whalen).

SCRep. 683 Health on S.C.R. No. 20

The purpose of this measure is to designate the month of January as cervical cancer awareness month.

The American Cancer Society submitted testimony in support of this measure.

Your Committee finds that, as the proponent noted, cervical cancer is one of the most preventable cancers with a high rate of early detection through screening. If detected before it can spread, the survival rate at ten years is ninety nine percent. It is imperative to stress the importance of cervical cancer detection and treatment as there are still many women in Hawaii who are unaware of the dangers of cervical cancer and the relative ease of detection and treatment.

Your Committee further finds that this measure will bring awareness to the importance of cervical cancer detection and treatment and will recognize and applaud the valuable role that families and advocates of cervical cancer victims play in helping our medical community advance the fight against this disease.

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. 20 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 684 Health on S.C.R. No. 7

The purpose of this measure is to request the development of a statewide strategic plan to promote obesity prevention and healthy lifestyles.

The Department of Health, the Department of Education, Kaiser Permanente, the American Cancer Society, and Kokua Kalihi Valley submitted testimony in support of this measure.

Your Committee finds that in 2002, more than one-half of Hawaii's adult population was overweight or obese, and in some communities and populations in Hawaii, childhood obesity is twice the national average for children age six to eleven years of age. Hawaii spends about \$290,000,000, or 4.9 percent of its total medical expenditures on obesity-related medical conditions.

Your Committee further finds that the promotion of healthy lifestyle choices, including diet and nutrition education and physical activities, helps decrease the prevalence of childhood obesity and its related adverse health effects.

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. 7 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 685 (Majority) Ways and Means on S.B. No. 1749

The purpose of this measure is to require the Joint Legislative Budget Committee to hold public hearings to ascertain facts and make recommendations on the decision of the Governor or the Director of Finance to restrict or withhold funds appropriated by the Legislature.

The bill also requires the Governor or the Director of Finance to give prior written notice to the Joint Legislative Budget Committee prior to restricting or withholding any funds appropriated by the Legislature, including the reasons therefor.

Your Committee finds that the budget process includes many oversight activities. During the appropriation process the Legislature must determine the overall value of a program compared to other programs that compete for the same funding from limited state resources. However, past practice has indicated the Administration's disregard for the Legislature's diligence in carefully crafting a sound budget and appropriations thereunder. In many instances, the Administration has restricted, withheld, or otherwise failed to expend moneys appropriated by the Legislature for purposes that were painstakingly scrutinized during numerous public hearings and legislative deliberations. By authorizing the Joint Legislative Budget Committee to conduct public hearings on gubernatorial budget restrictions, withholding of funds, and other actions that result in the nonexpenditure of lawfully budgeted and appropriated funds, the Legislature and the general citizenry of the State will be able to ascertain, in a public venue, the reasons for the Administration's actions.

Your Committee amended the measure by:

- (1) Authorizing the Joint Legislative Budget Committee to hold public hearings, rather than mandating it to do so;
- (2) Clarifying the scope of what types of nonexpenditure actions taken by the Administration may trigger the holding of public hearings by the Joint Legislative Budget Committee;
- (3) Moving the prior written notice requirement imposed on the Governor and the Director of Finance to chapter 37, Hawaii Revised Statutes, as your Committee believes that it is more appropriately placed in the chapter of law that relates to the State Budget;
- (4) Adding a section to the measure that amends section 37-34(a), Hawaii Revised Statutes, to require that the allotment estimates submitted by executive departments and agencies to the Director of Finance include the entire amounts budgeted and appropriated in the budget acts and any other appropriation act passed by the Legislature; and
- (5) Making technical, nonsubstantive amendments for 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. 1749, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1749, 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 (Slom, Trimble). Excused, 2 (Hooser, Kanno).

SCRep. 686 (Majority) Ways and Means on S.B. No. 1870

The purpose of this measure is to impose a general excise tax on owner-builders on the value of the building of their own personal residences.

The tax is to be imposed in addition to the tax imposed under section 237-13, Hawaii Revised Statutes, which imposes the general excise tax on various classes of taxpayers. The rate of the tax is unspecified but is to be levied on the value of the construction, renovation, or alteration of the owner-builder's personal residence that is the subject of a building permit. The bill further provides that the value of work performed by a licensed subcontractor is to be deducted from the value of work to be assessed the tax. Finally, the bill requires the counties to collect this tax, as a condition to issuing the permit, and to remit the moneys to the Department of Taxation.

Your Committee has amended this bill by making a technical amendment and by changing the effective date to September 1, 2099 to facilitate further discussion on the merits 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. 1870, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1870, 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 (English).

SCRep. 687 (Majority) Ways and Means on S.B. No. 1745

The purpose of this measure is to provide tax relief to the victims of the Manoa flood of 2004.

Your Committee finds that the heavy rain and flood of October 2004 had devastating consequences for residents of Manoa Valley. Approximately one hundred forty homes and several automobiles sustained damage caused by the torrential downpour that overflowed the banks of Manoa Stream. Fortunately, the flooding did not cause any serious injuries or deaths, but the property damage it left in its wake is still being felt by many Manoa families.

This bill provides a modicum of relief to the victims of the Manoa flood in the form of a one-time non-refundable tax credit not to exceed \$2,000. The tax credit applies to losses of real or personal property caused by the heavy rain and flood.

Your Committee has amended the bill by specifying that the tax credit applies to chapter 235, Hawaii Revised Statutes, relating to personal income tax, and may be used only for the non-reimbursable expenses incurred by flood victims. Your Committee has also amended the bill by making a technical amendment that has 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. 1745, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1745, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Trimble). Excused, 1 (English).

SCRep. 688 (Majority) Ways and Means on S.B. No. 631

The purpose of this measure is to require the Governor or the Director of Finance to hold public hearings prior to restricting or withholding funds appropriated by the Legislature.

The measure also requires that the public hearing be conducted pursuant to chapter 92, Hawaii Revised Statutes, the State's "sunshine law".

Your Committee finds that the budget process includes many oversight activities. During the appropriation process, the Legislature must determine the overall value of a program compared to other programs that compete for the same funding from limited state resources. However, past practice has indicated the Administration's disregard for the Legislature's diligence in carefully crafting a sound budget and appropriations thereunder. In many instances, the Administration has restricted, withheld, or otherwise failed to expend moneys appropriated by the Legislature for purposes that were painstakingly scrutinized during numerous public hearings and legislative deliberations. By requiring the Governor or the Director of Finance to conduct public hearings on gubernatorial budget restrictions, withholding of funds, and other actions that result in the nonexpenditure of lawfully appropriated funds, the Legislature and the general citizenry of the State will be able to ascertain, in a public venue, the reasons for the Administration's actions.

Your Committee has amended the measure by:

- (1) Clarifying the scope of what types of nonexpenditure actions taken by the Administration will trigger the holding of public hearings requirement;
- (2) Adding a section to the measure that amends section 37-34(a), Hawaii Revised Statutes, to require that the allotment estimates submitted by executive departments and agencies to the Director of Finance include the entire amounts budgeted and appropriated in the budget acts and any other appropriation act passed by the Legislature;
- (3) Removing the requirement that the Governor or the Director of Finance comply with the public hearing requirements of chapter 92, Hawaii Revised Statutes, and replacing it with public notice and hearing requirements more specifically tailored to the measure's intent; and
- (4) Making technical, nonsubstantive amendments for 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. 631, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 631, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (Hooser, Kanno).

SCRep. 689 (Joint) Media, Arts, Science and Technology and Commerce, Consumer Protection and Housing on S.B. No. 978

The purpose of this measure is to establish that the criteria for selecting proceedings to be broadcast by the legislative broadcast program shall be related to matters of public interest.

Your Committees received testimony in support of this measure from the League of Women Voters of Hawaii, Citizen Voice, the Employers' Chamber of Commerce, and one individual.

Your Committees find that the legislative broadcast program generally has been effective in allowing citizens access to legislative proceedings broadcast on cable public access channels. This measure expands existing provisions by requiring standards for broadcast selection to be based upon the public interest. Your Committees find that this criteria will ensure citizens better access to information about wide-ranging issues of public interest, such as bills having the greatest impact on the general population, those involving large expenditures, those of greatest concern and interest to the largest number of residents, and those on controversial topics.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, 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. 978 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, 5. Noes, none. Excused, 4 (English, Espero, Ihara, Sakamoto).

SCRep. 690 Commerce, Consumer Protection and Housing on S.B. No. 1348

The purpose of this measure is to require associations of apartment owners to maintain certain records on the property if the association or a resident manager maintains an office on the property.

The Hawaii Independent Condominium and Cooperative Owners and one individual submitted testimony in support of this measure. Mililani Town Association submitted testimony in opposition to this measure.

Currently, the law requires financial statements and board of directors' meeting minutes to be available for review by apartment owners at a convenient place designated by the board of directors. This measure clarifies that the financial statements and the board of directors' meeting minutes must be available at the association of apartment owner's office or the resident manager's office if either office is located on the property.

Your Committee noted concerns that many of the "offices" located on apartment properties are simply resident manager's apartments and may not have the space or be equipped to handle the amendments provided in this measure. Thus, your Committee finds that this issue raises concerns that merit further discussion. Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2050 to ensure ongoing discussions on this issue.

Your Committee has further amended this measure by making technical, nonsubstantive stylistic 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. 1348, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1348, 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 (Ige).

SCRep. 691 Commerce, Consumer Protection and Housing on S.B. No. 80

The purpose of this measure is to require that markings of vehicles for motor carrier vehicles be legible during daylight hours from fifty feet away while the motor carrier vehicle is stationary.

Testimony in support of this measure was submitted by the Department of Transportation and the Hawaii Transportation Association.

Your Committee finds that pursuant to Act 119, Session Laws of Hawaii 1997, marking requirements for motor carrier vehicles were established under state law. Your Committee further finds that the federal regulations, under the Federal Motor Carrier Safety Improvement Act, have subsequently been amended. Your Committee determines that this measure is necessary in order to make state law conform to the federal regulations, which are widely considered to be the uniform standard throughout the country.

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. 80 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ige).

SCRep. 692 (Joint) Transportation and Government Operations and Ways and Means on S.B. No. 668

The purpose of this measure is to require the Procurement Policy Board to adopt rules effectuating set-asides for small businesses and imposing mandatory evaluation criteria designed to encourage the use of small businesses as subcontractors on large contracts.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, Department of Accounting and General Services, The Chamber of Commerce of Hawaii, Environet, Inc., HARK, Inc., and The Limtiaco Company.

The intent of this measure is to establish procurement preferences in government contracts to enhance competition by expanding the pool of available vendors and contractors. The result would promote the growth and development of small businesses.

Your Committees find that many small businesses feel that they are not effectively able to compete with larger local and mainland firms in competition for state contracts and purchases. This measure would require the Procurement Policy Board to develop detailed procedures needed to put in place a small business program, including set-asides. This would set guidelines for the procurement officers to determine which contracts to set aside for small business purchases. As an example of the effectiveness of this approach, the federal contracting programs provide that larger businesses prepare a "small subcontracting plan" as part of their bid.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 668, S.D. 1, and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 14. Noes, none. Excused, 5 (English, Hooser, Menor, Hemmings, Whalen).

SCRep. 693 Judiciary and Hawaiian Affairs on S.B. No. 121

The purpose of this measure is to allow brewpubs to sell malt beverages in recyclable containers for off-premises consumption as well as permit brewpubs to sell malt beverages directly to class two restaurant licensees.

Testimony in support of the measure was submitted by Sam Choy's Big Aloha Brewery, Fish and Game Brewing Co., Waimea Brewing Company, Cask Brewing Systems, Stone Brewing & Distributing Co., and nine individuals.

This measure allows brewpubs to sell malt beverages for off-premises consumption in recyclable containers as well as permits brewpubs to sell malt beverages to class two restaurant licensees. Your Committee finds that this measure will increase the venues in which consumers are afforded the opportunity to purchase and sample locally brewed malt beverages.

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. 121 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 694 Judiciary and Hawaiian Affairs on S.B. No. 743

The purpose of this measure is to repeal the current uniform securities law, chapter 485, Hawaii Revised Statutes, and to adopt the 2002 Uniform Securities Act.

The Commissioner of Securities, the Hawaii Bankers Association, the Investment Company Institute, and the Hawaii Commission to Promote Uniform Legislation testified in support of the measure. The Securities Industry Association, and the National Association of Insurance and Financial Advisors-Hawaii Chapter, testified in opposition to the measure. The Office of Information Practices and the American Council of Life Insurers offered comments on the measure.

This measure adopts the 2002 Uniform Securities Act. Under this Act, state securities regulators are granted the power to investigate, prosecute, and sanction individuals and firms engaged in security transactions. Your Committee finds that this measure will conform Hawaii's securities law to federal securities law as well as make Hawaii's securities law uniform with other states.

Your Committee has amended this measure by:

- (1) Making technical, non-substantive amendments for purposes of clarity and style; and
- (2) Making the effective date defective in order to promote continuing discussion 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 S.B. No. 743, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 743, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 695 Judiciary and Hawaiian Affairs on S.B. No. 1135

The purpose of this measure is to clarify permissible credit card interest rates as well as define the term "interest" to include credit card related fees or charges.

Testimony in support of the measure was submitted by the Hawaii Bankers Association, the Hawaii Credit Union League, and the Hawaii Financial Services Association.

This measure provides that the eighteen per cent annual interest rate limit on credit cards applies only to the numeric periodic rate and not to finance charges. Further, this measure also clarifies the type of fees that constitute "interest" under Hawaii's usury law. Your Committee finds that this bill will prevent Hawaii financial institutions from being placed at a disadvantage relative to out-of-state financial institutions.

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. 1135 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 696 Judiciary and Hawaiian Affairs on S.B. No. 1256

The purpose of this measure is to propose a constitutional amendment to the Hawaii Constitution modifying the appointment process for the University of Hawaii Board of Regents.

Offering comments on the measure was the University of Hawaii.

This measure proposes a constitutional amendment to modify the appointment process for the University of Hawaii Board of Regents. Your Committee finds that this measure proposes a candidate advisory council to screen and nominate potential candidates for appointment to the Board of Regents by the Governor.

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. 1256 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (English, Ihara).

SCRep. 697 Judiciary and Hawaiian Affairs on S.B. No. 1257

The purpose of this measure is to institute a candidate advisory council for the purpose of screening and nominating candidates for appointment by the Governor to the University of Hawaii Board of Regents.

The University of Hawaii offered comments on the measure.

This measure institutes a candidate advisory council for the purpose of screening and nominating candidates for appointment by the Governor to the University of Hawaii Board of Regents. Your Committee finds that this measure will provide enabling legislation that provides statutory authority with respect to the powers, duties, and responsibilities of this newly created candidate advisory council.

Your Committee has amended this measure by increasing the terms of the University of Hawaii Board of Regent members, excluding the student member, from four years to ten years.

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. 1257, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1257, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (English, Ihara).

SCRep. 698 Judiciary and Hawaiian Affairs on S.B. No. 40

The purpose of this measure is to authorize a minor's caregiver to consent to health care services for the minor and to establish requirements for a valid caregiver consent affidavit.

Testimony in support of the measure was submitted by the Department of Human Services, Na Tutu-Grandparents Raising Grandchildren Coalition, the Kokua Council, and three individuals.

This measure authorizes a minor's caregiver, with or without the permission of the minor's parents, guardians, or custodian, to authorize health care services, including immunization, dental, and mental health, for the minor. Your Committee finds that this measure provides another avenue for minors to obtain access to vital health care services, provided that the minor's caregiver complies with the requirements of the affidavit for caregiver consent for minor's health care.

Your Committee has amended this measure by:

- (1) Requiring the caregiver to present a notarized affidavit of caregiver consent before medical and dental services may be performed on the minor;
- (2) Limiting caregiver consent for health care decisions relating to primary and preventive medical and dental care as well as diagnostic testing; and
- (3) Permitting treatment by or under the supervision of an advanced practice nurse.

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. 40, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 40, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (English, Ihara).

SCRep. 699 Judiciary and Hawaiian Affairs on S.B. No. 45

The purpose of this measure is to require the Office of Youth Services to provide notice to the Legislature, through the budgetary process, when incarcerated juveniles from the Hawaii Youth Correctional Facility are transferred to an out-of-state youth correctional facility.

Testimony in support of the measure was submitted by the Hawaii Juvenile Justice Project, Hawaii Youth Services Network, and two individuals. Testimony in opposition to the measure was submitted by Department of Human Services, the Office of Youth Services, and the Hawaii Juvenile Justice State Advisory Council.

This measure is designed to provide notice to the Legislature, through the budgetary process, when juveniles housed in the Hawaii Youth Correctional Facility are transferred to an out-of-state youth correctional facility. Your Committee finds that this notice requirement will enable the Legislature to remain apprised as to the number of Hawaii juveniles housed in out-of-state youth correctional facilities.

Your Committee has amended this measure by making technical, non-substantive amendments 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. 45, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 45, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (English, Ihara).

SCRep. 700 Judiciary and Hawaiian Affairs on S.B. No. 675

The purpose of this measure is to streamline and clarify laws relating to child support orders and the Child Support Enforcement Agency.

Specifically, this measure:

- (1) Allows the Child Support Enforcement Agency to issue income withholding orders based upon a request from the obligee and a determination by the Child Support Enforcement Agency that the income withholding is appropriate;
- (2) Requires that child support enforcement orders contain language requiring the obligor to keep the Child Support Enforcement Agency apprised of information concerning whether the obligor has access to medical insurance coverage as well as require the submission of identifying information by the obligor and obligee;
- (3) Modifies the service of process requirements for the Child Support Enforcement Agency; and
- (4) Allows the Child Support Enforcement Agency to terminate the requirement for the responsible parent's employer or union to enroll a dependent child as a beneficiary in the group medical health plan by sending notice to the employer or union.

Testimony in support of the measure was submitted by the Department of the Attorney General.

This measure streamlines and clarifies the processes and procedures relating to the Child Support Enforcement Agency and the enforcement of child support orders in Hawaii. Your Committee finds that this measure is designed to comply with federal statutory requirements relating to child support orders, thereby making the State eligible to receive federal funding for child support enforcement 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. 675 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (English, Ihara).

SCRep. 701 Judiciary and Hawaiian Affairs on S.B. No. 826

The purpose of this measure is to give employees and officers with the Department of Public Safety and the Department of the Attorney General the same authority as police officers to be required to report child abuse cases and allowed to take a child victim into protective custody.

Testimony in support of this measure was submitted by the Department of Public Safety and the Department of Human Services.

This measure enables officers and employees with the Department of Public Safety and the Department of the Attorney General to report child abuse cases as well as take a child victim into protective custody. Presently, law enforcement officers and employees with the Department of Public Safety and the Department of the Attorney General are not specifically named as a reporting entity in statute and thus lack the authority to take a child victim of abuse into protective custody. Your Committee finds that this measure would address these shortcomings as well as increase the number of law enforcement personnel able to respond and report child abuse cases.

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. 826 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (English, Ihara).

SCRep. 702 Judiciary and Hawaiian Affairs on S.B. No. 1210

The purpose of this measure is to extend the authorization of the Family Child Care Home law to allow family child care homes located in townhouses and condominium projects to continue operations.

Testimony in support of the measure was submitted by the Department of Human Services and Good Beginnings Alliance.

The measure repeals the sunset date of the Family Child Care Home law and allows family child care homes located in condominium projects and townhouses to continue operations. Your Committee finds that this measure will ensure continued access to child care related services that are available within these settings.

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. 1210 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (English, Ihara).

SCRep. 703 Judiciary and Hawaiian Affairs on S.B. No. 1298

The purpose of this measure is to include within an environmental impact statement a determination as to whether a racial, ethnic, socioeconomic, or other group will bear a disproportionate burden of any negative environmental impacts of a proposed action.

Testimony in support of the measure was submitted by the University of Hawaii Environmental Center, Life of the Land and two individuals. Offering comments on the measure was the Office of Environmental Quality Control.

Your Committee finds that information on whether a racial, ethnic, socioeconomic, or other group will bear a disproportionate burden of any negative environmental impacts of a proposed action will guide policymakers, including the executive branch, in ensuring environmental equality among all groups. A suggestion that the Governor issue an executive order implementing the guidelines and principles of environmental equality to avoid the protracted process of rule making under chapter 91, Hawaii Revised Statutes, is worthy of additional attention and study. Your Committee will be considering a resolution requesting the Governor to examine the feasibility of implementing guidelines and principles of environmental equality by an executive order.

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. 1298 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 704 Judiciary and Hawaiian Affairs on S.B. No. 1476

The purpose of this measure is to amend Hawaii's laws relating to fireworks.

Specifically, this measure:

- (1) Modifies existing firework terminology to be consistent with federal law;
- (2) Clarifies that a fireworks permit applies to both the use and purchase of fireworks;
- (3) Prohibits any person from selling or offering to sell in exchange for consideration any fireworks or articles pyrotechnic; and
- (4) Regulates the importation of aerial devices, display fireworks, or articles pyrotechnic.

Testimony in support of the measure was submitted by the State Fire Council, the Legislative Information Services of Hawaii, and the Hawaii Food Industry Association.

This measure amends various provisions of Hawaii's fireworks laws to conform to federal requirements, provides that fireworks permits are required for both the use and purchase of fireworks, and regulates the importation of aerial devices, display fireworks, and articles pyrotechnic. Your Committee finds that this measure is designed to address issues relating to the use, sale, permitting, and importation of specific types of fireworks in Hawaii.

Your Committee has amended this measure by:

- (1) Clarifying that it is unlawful for a licensee to sell, offer to sell, give, offer, donate, or exchange for consideration any fireworks to an individual who lacks the required permit; and
- (2) Making technical, non-substantive amendments 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. 1476, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1476, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 705 Judiciary and Hawaiian Affairs on S.B. No. 1548

The purpose of this measure is to establish standards for the selection of County Ethics Commission members.

Testimony in support of the measure was submitted by the State Ethics Commission.

This measure establishes standards for the selection of County Ethics Commission members. Your Committee finds that the selection process is designed to promote the impartiality and independence of Commission members.

Your Committee has amended this measure by placing the County Ethics Commission in chapter 46, Hawaii Revised Statutes, along with other provisions relating to county government.

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. 1548, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1548, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 706 (Majority) Judiciary and Hawaiian Affairs on S.B. No. 427

The purpose of this measure is to require children ages four to seven, and under certain height and weight minimums, be properly secured in a child safety or booster seat.

Testimony in support of this measure was submitted by the Department of Transportation, the Department of Health, the Honolulu Police Department, the Maui County Police Department, one member of the Hawaii County Council, the American Academy of Pediatrics, the Keiki Injury Prevention Coalition, Mothers Against Drunk Driving-Hawaii Chapter, State Farm Mutual Automobile Insurance Company, the Waianae Coast Comprehensive Health Center, and three individuals. Testimony in opposition to the measure was submitted by the Office of the Public Defender.

This measure requires that children who are at least four years of age but less than eight years of age, and under certain weight and height minimums, be properly secured in a child safety or booster seat. Your Committee finds that child safety or booster seats are important safety equipment that can prevent or limit serious injury to young children involved in a car accident.

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. 427, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Whalen). Excused, 1 (Ihara).

SCRep. 707 (Majority) Judiciary and Hawaiian Affairs on S.B. No. 428

The purpose of this measure is to modify and amend Hawaii's driver licensing laws relating to drivers under the age of eighteen.

Specifically, this measure:

- (1) Establishes a provisional licensing program for persons under the age of eighteen;
- (2) Requires that a driver with a provisional license driving after 11:00 p.m. and before 5:00 a.m. be accompanied by a licensed parent or guardian;
- (3) Allows a driver with a provisional license to drive after 11:00 p.m. and before 5:00 a.m. without a licensed parent or guardian if the driver is traveling to or from work or a school related activity and limits that driver to transporting one passenger under the age of eighteen; and
- (4) Establishes processes and procedures relating to the revocation and reissuance of a provisional driver's license.

Testimony in support of the measure was submitted by the Department of Health, the Department of Transportation, the Honolulu Police Department, the Department of Education, the Department of the Prosecuting Attorney for the City and County of Honolulu, the American Academy of Pediatrics, the Hawaii Insurers Council, State Farm Mutual Automobile Insurance Company, the Keiki Injury Prevention Coalition, Mothers Against Drunk Driving-Hawaii Chapter, and three individuals. Testimony in opposition to the measure was submitted by the Office of the Public Defender. Offering comments on the measure were the Judiciary and the Department of Customer Services for the City and County of Honolulu.

This measure implements a provisional licensing program for individuals under the age of eighteen and regulates the time period as well as the characteristics and number of passengers that are allowed to accompany these individuals in the course of driving. Your Committee finds that this provisional licensing program, which includes processes and procedures for revoking and reissuing provisional licenses, addresses concerns in the community with respect to the operation of motor vehicles by minors.

Your Committee has amended this measure as follows:

- (1) Making technical, non-substantive amendments for purposes of clarity and style; and

- (2) Changing the effective date to January 9, 2006 in response to testimony submitted by the Department of Customer Services for the City and County of Honolulu.

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. 428, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 428, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Whalen). Excused, 2 (English, Ihara).

SCRep. 708 Judiciary and Hawaiian Affairs on S.B. No. 706

The purpose of this measure is to require the suspension of the driver's licenses of a person under the age of twenty-one who violates laws relating to the consumption, possession, or use of alcohol.

Testimony in support of the measure was submitted by the Office of the Lieutenant Governor, the Department of the Attorney General, the Department of Health, the Department of Education, the Office of Youth Services, a member of the Kauai County Council, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Honolulu Police Department, the Hawaii Food Industry Association, Mothers Against Drunk Driving-Hawaii Chapter, and three individuals. Testimony in opposition the measure was submitted by the Office of the Public Defender.

This measure requires the driver's license suspension of an individual under the age of twenty-one for a mandatory one hundred eighty day period for violating laws prohibiting the consumption, possession, or use of alcohol by individuals under the age of twenty-one. Your Committee finds that this measure is designed to address concerns in the community relating to the dangers associated with underage drinking and driving.

Your Committee has amended this measure by including a savings clause.

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. 706, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 706, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (English, Ihara).

SCRep. 709 Judiciary and Hawaiian Affairs on S.B. No. 1588

The purpose of this measure is to amend laws relating to agricultural theft.

Specifically, this measure:

- (1) Incorporates a prima facie element to the offense of theft in the second degree whereby possession of agricultural commodities without ownership and movement certificates permits an inference that the commodities were obtained with the knowledge of the character, nature, and value of the commodity;
- (2) Incorporates a prima facie element to the offense of theft of livestock whereby possession of livestock without a livestock ownership and movement certificate is prima facie evidence that the livestock was obtained with the knowledge of the character, nature, and value of the livestock; and
- (3) Includes theft of agricultural products in excess of twenty-five pounds within the offense of theft in the second degree.

Testimony in support of this measure was submitted by the Department of Agriculture, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Department of the Prosecuting Attorney for the County of Maui, the Hawaii Agriculture Research Center, the Hawaii Farm Bureau Federation, the Big Island Farm Bureau, the Maui County Farm Bureau, the Hawaii Association of Realtors, the Hawaii Crop Improvement Association, the Pineapple Growers Association of Hawaii, and two individuals.

Your Committee finds that agricultural theft is a significant problem for Hawaii's farmers and consumers. Economic losses resulting from agricultural theft can be significant and can force farmers to go out of business. This measure is designed to address this problem by strengthening and clarifying Hawaii's theft laws.

Your Committee has amended this measure by:

- (1) Including the theft of agricultural commodities with a value of more than \$100 but less than \$20,000, and commodities or products in excess of twenty-five pounds in weight, within the offense of theft in the second degree;
- (2) Establishing that possession of agricultural products or commodities without the required ownership and movement certificates is prima facie evidence that the products or commodities are or have been stolen;
- (3) Establishing that possession of livestock without the required ownership and transportation certificate is prima facie evidence that the livestock is or has been stolen; and

(4) Clarifying the signage requirements with respect to agricultural theft.

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. 1588, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1588, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 710 (Majority) Ways and Means on S.B. No. 1410

The purpose of this measure is to provide Hawaii residents an earned income tax credit equal to five per cent of earned income tax credit provided under the Internal Revenue Code.

Your Committee is in agreement with the intent of this measure but has left the amount of the tax credit, stated as a per cent of the federal earned income tax credit, unspecified to facilitate further discussion on this matter. Your Committee has also 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. 1410, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1410, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, 1 (Trimble). Excused, 1 (English).

SCRep. 711 (Majority) Ways and Means on S.B. No. 1748

The purpose of this measure is to prohibit the Director of Finance from reducing any budget estimate submitted by a department except if the prohibition results in a budget shortfall.

The bill also requires the Director of Finance to predicate any budget allotment reduction on the *actual* state tax revenues or other revenue source collected or received, instead of basing the reduction on estimates or projections.

This bill identifies and remedies two areas of the state budgetary law to assist and expedite the release and eventual use of legislative appropriations. Your Committee is also concerned about another area of the state budgetary law regarding grants under chapter 42F, Hawaii Revised Statutes.

Your Committee finds that grant recipients provide a multitude of services to the public. Without these services, the State would be hard pressed to develop the physical and community infrastructure and the public confidence necessary to effectively and efficiently provide these services. But just as the State is dependent on grant recipients, grant recipients depend on the State for funding of their programs and services. A problem arises when the Governor does not decide definitively whether to release or allocate the funds for a grant. In that instance, recipients are caught in a dilemma of whether to seek other financing for their programs and services, or wait until the Governor decides on the fate of their grant.

To assist grant recipients and to provide the Governor with a process that focuses on unreleased grants, your Committee has amended the bill to require the Governor to provide regular notice to recipients of unreleased grants on the status of their grants. Your Committee finds that this amendment will provide recipients with useful information to ultimately assist them in determining their financing source.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1748, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1748, S.D. 1, 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 (Hooser, Kanno).

SCRep. 712 Energy, Environment, and International Affairs on S.B. No. 15

The purpose of this measure is to prohibit adding chemicals to public and private water systems for purposes other than to make the water supply safe and potable. Adding chemicals to the water supply to treat people for physical or mental ailments would be prohibited.

Testimony in support of the measure was received from Citizens for Safe Drinking Water, the Oahu County Committee of the Democratic Party of Hawaii, and 22 individuals. Several petitions voicing support for the measure, signed by a number of individuals, were also submitted. Testimony in opposition to the measure was received from the Director of Health, Hawaii Dental Service, the Hawaii Dental Hygienists' Association, and a dentist.

Your Committee finds that Hawaii is known for its pristine, refreshing waters; they should be protected in as pure a state as possible. Your Committee finds that certain chemicals, such as chlorine, are necessary additives to protect the public from water-borne diseases. However, your Committee also finds that other chemicals, added ostensibly as medication to treat or prevent certain

illnesses, negatively affect the purity of the water supply. Further, your Committee finds that some people may have adverse reactions to some of these kinds of additives, and will thus be unable to drink water from public and private water systems. Your Committee also finds that application of this prohibition statewide is necessary to provide the benefits of this measure to all state residents.

Your Committee has amended this measure by noting that the prohibition on additives does not apply to any federal or military water systems that service only federal or military properties. Your Committee has also amended this measure to recognize that federal laws and regulations regarding additives in drinking water are unaffected by this measure. Your Committee has further amended this measure by providing that violation of this measure's provisions regarding water additives shall result in a \$25,000 penalty per day, per violation.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 15, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 15, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hooser, Hemmings).

SCRep. 713 (Joint) Water, Land, and Agriculture and Commerce, Consumer Protection and Housing on S.B. No. 1015

The purpose of this measure is to require disclosure of all agricultural lands within five hundred feet of reclassified land.

Testimony in support of this measure was submitted by the Department of Agriculture, Big Island Farm Bureau, Hawaii Farm Bureau, and Kauai County Farm Bureau. Comments were also submitted by the Land Use Commission and the Hawaii Association of Realtors.

Your Committees find that as agricultural lands are reclassified to other classifications, agricultural operations that remain on neighboring parcels may cause mud, dust, spray drift, noise, and odor problems for the new owners. However, eliminating problems like odors or relocating the agriculture operations to new areas are usually expensive and may cause extreme economic hardship to the farmer. This measure requires instruments of conveyance for reclassified properties to disclose all agricultural parcels within five hundred feet. Specifically, disclosure is required if the property:

- (1) Has been reclassified from agricultural to any other classification;
- (2) Is conveyed; and
- (3) Is within five hundred feet of another parcel classified as agricultural.

Your Committees have amended this measure by:

- (1) Changing the distance required for disclosure from five hundred feet to one thousand feet;
- (2) Including farming operations under the Hawaii Right to Farm Act, chapter 165, Hawaii Revised Statutes, as uses to be disclosed;
- (3) Clarifying that all properties classified as part of an agricultural district at any time prior to a conveyance will be subject to the provisions in this measure; and
- (4) Making technical, nonsubstantive changes for style, consistency, and clarity.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture 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. 1015, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1015, 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 (Fukunaga, Ige).

SCRep. 714 Water, Land, and Agriculture on S.B. No. 1301

The purpose of this measure is to clarify the Department of Land and Natural Resources' authority over commercial activities in the Waianae coast area.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources (Department), Office of Hawaiian Affairs, Hawaii Boaters Political Action Association, Save Diamond Head Waters, and six individuals.

Few sectors of the tourism industry have experienced the same level of growth in a concentrated period of time as ocean-based commercial operations. As the popularity of interacting with ocean resources increases, commercial operations face the challenge of providing a service while respecting other users and the environment.

Your Committee finds that the Waianae coast area has been experiencing difficulty balancing the competing interests between dolphin tour operations and akule fisheries. This measure:

- (1) Clarifies the Department's authority over commercial activities in state waters in the Waianae coast area; and
- (2) Requires the Department to consider user conflicts, address environmental concerns, and balance the commercial activities along the coastline when determining whether to issue permits for commercial ocean activities.

Your Committee has amended this measure by adopting the Department's amendments to:

- (1) Create an ocean recreation management area for west Oahu between the Honolulu International Airport reef runway and Kaena point; and
- (2) Allow rather than require the Department to reissue withdrawn or revoked commercial activities permits.

Your Committee has further amended this measure by:

- (1) Limiting the number of permits for the Waianae coast area to the number of permits issued as of January 1, 2005;
- (2) Allowing the Department to adopt administrative rules pursuant to chapter 91, Hawaii Revised Statutes, for both the ocean recreation management area and the commercial permits in the Waianae coast area; and
- (3) Making technical, nonsubstantive changes for style, clarity, and consistency.

Your Committee also noted concerns that user conflicts in coastal areas are not localized just in Waianae. Rather, it is a problem that is affecting ocean recreation and commercial activities on many shores on most of the islands, indicating that these problems are endemic throughout the State. Therefore, your Committee notes that a statewide review of all shores may eventually be necessary in order to manage problems between competing user interests.

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. 1301, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1301, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 715 Water, Land, and Agriculture on S.B. No. 1473

The purpose of this measure is to provide adequate notification prior to any expanded use or contemplated development of state-owned land in the Waimano Ridge area of Oahu and require the Department of Health to propose an updated master plan.

Testimony in support of this measure was submitted by the Manana Community Association, Pearl City Community Association, Pearl City Neighborhood Board number twenty-one, and six individuals. The Department of Health submitted testimony in opposition to this measure, and comments were also submitted by the Office of Information Practices.

Your Committee finds that in the early 1990s, a master plan was established for the Waimano Ridge area on Oahu. The master plan was developed through a collaborative effort between the state government and the community, designing a plan for a "totally integrated community" where activities on the state-owned Waimano Ridge lands (Waimano Ridge) would be community friendly.

Since the master plan was developed, many citizens in the community have been disturbed by the placement of a juvenile sex offender treatment facility, as well as with testing of viruses and other potentially dangerous specimens at Waimano Ridge. Your Committee finds that an updated master plan should be prepared and better public notification procedures of Waimano Ridge uses and developments should be implemented. Accordingly, this measure requires:

- (1) The Department of Health to notify the surrounding communities of any new or expanded uses or development at Waimano Ridge; and
- (2) That an updated master plan be prepared for Waimano Ridge. The Department of Health, Waimano Ridge homeowners, interested members of the Pearl City community, and other stakeholders will be included in the drafting process.

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. 1473, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Fukunaga).

SCRep. 716 Commerce, Consumer Protection and Housing on S.B. No. 1349

The purpose of this measure is to amend record keeping requirements for associations of apartment owners.

Hawaii Independent Condominium and Cooperative Owners and one individual submitted testimony in support of this measure. The Mililani Town Association submitted testimony in opposition to this measure.

Currently, the law requires associations of apartment owners (associations) to retain certain financial records for the current and past year. This measure amends the record keeping requirements for associations by requiring them to retain these records for the current year, as well as the prior four years.

Your Committee noted concerns that there are associated costs and burdens for retaining records including storage and cataloging. However, your Committee also noted that some associations already retain their financial records for three years for tax purposes. Your Committee finds that these competing views merit further consideration. Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2050 to ensure ongoing discussions on this issue.

Your Committee has further amended this measure by making technical, nonsubstantive stylistic 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. 1349, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1349, 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 (Ige).

SCRep. 717 Commerce, Consumer Protection and Housing on S.B. No. 693

The purpose of this measure is to facilitate fundraising through the use of charitable gift annuities by clarifying and streamlining the requirements governing nonprofit organizations.

Testimony in support of this measure was received from the Attorney General, Department of Commerce and Consumer Affairs, Myerberg Shain and Associates, The Nature Conservancy, Hawaii Alliance of Nonprofit Organizations, Hawaii Community Foundation, Punahou School, American Heart Association, and five individuals.

Under current law, charities that issue charitable gift annuities must annually certify that their reserves on outstanding annuity agreements have been calculated in accordance with "accepted actuarial standards". This requirement has been interpreted by some charities to require that they incur the significant cost of actuarial services in order to calculate reserves, making the issuance of annuities difficult and impracticable.

This measure simplifies and streamlines the reserves calculation requirement by requiring that reserves be calculated in accordance with mortality tables and discount rates to be determined by the Insurance Commissioner, rather than in accordance with accepted actuarial standards. Your Committee finds that this amendment will allow most charities to utilize commercially available software to calculate their reserves.

Additionally, this measure:

- (1) Clarifies that the business activities conducted by a qualified charity in the State shall be in the form of program services or fundraising, and shall have been undertaken "consecutively", rather than "continuously", for ten years;
- (2) Clarifies that the filing deadline for a charity's annual compliance statement is March 15th of each year; and
- (3) Provides that no surplus shall be required for any portion of a gift annuity that is reinsured by an authorized insurer.

Your Committee has amended this measure by deleting the proposed amendment to require a charity to have conducted business in this State consecutively, rather than continuously, for ten years. Your Committee also made technical, stylistic amendments 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. 693, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 693, 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 (Espero, Ige).

SCRep. 718 Commerce, Consumer Protection and Housing on S.B. No. 74

The purpose of this measure is to amend the requirements for obtaining commercial driver's licenses.

The Hawaii Transportation Association submitted testimony in support of this measure. The Department of Transportation submitted testimony in opposition to this measure.

Currently, the law requires applicants for a commercial driver's license to be at least twenty-one years old. However, there is a shortage of commercial drivers in Hawaii and the age requirement for commercial licenses makes recruiting younger individuals, such as high school seniors, difficult because they have to wait years to obtain a license.

Your Committee finds that lowering the age requirement will increase the number of qualified individuals for commercial drivers which will begin to alleviate the commercial driver shortage.

Your Committee has amended this measure by making technical, nonsubstantive stylistic 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. 74, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 74, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ige).

SCRep. 719 Commerce, Consumer Protection and Housing on S.B. No. 76

The purpose of this measure is to clarify penalties for motor vehicle size and weight violations.

The Department of Transportation and Hawaii Transportation Association submitted testimony in support of this measure.

The law currently provides that fines for violating vehicle size requirements; vehicle gross weight, axle, and wheel load requirements; or any exceptions to the vehicle requirements, shall be no more than \$600 and no less than the amounts set forth in section 291-37, Hawaii Revised Statutes (HRS). This measure removes the \$600 “maximum fine” requirement for first violations.

Your Committee has amended this measure by:

- (1) Clarifying that the amounts listed in section 291-37, HRS, are set penalty amounts, rather than minimum fines, for first violations; and
- (2) Making technical, nonsubstantive stylistic 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. 76, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 76, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ige).

SCRep. 720 Commerce, Consumer Protection and Housing on S.B. No. 1624

The purpose of this measure is to exempt physicians from the requirement of obtaining preauthorization to prescribe medication for Medicaid patients with HIV/AIDS or Hepatitis C and for Medicaid patients who have undergone organ transplants.

Testimony in support of this measure was submitted by the American Liver Foundation-Hawaii Chapter; Hepatitis Hale Treatment and Support Program; Hepatitis Prevention, Education, Treatment and Support Network of Hawaii; National Association of Hepatitis Task Forces; and two individuals. Testimony in opposition to this measure was submitted by the Department of Human Services.

Your Committee finds that organ transplant patients and patients with HIV/AIDS and Hepatitis C require timely treatment to stabilize their conditions and to avoid permanent injury. Your Committee further finds that the process for obtaining preauthorization under the Medicaid program to prescribe medications for HIV/AIDS and Hepatitis C patients and immunosuppressives for organ transplant patients is difficult and time consuming for practitioners. This measure facilitates timely treatment by waiving the preauthorization requirement for physicians who prescribe medications and immunosuppressives for Medicaid beneficiaries suffering from HIV/AIDS, Hepatitis C, or who have undergone an organ transplant.

Your Committee has amended this measure by making technical, stylistic 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. 1624, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1624, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Espero, Sakamoto).

SCRep. 721 Judiciary and Hawaiian Affairs on S.B. No. 829

The purpose of this measure is to regulate the use, distribution, and monitoring of drug products containing ephedrine, phenylpropanolamine, and pseudoephedrine as well as amend other provisions of Hawaii’s controlled substances law.

Specifically, this measure:

- (1) Classifies ephedrine, pseudoephedrine, and phenylpropanolamine as schedule V controlled substances;
- (2) Prohibits a pharmacy from dispensing, selling, or distributing, without a prescription, any product containing certain quantities of ephedrine, pseudoephedrine, or phenylpropanolamine;
- (3) Clarifies time limits on filling and holding schedule II controlled substances prescriptions on the part of pharmacists;

- (4) Removes the exemption on over-the-counter retail sales of pseudoephedrine and ephedrine combination products; and
- (5) Amends Hawaii's electronic prescription accountability system relating to the ability of law enforcement to disseminate information to other state governmental prescription monitoring programs.

Testimony in support of the measure was submitted by the Department of Public Safety, the Honolulu Police Department, the Department of the Prosecuting Attorney for the City and County of Honolulu, Times Supermarket, Longs Drugs, and one individual. Testimony in opposition to the measure was submitted by the Legislative Information Services of Hawaii and the Hawaii Food Industry Association.

Your Committee finds that this measure regulates the use, dispensing, and monitoring of drug products that contain ephedrine, pseudoephedrine, and phenylpropanolamine as well as amends other provisions of Hawaii's controlled substances law.

Your Committee has amended this measure by:

- (1) Deleting provisions that classify ephedrine, pseudoephedrine, and phenylpropanolamine as schedule V controlled substances;
- (2) Removing the requirement that a licensed pharmacist or registered pharmacy technician be the only individuals authorized to dispense, sell, or distribute drug products containing certain quantities of ephedrine or pseudoephedrine;
- (3) Deleting the identification requirements imposed on individuals purchasing drug products that contain ephedrine or pseudoephedrine; and
- (4) Removing the mandatory thirty-day period under which a person is limited to purchasing, receiving, or acquiring no more than nine grams of any product, mixture, or preparation containing ephedrine, pseudoephedrine, and phenylpropanolamine.

In place of these provisions, your Committee has included the following:

- (1) Requiring wholesalers and distributors of drugs that contain the active ingredients ephedrine or pseudoephedrine to provide monthly sales reports to the Department of Public Safety;
- (2) Limiting the amount of ephedrine as well as pseudoephedrine contained in a drug product that may be sold over-the-counter;
- (3) Restricting the number of drug products containing pseudoephedrine or ephedrine that may be purchased in one transaction;
- (4) Authorizing retailers to restrict access to drug products containing ephedrine or pseudoephedrine;
- (5) Requiring retailers to establish educational program for its employees relating to methamphetamine production; and
- (6) Establishing the misdemeanor criminal offense of unauthorized sale of ephedrine or pseudoephedrine for retailers that violate requirements with respect to the over-the-counter sale of drug products containing ephedrine or pseudoephedrine.

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. 829, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 829, 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 (English, Ihara).

SCRep. 722 Transportation and Government Operations on S.B. No. 1362

The purpose of this measure is to authorize the Department of Transportation (DOT) to tow and dispose of abandoned vehicles.

Your Committee received testimony in support of this measure from the Housing and Community Development Corporation of Hawaii (HCDCH), the Mayor of Maui, a Maui County Council member, Gentry Homes Ltd., and five individuals. Testimony in opposition was received from the Department of Transportation.

Current law permits the counties to tow and dispose of abandoned vehicles. This measure would confer that same authority upon the DOT. Although testimony indicated that the counties willingly remove abandoned vehicles, your Committee finds that this measure would enhance the ability of government to remove abandoned vehicles if the DOT had the same authority.

Your Committee has amended this measure on the recommendation of the HCDCH by conferring similar authority upon the DOT and the counties to remove abandoned vehicles on private roads pending their dedication to the State or county and defining an abandoned vehicle for this purpose.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1362, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1362, 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, Whalen).

SCRep. 723 Commerce, Consumer Protection and Housing on S.B. No. 602

The purpose of this measure is to require pawnshops and secondhand dealers to file daily electronic reports of pawnshop transactions with the police department.

The Honolulu Police Department, Hawaii Tourism Authority, State Farm Mutual Automobile Insurance Company, and an individual testified in support of this measure. The Hawaii Pawnbrokers Association, Waipahu Pawn Shop, Kaneohe Pawn, and one individual opposed the measure.

Your Committee finds that stolen property is typically sold to pawnbrokers and secondhand dealers, and that access by the police to current and timely information on merchandise received by these businesses increases the likelihood of recovering stolen property before it is sold or destroyed.

This measure supports law enforcement activities and facilitates the investigation of property theft by requiring pawnbrokers and secondhand dealers to electronically file daily reports on pawn transactions through the Internet or a computer disk using police-designated software. Additionally, this measure authorizes the police to require electronic photographs of merchandise and to make them available to the public, if appropriate.

Your Committee has amended this measure:

- (1) To take effect on July 1, 2006, rather than upon its approval; and
- (2) By making technical amendments for the 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. 602, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 602, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

SCRep. 724 Commerce, Consumer Protection and Housing on S.B. No. 971

The purpose of this measure is to amend the time share laws relating to gift offer disclosures, acceptance of payment from a purchaser prior to the sale of a time share interest, and signage.

The Department of Commerce and Consumer Affairs, Starwood Vacation Ownership, Marriott International, Inc., American Resort Development Association-Hawaii Chapter, and Pahio Resorts testified in support of this measure. Cendant Timeshare Resort Group and Fairfield Resorts, Inc., presented comments on the measure.

This measure clarifies and modifies the laws relating to prohibited and deceptive time share practices, as follows:

- (1) Currently, the law requires a time share sales or acquisition agent who offers a gift or prize to promote a time share project to provide the prospective purchaser with a written disclosure of all terms and conditions attached to the gift and of certain details regarding the time share project. Under this measure, only material gift and prize terms and conditions would require disclosure, and exchange privileges and limitations related to the project would not require disclosure;
- (2) The law currently prohibits the acceptance of money or other consideration from a purchaser prior to sale. This measure clarifies that the prohibition does not apply to payment received from a purchaser to participate in a tourist or promotional activity;
- (3) Current signage requirements prohibit artwork and establish other restrictions related to letter size and styling and use of colors. This measure instead requires that signage contain the words "time share" or "time sharing" in three inch-tall letters that contrast in color from the background;
- (4) Presently, time share signs are required to be permanently affixed to each side of the time share booth. This measure would permit signage to be posted on or in the time share booth, but bans any posting, upon, adjacent to, or in the sign that indicates the booth is not being used for time share solicitation purposes. Additionally, this measure provides that the signage requirements do not apply to a booth located within a time share project or within a hotel owned or operated by the time share developer or the developer's affiliate; and
- (5) The time share law deems it a deceptive trade practice to fail to disclose in promotional and other written materials that the product or activity involves a time share. This measure clarifies that the disclosure requirement does not apply to signs and banners.

Your Committee has amended this measure:

- (1) To eliminate the proposed exemption from the signage requirements for time share booths located in a hotel owned or operated by the time share developer or the developer's affiliate; and

- (2) By making technical 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. 971, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 971, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

SCRep. 725 (Majority) Judiciary and Hawaiian Affairs on S.B. No. 962

The purpose of this measure is to provide for the manner in which prevailing wages for laborers and mechanics on public works projects and certain private works projects is to be established. This measure also allows any individual to bring a suit for injunctive relief for a violation of chapter 104, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by the Hawaii Carpenter's Union. The Department of Labor and Industrial Relations and the Associated Builders and Contractors testified in opposition to the measure.

This measure extends the prevailing wages law to include public works projects, certain types of private projects, and projects that are subsidized by tax credits issued by the State or tax exemptions granted by the counties or involve state or county lands. Additionally, your Committee finds that this measure allows any individual to enjoin a contractor for a violation of chapter 104, Hawaii Revised Statutes.

Your Committee has amended this measure by providing that it does not retroactively apply to public works projects commenced in reliance on laws providing a tax credit or tax exemption, or governmental lease of land, before the effective date 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 S.B. No. 962, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 962, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Whalen). Excused, 2 (English, Ihara).

SCRep. 726 (Majority) Judiciary and Hawaiian Affairs on S.B. No. 535

The purpose of this measure is to prohibit an employer or labor organization from discriminating against an employee who uses accrued or available sick leave in accordance with a valid collective bargaining agreement or employment policy.

Testimony in support of this measure was submitted by the Hawaii State Teacher's Association and ILWU Local 142. Testimony in opposition to the measure was submitted by Verizon Hawaii, the Society for Human Resource Management, Hawaii Shipyards Inc., the Chamber of Commerce of Hawaii, the Honolulu Advertiser, the Retail Merchants of Hawaii, and Young Brothers Limited. Offering comments on the measure were the Department of Human Resources Development, the Hawaii Civil Rights Commission, and the Department of Labor and Industrial Relations.

Your Committee finds that this measure is designed to allow employees to use sick leave benefits that they have accrued in accordance with an express provision of a valid collective bargaining agreement or employment policy without the fear of demotion, the withholding of pay, or discharge by a labor organization or any other employer.

Your Committee has amended this measure by:

- (1) Including language that prohibits an employer from discriminating against an employee who uses accrued sick leave pursuant to a negotiated attendance policy and deleting references to sick leave benefits obtained through collective bargaining and employment policies to avoid interference with collective bargaining principles and possible preemption by the National Labor Relations Act;
- (2) Removing references to hire or to employ as the prohibition applies to employees and not to individuals not yet hired or employed; and
- (3) Deleting the definition of "employee" which included an individual with a nonchronic condition of a short-term nature.

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. 535, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 535, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Chun Oakland). Excused, 1 (Whalen).

SCRep. 727 Judiciary and Hawaiian Affairs on S.B. No. 744

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

Specifically, this measure:

- (1) Enacts a provision establishing personal liability and penalty provisions for general partners by making them liable for all debts and liabilities of the limited partnership;
- (2) Clarifies that service of process may be effectuated by certified or registered mail if a named agent for service of process is not found within the State; and
- (3) Conforms requirements relating to administrative cancellation and reinstatement.

Testimony in support of the measure was submitted by the Commissioner of Securities and one individual.

This is a housekeeping measure that clarifies ambiguities and corrects errors in the State's business registration laws. Your Committee finds that this measure will facilitate the operations of businesses located in the State.

Your Committee has amended this measure by modifying the personal liability provisions relating to general partners by making a general partner severally liable in the amount of \$25 per month for failing to comply with the provisions of Hawaii's business registration laws.

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. 744, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 744, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 728 Judiciary and Hawaiian Affairs on S.B. No. 781

The purpose of this measure is to clarify the authority of police officers and deputy sheriffs to quarantine individuals or groups when required by the Department of Health.

Testimony in support of the measure was submitted by the Department of Health, the Department of Public Safety, and the Oahu Civil Defense Agency for the City and County of Honolulu.

Under current law, law enforcement personnel are expressly authorized to remove infected persons or take such measures as may be necessary for the public health and safety. It is unclear what these other measures include. This bill makes it clear that police officers and deputy sheriffs, in addition to removal, can restrict or confine the movement of persons when required by the Department of Health.

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. 781 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 729 Judiciary and Hawaiian Affairs on S.B. No. 1893

The purpose of this measure is to allow public and private landowners to remove noxious trees within a conservation district by applying for a site plan approval permit with the Department of Land and Natural Resources.

Testimony in support of the measure was submitted by a member of the Maui County Council, the University of Hawaii Environmental Center, the Land Use Research Foundation of Hawaii, The Nature Conservancy of Hawaii, and one individual. The Department of Land and Natural Resources testified in opposition to the measure.

This measure permits public and private landowners to remove noxious trees from lands located within a conservation district by applying for a site plan approval permit with the Department of Land and Natural Resources. The landowners will be exempt from the need to apply for an environmental assessment or environmental impact statement unless the department determines that removal will have a significant effect on the environment. Your Committee finds that this measure provides a streamlined process for landowners to remove noxious trees designated as such by the Department of Land and Natural Resources.

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. 1893 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 730 Human Services on S.B. No. 691

The purpose of this measure is to amend the name of the "Hawaii State Clearinghouse for Missing Children" to "Missing Child Center-Hawaii."

Testimony in support of this measure was received from the Department of the Attorney General.

Your Committee finds that this measure will bring uniformity to the program name of the Missing Child Center-Hawaii. In 1997, the Hawaii State Clearinghouse for Missing Children was renamed the Missing Child Center-Hawaii; however, this change was never made in the statute. This name change will help to avoid confusion in the mind of the public by clarifying that there is only one such entity.

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. 691 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 (Fukunaga, Kokubun).

SCRep. 731 (Joint/Majority) Human Services and Education and Military Affairs on S.B. No. 1018

The purpose of this measure is to exempt private preschools and their programs that are part of a licensed elementary school from the licensing requirements imposed by the Department of Human Services.

Testimony in support of this measure was submitted by the Hawaii Association of Independent Schools, the Hawaii Council of Private Schools, and two individuals. Testimony in opposition to this measure was submitted by the Department of Human Services, the Good Beginnings Alliance, and the Hawaii Association for the Education of Young Children. Comments were received from the Hawaii Catholic Conference.

Your Committees find that many independent and private elementary schools are either accredited or licensed by the Hawaii Association for Independent Schools, the Hawaii Council of Private Schools, or other accrediting or licensing bodies, and are also licensed by the Department of Human Services. A single licensing or accreditation program apart from the Department of Human Services would be appealing, more efficient, and less bureaucratic when a private preschool and its programs are part of a licensed elementary school.

Your Committees have amended this measure by changing the effective date to July 1, 2010, to encourage more discussion on this topic.

As affirmed by the records of votes of the members of your Committees on Human Services and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1018, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1018, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, 1 (Trimble). Excused, 3 (Fukunaga, Kokubun, Hogue).

SCRep. 732 Ways and Means on S.B. No. 97

The purpose of this measure is to replace the current standard deduction amount for state income tax purposes with an unspecified amount.

Your Committee finds that it has been more than twenty years since the standard deduction has been modified and taxpayers in Hawaii are long overdue for an adjustment to the state standard deduction. An increase in the standard deduction enhances fairness in the state income tax, providing moderate tax relief for low income families and taxpayers who do not itemize on their income tax returns.

Your Committee has amended this measure by making a technical nonsubstantive amendment for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 97, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 97, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 733 (Majority) Ways and Means on S.B. No. 1415

The purpose of this measure is to encourage more eligible families in Hawaii to claim the federal earned income tax credit.

Specifically, this bill creates a three-year pilot program in the Department of Taxation to:

- (1) Provide free tax counseling and income tax return preparation for these low-income persons;

- (2) Implement an informational campaign to educate the public about the availability of the credit, the eligibility requirements, and procedures for claiming the credit; and
- (3) Provide outreach services to target populations such as families making the transition from welfare to work, non-English speakers, and families with hanai children.

The program is to be operated with a grant to Aloha United Way for the first two years and by a private contractor chosen by bid proposals for the third year. The payment to the contractor is set at twenty per cent of the total amount of the federal earned income tax credit claimed by assisted tax filers. Aloha United Way and the contractor are to report to the Department of Taxation on the program's accomplishments to enable the Department to submit a report of the program's results to the Legislature before the convening of the Regular Session of 2008.

Your Committee believes that the program is a worthwhile investment and that if the federal earned income tax credits were increased by only ten per cent, more than \$3,000,000 may be added to the State's economy. With a utilization multiplier of five, this additional \$3,000,000 in the economy would generate approximately \$625,000 in additional excise taxes and also stimulate economic activity and result in job creation.

Your Committee has amended this bill by:

- (1) Changing the appropriation to an unspecified amount in section 3 to promote further discussion, as well as deleting the mention of the appropriated figure in section 2 on p. 5, lines 3 and 13;
- (2) Clarifying that the appropriation is a grant pursuant to chapter 42F, Hawaii Revised Statutes; and
- (3) Making technical 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. 1415, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1415, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Slom). Excused, 1 (English).

SCRep. 734 (Majority) Ways and Means on S.B. No. 1740

The purpose of this measure is to provide income tax relief to low and middle income families.

Specifically, this measure revises the income tax brackets by eliminating the two lowest tax brackets and inserting a new tax bracket before the top rate applies. As a result, taxable income for married individuals filing jointly and surviving spouses begins at \$8,000 in taxable income, rather than \$4,000. Taxable income for heads of household would begin at \$6,000 in taxable income, rather than \$3,000. These rates would apply to taxable years beginning after December 31, 2005.

Your Committee finds that the state income tax brackets are so compressed that people on public assistance pay income taxes and the highest rate for married taxpayers filing jointly begins when their taxable income reaches just over \$80,000. The median income for a family of four in Hawaii, with both parents working, is approximately \$70,000. As a result, if such a family earned only \$900 more each month, they would be taxed in the same bracket as a family with an annual income of \$900,000.

The Legislature further finds that comparisons with the average income in other states are meaningless when the consumer price index in Hawaii for housing, food, clothing, education, and transportation is factored in. Hawaii's income tax brackets need to reflect the fact that a \$70,000 family income in Hawaii buys much less than a \$70,000 family income in most other cities in the United States.

Your Committee has amended this bill by making it applicable to taxable years beginning after December 31, 2050, in order to promote further discussion of the issues raised. Your Committee also made technical, nonsubstantive changes to the bill for the purposes of consistency and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1740, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1740, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Trimble). Excused, 1 (English).

SCRep. 735 (Majority) Ways and Means on S.B. No. 1756

The purpose of this measure is to transfer \$22,277,213 from the state highway fund into the general fund.

On July 1, 2005, the Director of Finance is authorized to transfer from the state highway fund to the general fund the sum of \$22,277,213, or so much thereof as may be necessary for fiscal year 2005-2006.

Your Committee has amended this bill by removing its contents and replacing it with the following:

- (1) Creating a temporary Transit Authority to be governed by a board of directors composed of seven members to administer the temporary transit special fund;
- (2) Prescribing membership of the board of directors of the temporary Transit Authority as follows:
 - (A) Four members, one from each county, shall be appointed by the respective mayors of the several counties;
 - (B) One member to be appointed by the Governor;
 - (C) One member to be appointed by the President of the Senate; and
 - (D) One member to be appointed by the Speaker of the House of Representatives;
- (3) Requiring the temporary Transit Authority board of directors to allocate moneys from the temporary transit special fund in a proportionate manner to the counties for the counties' use for a mass transit system, in the case of the city and county of Honolulu, and for other public transit systems or county highways, in the case of the counties of Hawaii, Maui, and Kauai;
- (4) Creating the temporary transit special fund within the state treasury, which is to be administered by the temporary Transit Authority, and into which shall be deposited appropriations and transfers from the state highway fund;
- (5) Repealing the temporary Transit Authority and the temporary transit special fund on July 1, 2008;
- (6) Authorizing the Director of Finance to transfer an unspecified amount from the state highway fund into the temporary transit special fund on July 1, 2005 for fiscal year 2005-2006; and
- (7) Specifying the date of July 1, 2008 for repeal of this Act.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1756, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1756, 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 (English, Espero, Sakamoto).

SCRep. 736 Commerce, Consumer Protection and Housing on S.B. No. 60

The purpose of this measure is to allow a consumer to cancel a pre-need funeral contract at any time before the death of the contract beneficiary and to receive a total refund of properties transferred incident to a perpetual care fund and almost a total refund of payments made under the contract.

Testimony in support of this measure was received from AARP Hawaii, Funeral Consumers Alliance Hawaii, and numerous individuals. Testimony in opposition to the measure was submitted by Hawaiian Memorial Life Plan, Ltd., Dodo Mortuary Life Plan, Inc., Hawaii Allied Memorial Council, Hosoi Life Plan, Inc., Mililani Group, Inc., Ballard Family Mortuaries, Paradise Acquisition Corp., and numerous individuals. The Department of Commerce and Consumer Affairs (DCCA) presented comments.

This measure authorizes a purchaser to cancel a pre-need funeral contract at any time before the death of the beneficiary of a perpetual care fund or pre-need trust, and entitles the purchaser to a total refund of properties transferred as part of the perpetual care fund and a total refund of payments made on the contract, less amounts expended for merchandise delivered to the person. This measure also requires that all payments received by the cemetery or funeral authority be deposited in the pre-need trust and does not allow the retention of "acquisition costs" by the funeral authority.

Your Committee finds that current law requires perpetual care funds to be placed in trust separately from moneys received for funeral and interment purposes, and no offsets are allowed therefrom. Withdrawal of perpetual care funds are allowed only for the care and maintenance of the cemetery. This measure would permit a reduction of the perpetual care fund trust upon the cancellation of a pre-need funeral contract.

Your Committee further finds that there is general agreement that the cemetery and funeral trust law should provide consumers with certain consumer protection rights regarding cancellation of a contract, notification of cancellation due to default, and an opportunity to cure any default. However, opinions differ as to what amounts are reasonable for a cemetery or funeral authority to retain to recover its costs. Accordingly, your Committee has amended this measure:

- (1) To delete references to perpetual care funds;
- (2) To allow a purchaser of pre-need funeral or interment services to cancel the contract in writing at any time before services have been rendered;
- (3) To require a cemetery or funeral authority to provide written notice of default to a purchaser before terminating the contract and to require that the notice describe the nature of the default, amounts owed on the contract, and how the default can be cured, and advise the purchaser of the purchaser's rights upon default;

- (4) To allow a purchaser a minimum of ninety days to cure the default and to receive a statement of payments made and owed, upon request;
- (5) To require the cemetery or pre-need funeral authority, if the contract is terminated upon the request or default of the purchaser, to refund the purchaser's payments, less acquisition costs, within fifteen days of receipt of the purchaser's written notice of cancellation or termination due to default;
- (6) To require the contract to disclose in plain and clear language the name and address of the contract beneficiary, if someone other than the purchaser; the location of the plot, crypt, or niche; the total purchase price and payment terms; trust-related information, including amounts to be retained and not deposited; cancellation and default rights, duties, and procedures; that the parties' rights and duties under the law may not be waived; how interest income is to be disposed of; and the purchaser's liability for taxes on earned income; and
- (7) By replacing the thirty per cent ceiling on acquisition costs that may be retained by a cemetery or funeral authority with an unspecified cap.

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. 60, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 60, 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 (Ige).

SCRep. 737 Commerce, Consumer Protection and Housing on S.B. No. 120

The purpose of this measure is to eliminate the experience equivalency for licensure as a certified public accountant (CPA).

The Hawaii Association of Public Accountants and numerous entities and individuals involved in the accounting profession testified in support of this measure. Testimony in opposition to the measure was received from the Internal Revenue Service, Department of Taxation, State Auditor, Board of Public Accountancy (Board), and numerous entities and individuals involved in the accounting profession.

The law governing the practice of public accountancy establishes experiential requirements for licensure as a certified public accountant. To qualify for a license, an applicant must have either fifteen hundred chargeable hours in the performance of audits or two years of professional experience in the practice of public accountancy. The Board is authorized to allow experience in private or government accounting or auditing to be substituted for the public accountancy experience. This measure repeals that authorization.

Your Committee has amended this measure:

- (1) To retain the experience equivalency for purposes of qualifying for a CPA license, to clarify its scope to include experience in attestation, tax preparation, and tax consulting, and to require the narrow construction of the equivalency provision;
- (2) To define "attestation" for purposes of the equivalency provision and to require the Board of Public Accountancy to adopt rules incorporating industry standards by reference;
- (3) To require that the certification of a license applicant's experience be made by a CPA holding a permit to practice who directly supervised the applicant's professional experience;
- (4) To require two years of professional experience in the practice of public accountancy for a permit to practice and to provide that holders of Hawaii CPA and public accountant licenses prior to December 31, 2005, are deemed to have met the experience requirement;
- (5) To require four hours of continuing professional education for licensure and the same amount of ethics education biannually for license renewal; and
- (6) By inserting an effective date of July 1, 2050 to encourage and facilitate a further discussion of the issues.

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. 120, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 120, 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 (Ige).

SCRep. 738 Commerce, Consumer Protection and Housing on S.B. No. 1137

The purpose of this measure is to enable a condominium association to invest association funds in certificates of deposit through a Hawaii-based securities broker.

The Hawaii Chapter of the Community Associations Institute, Hawaii Association of Realtors, and Starwood Vacation Ownership, Inc., testified in support of this measure. The Hawaii Independent Condominium and Cooperative Owners opposed the measure. The Hawaii Bankers Association presented comments.

Your Committee finds that the intent of the condominium law recodification pursuant to Act 164, Session Laws of Hawaii 2004, (Act 164), was to retain the rights and protections afforded condominium associations and their members with respect to the investment of association funds. However, while current law allows a condominium association to purchase and invest association funds in financial products purchased through a securities broker located in the State, Act 164, which takes effect on July 1, 2005, will preclude these investments by prohibiting the purchase of deposits and certificates of deposit through a Hawaii-based securities broker. This measure repeals that prohibition.

To further effect the recodification's intent to maintain the rights and duties established under current law, your Committee has amended this measure to repeal amendments made to section -149 of Act 164, in order to reflect the substance and organization of section 514A-97(c), Hawaii Revised Statutes.

Additionally, your Committee made a technical amendment to this measure for 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. 1137, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1137, 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 (Ige).

SCRep. 739 Commerce, Consumer Protection and Housing on S.B. No. 77

The purpose of this measure is to require motor carriers to obtain a vehicle identification card from the Department of Transportation.

This measure also requires motor vehicle carriers to be equipped with fenders, covers, or other devices to protect against water or mud sprayed or splashed to the rear of the vehicle.

Testimony in support of this measure was submitted by the Department of Transportation and the Hawaii Transportation Association.

Your Committee finds that existing administrative rules provide for the requirements of vehicle identification cards and mudguards for motor carriers. Currently, however, no similar provisions exist under the current statutory law. Therefore, your Committee determines that codification of these requirements will better enable the Department of Transportation to enforce safety regulations imposed by the Federal Motor Carrier Safety Administration.

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. 77, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ige).

SCRep. 740 Judiciary and Hawaiian Affairs on S.B. No. 779

The purpose of this measure is to allow the Department of Hawaiian Home Lands to enter into business relationships with private companies to generate additional revenue to support its programs and operations.

Testimony in support of the measure was submitted by the Department of Hawaiian Home Lands. The Native Hawaiian Legal Corporation testified in opposition to the measure.

This measure authorizes the Department of Hawaiian Home Lands to enter into business relationships with private companies in the form of partnerships, possible creation of a nonprofit corporation, and purchasing stock or ownership interests in another entity. Any profit or return realized by the Department in its business investments can be used to implement, support, and expand Hawaiian Home Land programs.

Your Committee has amended this measure by:

- (1) Making technical, non-substantive changes for purposes of clarity and style; and
- (2) Inserting a congressional consent clause for the Hawaiian Homes Commission 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. 779, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 779, 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 (Hee).

SCRep. 741 Judiciary and Hawaiian Affairs on S.B. No. 780

The purpose of this measure is to amend the group of successors that is authorized to inherit a lessee's interest under the Hawaiian Homes Commission Act.

The Department of Hawaiian Home Lands and the Waimea Hawaiian Homesteaders' Association, Inc. submitted testimony in support of this measure.

In 2002, the Hawaiian Homes Commission Act was amended to allow lessees to transfer their leasehold interests to brothers and sisters who are at least one-quarter Hawaiian; however, the authority to designate a brother or sister who has at least one-quarter Hawaiian to inherit a lessee's leasehold interest was not amended. Currently, lessees may only designate a spouse, child, or grandchild who has at least one-quarter Hawaiian to inherit their leasehold interest. Thus, this measure amends the Hawaiian Homes Commission Act to allow lessees to designate brothers or sisters who are at least one-quarter Hawaiian to inherit their leasehold 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 S.B. No. 780 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, 1 (Hee).

SCRep. 742 (Joint) Judiciary and Hawaiian Affairs and Ways and Means on S.B. No. 255

The purpose of this measure is to propose a constitutional amendment to the Hawaii Constitution to provide for the election of the Attorney General of the State of Hawaii.

Testimony in support of the measure was submitted by the Department of the Prosecuting Attorney for the City and County of Honolulu and the Campaign Spending Commission. Testimony in opposition to the measure was submitted by the Hawaii Government Employees Association.

This measure proposes to amend the Hawaii Constitution to provide for the election of the Attorney General for the State of Hawaii. Your Committees find that this measure establishes the eligibility requirements for a candidate for this elective office, the term of office, the powers and duties of this elected position, and the process of impeachment for removing the Attorney General. Your Committees note that over forty states elect their Attorneys General and that it is appropriate for Hawaii to join their ranks.

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. 255, S.D. 1, and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 15. Noes, none. Excused, 5 (English, Hooser, Ihara, Kanno, Hemmings).

SCRep. 743 (Joint) Judiciary and Hawaiian Affairs and Ways and Means on S.B. No. 264

The purpose of this measure is to allow defendants traveling from the islands of Molokai and Lanai to attend legal proceedings within the second judicial circuit to be reimbursed for travel related expenses as well as be eligible for a per diem allowance.

Testimony in support of the measure was submitted by four members of the Office of the Public Defender, Maui Office, and one individual.

This measure allows defendants traveling from the islands of Molokai and Lanai to attend legal proceedings within the second judicial circuit to be eligible for reimbursement for travel related expenses and a per diem allowance. Your Committees find that reimbursement of travel expenses and providing a per diem allowance for defendants traveling from the islands of Molokai and Lanai to attend legal proceedings within the second judicial circuit is warranted.

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. 264, S.D. 1, and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 15. Noes, none. Excused, 5 (English, Hooser, Ihara, Kanno, Hemmings).

SCRep. 744 (Joint) Judiciary and Hawaiian Affairs and Ways and Means on S.B. No. 1547

The purpose of this measure is to address the issue of public access to state government, including the legislative and judicial branches of government.

Specifically, this measure:

- (1) Allows the Governor to appoint a Fair Access Commission to review, evaluate, and make recommendations for improving the level of access to government by residents on the neighbor islands and rural Oahu;
- (2) Authorizes the Joint Legislative Access Committee to review, evaluate, and make recommendations to the presiding officers of the Legislature for improving the level of access to legislative proceedings; and
- (3) Requires the Legislature and Judiciary to ensure fair access to information, services, and proceedings for both the legislative and judicial branches.

Testimony in support of the measure was submitted by two individuals. Testimony in opposition to the measure was submitted by the Office of Information Practices.

Your Committees find that this measure also requires the Legislature and Judiciary to take steps to ensure fair access to information, services, and proceedings within these branches of government.

Your Committees have amended this measure by making the effective date defective in order to promote continuing discussion on this measure.

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. 1547, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1547, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ayes, 15. Noes, none. Excused, 5 (English, Hooser, Ihara, Kanno, Hemmings).

SCRep. 745 Judiciary and Hawaiian Affairs on S.B. No. 130

The purpose of this measure is to implement an expedited process that permits the Department of Health to involuntarily medicate mental health patients housed in state operated or funded psychiatric inpatient facilities for safety reasons.

Testimony in support of the measure was submitted by the Department of Health and the Hawaii Disability Rights Center. Testimony in opposition to the measure was submitted by the Office of the Public Defender. The Judiciary and one individual offered comments on the measure.

This measure permits, but does not require, the Department of Health to obtain judicial authorization prior to involuntarily medicating an individual housed in a state operated or funded psychiatric inpatient facility for safety purposes. Your Committee finds that this measure involves complex medical, legal, and mental health issues. In particular, your Committee is concerned that this measure subjects three classes of individuals who have been committed to the care of the State for different purposes and under different standards to an expedited procedure where an attorney, as opposed to a doctor, makes findings as to the appropriateness of involuntarily medicating that individual.

Your Committee has amended this measure by making the effective date defective in order to promote continuing discussion 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 S.B. No. 130, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 130, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

SCRep. 746 Judiciary and Hawaiian Affairs on S.B. No. 556

The purpose of this measure is to create a rebuttable presumption in favor of joint custody in all custody determinations involving children.

Testimony in support of the measure was submitted by the Children's Rights Council of Hawaii and seven individuals. Testimony in opposition the measure was submitted by the Legal Aid Society of Hawaii and six individuals. Offering comments on the measure were the Judiciary, the Domestic Violence Clearinghouse and Legal Hotline, and one individual.

This measure creates a rebuttable presumption in favor of joint custody in all child custody determinations. Under this measure, joint custody is defined as shared parenting as developed in a parenting plan by the mother and father of a child.

Your Committee has amended this measure by:

- (1) Deleting the rebuttable presumption in favor of joint custody and instead requiring a court, in determining custody arrangements, to ensure that a child has frequent, continuing, and developmentally appropriate contact with both parents, to encourage both parents to share the rights and responsibilities in raising that child, and not to disrupt the normal breastfeeding routine of a child under the age of two;

- (2) Requiring the submission of a parenting plan along with a complaint or answer to a divorce and requiring the parties involved in a divorce action to attend alternative dispute resolution or participate in professional counseling in the event that the parties cannot agree on a parenting plan; and
- (3) Defecting the effective date to promote continuing discussion 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 S.B. No. 556, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 556, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 747 Judiciary and Hawaiian Affairs on S.B. No. 702

The purpose of this measure is to update Hawaii's antitrust laws governing mergers and acquisitions.

The Department of the Attorney General and one individual testified in support of the measure.

This measure amends Hawaii's mergers and acquisitions law so that it applies to various forms of business entities, including corporations, firms, trusts, partnerships, limited partnerships, limited liability partnerships, limited liability limited partnerships, and limited liability companies. This measure also permits a party whose business may be harmed by a monopoly to seek injunctive relief against a threatened loss or injury without having to allege or prove actual loss or injury. Your Committee finds that these provisions will conform state law to federal law.

Your Committee has amended this measure by amending the injunctive relief provision to permit a party to seek injunctive relief against a threatened "loss or damage" instead of "loss or injury" to conform Hawaii's law to the federal statute on antitrust.

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. 702, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 702, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 748 Judiciary and Hawaiian Affairs on S.B. No. 785

The purpose of this measure is to allow public meetings by video teleconferencing to continue even if the video connectivity is interrupted or stopped.

Testimony in support of the measure was submitted by the State Council on Developmental Disabilities and Hawaii Health Systems Corporation. The Office of Information Practices testified in opposition to the measure.

This measure allows public meetings conducted by video teleconferencing to continue even after video connectivity is interrupted or lost, provided that visual aids are made available to or may be readily transmitted to other board members and no more than fifteen minutes has elapsed before these transmissions take place. This measure also permits a public board to consider, in the event videoconference facilities are unavailable, letting board members participate by teleconferencing as long as the teleconferencing does not impact compliance with quorum or voting requirements of that board.

Your Committee has amended this measure by removing the provision allowing a public board to consider, in the event videoconference facilities are unavailable, participation by teleconferencing as long as the teleconferencing does not impact compliance with quorum or voting requirements of that board.

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. 785, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 785, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 749 Judiciary and Hawaiian Affairs on S.B. No. 904

The purpose of this measure is to allow the University of Hawaii to manage all real property owned, leased, or under its control in accordance with the law.

Testimony in support of the measure was submitted by the University of Hawaii. Testimony in opposition to the measure was submitted by the Office of Hawaiian Affairs, the Sierra Club-Hawaii Chapter, Mauna Kea Anaina Hou, and KAHEA.

Under current law, the University of Hawaii is authorized to manage its inventory, equipment, surplus property, and expenditures, according to law, and to adopt rules to control and regulate them. This measure clarifies that the University of Hawaii's management authority, as provided by law, extends to the real property owned, leased, or under its control. Your Committee notes that in the

absence of enabling legislation, the authority of the University of Hawaii to manage its real property holdings may not include the right to exercise law enforcement related duties and powers.

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. 904, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 750 Judiciary and Hawaiian Affairs on S.B. No. 951

The purpose of this measure is to establish criminal penalties for the intentional setting of fires within forest reserves, public hunting areas, wildlife and plant sanctuaries, and natural area reserves.

Testimony in support of the measure was submitted by the Department of Land and Natural Resources. Testimony in opposition to the measure was submitted by the Office of the Public Defender.

This measure provides that an individual that intentionally sets fire to lands within the jurisdiction of the Department of Land and Natural Resources is guilty of the offense of criminal property damage. In addition, this bill increases the penalty from a misdemeanor to a felony for any person who sets a fire within a closed fire area without a permit or who maliciously sets a fire that burns another person's property, and provides that an individual who intentionally sets the fire is also subject to a fine and is responsible for restitution to defray the costs of extinguishment as well as the actual amount of damages incurred.

Your Committee has amended this measure by:

- (1) Making technical, non-substantive amendments for purposes of clarity and style; and
- (2) Inserting a savings clause.

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. 951, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 951, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 751 Judiciary and Hawaiian Affairs on S.B. No. 1336

The purpose of this measure is to amend the right of first refusal provision in lease to fee conversions for condominiums and cooperative housing corporations.

Testimony in support of the measure was submitted by the St. Francis Healthcare System, the Queen Lili'uokalani Trust, the Small Landowners Association of Hawaii, the Small Landowners of Oahu, and four individuals. Testimony in opposition to the measure was submitted by Monarch Properties, Inc.; the Hawaii Council of Associations of Apartment Owners; and the Hawaii Independent Condominium and Cooperative Owners.

This measure provides that a co-lessor or co-owner who is not a party to the offer to sell the leased fee interest will be given the right of first refusal, provided that the co-lessor or co-owner exercises this right within a specified time period. If the co-lessor or co-owner fails to act, the association of apartment owners or cooperative housing corporation will then be given the right of first refusal for lease to fee conversions.

Your Committee notes that this bill contains a defective effective date for purposes of further discussion. Accordingly, your Committee, for those purposes, will move this measure forward for further consideration that may include a more workable limitation of the proposed exception so that only landowners that qualify as a tax exempt charitable organization would be entitled to the exception.

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. 1336, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 752 Judiciary and Hawaiian Affairs on S.B. No. 1345

The purpose of this measure is to remove the types of issues that may not be adjudicated in an administrative hearing involving condominium disputes and allow adjudication of these and other issues that were unresolved in a preceding mediation.

Testimony in support of the measure was submitted by the Department of Commerce and Consumer Affairs, the Community Associations Institute-Hawaii Chapter, the Hawaii Independent Condominium and Cooperative Owners, and the Hawaii Council of Associations of Apartment Owners.

This measure will allow all issues, involving condominium disputes that were considered in an unsuccessful preceding mediation, to be adjudicated in an administrative hearing.

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. 1345, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

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

SCRep. 753 Judiciary and Hawaiian Affairs on S.B. No. 1409

The purpose of this measure is to authorize the Department of Land and Natural Resources (DLNR) to issue long-term leases to qualified individuals in Kahana Valley. This measure also establishes an advisory committee to monitor compliance with the agreements.

Two individuals testified in support of the measure. The DLNR and one individual testified in opposition to the measure.

This measure authorizes DLNR to issue additional long-term leases to qualified individuals residing in Kahana Valley on the condition that these persons participate in the Kahana Valley State Park interpretive or caretaking program. This measure also establishes an advisory committee to monitor and advise DLNR on matters relating to the management of the lease program.

Your Committee notes that the Department of the Attorney General issued an opinion that raises questions as to the constitutionality of this measure. It is the intent of your Committee to seek an additional legal opinion on this issue in order to promote further discussion on this matter.

Your Committee has amended this measure by making the effective date defective and technical, non-substantive amendments for purposes of clarity.

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. 1409, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1409, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

SCRep. 754 Judiciary and Hawaiian Affairs on S.B. No. 1468

The purpose of this measure is to expand the ban on smoking to include all areas in private and public health care facilities and in areas between the curb to the cabin at all state airports.

Testimony in support of this measure was submitted by the Department of Health, the American Cancer Society, the American Heart Association, the Coalition for a Tobacco Free Hawaii, the Tobacco-Free Kauai Coalition, and five individuals. Offering comments on the measure were the Department of Transportation and the American Lung Association.

This measure prohibits smoking in all areas in private and public healthcare facilities and in all areas between the curb to the cabin at the airport, without any exception that would permit smoking in these facilities and at the airport. Your Committee finds that such a prohibition will benefit the health of 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. 1468, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 755 (Joint) Commerce, Consumer Protection and Housing and Judiciary and Hawaiian Affairs on S.B. No. 608

The purpose of this measure is to require any physician, surgeon, hospital, or clinic that treats an individual who was involved in a motor vehicle collision that resulted in a serious injury or death to report pertinent information to the police.

Testimony in support of this measure was submitted by the Department of the Prosecuting Attorney, the Honolulu Police Department, and the Queen's Medical Center.

Your Committees find that under section 453-14, Hawaii Revised Statutes, physicians and health care facilities are required to report certain injuries or wounds to the police. However, the current law does not specifically require a physician or health care facility to report information regarding motor vehicle accidents that result in serious injury or death without obtaining consent from a patient. Your Committees further find that under the Health Insurance Portability and Accountability Act (HIPAA), the release of certain medical information is prohibited. However, under HIPAA, exemptions do exist for legitimate law enforcement purposes, but they must be specifically enumerated in state law. Therefore, your Committees determine that passage of this measure is necessary in order to aid the police in obtaining information that is essential to the investigation and prosecution of motor vehicle related injuries and homicides.

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. 608 and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (English, Ige, Ihara).

SCRep. 756 (Majority) Ways and Means on S.B. No. 717

The purpose of this measure is to transfer the Business Action Center from the Department of Business, Economic Development, and Tourism to the Department of Commerce and Consumer Affairs.

Your Committee finds 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 ensuring continuity in the high quality and level of service already provided by the Business Action Center.

Your Committee further finds that existing law requires the Director of Business, Economic Development, and Tourism to fill those positions without regard to the civil service law. Your Committee believes 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.

In light of these findings, your Committee has amended the measure by deleting its contents and inserting provisions that convert the supervisory and personnel positions at the Business Action Center from exempt to civil service status and subjects these positions to public employment collective bargaining laws. Furthermore, the amended measure provides that the present employees in those affected positions will continue to perform their regular duties.

Your Committee believes that 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 S.B. No. 717, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 717, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (English, Kim, Nishihara).

SCRep. 757 Ways and Means on S.B. No. 719

The purpose of this measure is to improve government efficiency by merging the State's business financing programs, the Hawaii Capital Loan Program, and the Hawaii Strategic Development Corporation, into a single financial assistance entity to be administered by the Hawaii Strategic Development Corporation.

Specifically, this bill repeals chapter 210, Hawaii Revised Statutes, relating to the Capital Loan Program under the Department of Business, Economic Development, and Tourism and creates a new part to chapter 211F relating to the same subject wherein financing programs are administered by the Hawaii Strategic Development Corporation.

Your Committee finds that creating a single financing program from existing programs will facilitate issuing and administering loans to businesses that do not meet the criteria for conventional lending services. Your Committee believes that this measure ensures that the State will continue to offer a range of financing options to new and developing businesses and that the program will be strengthened by coordinating the two entities' resources under a single program.

Upon further consideration, your Committee has amended this bill by:

- (1) Clarifying that moneys in certain funds are disbursed by a board of directors and not by a departmental director on page 3, lines 14-15;
- (2) Clarifying that moneys are transferred "between" rather than "to" the State Disaster Revolving Loan Fund "and" rather than "or" the Hawaii Capital Loan Special Fund on page 3, lines 20 and 21;
- (3) Clarifying that loans are made to small business concerns by inserting the word "small" on page 6, line 8;
- (4) Deleting the word "qualified" in front of the phrase "small business" for purposes of consistency on page 10, line 14;
- (5) Clarifying that loan guarantees are to be limited to small business concerns by inserting the word "small" on page 11, line 7;

- (6) Clarifying that a reduced fee of one per cent is paid on loans of \$75,000 or less with a maturity exceeding twelve months and on loans with a maturity of twelve months or less by re-deleting the paragraph format and re-arranging text on page 12, lines 11-14; and
- (7) Making various technical 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. 719, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 719, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (English, Fukunaga, Kim, Nishihara).

SCRep. 758 (Majority) Ways and Means on S.B. No. 1374

The purpose of this measure is to ensure that Hawaii will actively participate in, and benefit from, the emergence of the People's Republic of China as an economic and global leader.

Specifically, this bill requires the Director of Business, Economic Development, and Tourism to form an ad hoc China/Hawaii economic strategic plan working group, to be appointed by the Governor no later than July 1, 2005, to develop the China/Hawaii economic strategic plan 2020. The plan is to contain a detailed outline and guide for the State to follow in order to benefit economically from the emergence of the People's Republic of China as an economic and global leader. The Director is to submit:

- (1) A written preliminary report by December 15, 2005, for its consideration during the regular session of 2006; and
- (2) A written final report by July 31, 2007, for its consideration during the regular session of 2008.

Finally, the bill appropriates \$100,000 to the Department of Business, Economic Development, and Tourism to develop a China/Hawaii economic strategic plan.

Your Committee believes that Hawaii requires a comprehensive strategic plan to ensure that the State will actively participate in and benefit from the emergence of the People's Republic of China as an economic and global leader.

Upon further consideration, your Committee has amended this bill by:

- (1) Requiring only one report to the legislature and moving up the date of its submission to not less than twenty days prior to convening of the regular session on 2007;
- (2) Clarifying that the ad hoc working group is temporary by inserting language, on p. 9, line 15, to terminate the working group on June 30, 2006;
- (3) Moving up the repeal date, consistent with the foregoing changes, to July 31, 2007;
- (4) Changing the appropriated amount to an unspecified amount for purposes of stimulating further discussion; 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1374, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1374, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (English, Kim, Nishihara).

SCRep. 759 Ways and Means on S.B. No. 1378

The purpose of this measure is to statutorily designate the path from Halawa landing to Waipahu as the Pearl Harbor historic trail to meet the necessary requirements for federal funding opportunities to support the planning, construction, and completion of the trail.

Your Committee finds that the Pearl Harbor historic trail and the leeward bike path will merge into a multi-use path that will run approximately 18.6 miles from Halawa landing to Waipahu. The trail will serve the community by providing an outdoor recreation and transportation network and add to the economic vitality of these areas by serving as a springboard for historic preservation and education and by creating economic opportunities for community businesses.

Your Committee amended this measure by making technical, nonsubstantive amendments for 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. 1378, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1378, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (English, Kim, Nishihara).

SCRep. 760 Ways and Means on S.B. No. 1696

The purpose of this measure is to encourage venture capital investment into privately-held Hawaii companies.

Your Committee finds that an obstacle to the investment of venture capital into privately-held Hawaii companies is the prudent investor or person rule. This measure will protect fiduciaries that make venture capital investments in Hawaii companies of up to two and one half per cent of their available funds, but not more ten per cent of their capital, from liability under the prudent investor or person rule.

Your Committee has amended this measure by:

- (1) Adding an amendment to section 554C-1, the prudent investor section, noting the exception to the rule provided by this measure; and
- (2) 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. 1696, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1696, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (English, Kim, Nishihara).

SCRep. 761 Ways and Means on S.B. No. 1697

The purpose of this measure is to provide funding for start-up operations of an integrated airline training center in Hawaii.

Your Committee finds that in a memorandum of understanding between the University of Hawaii Board of Regents and Alteon, a global corporation that serves the training needs of Boeing's airline clients, there was an understanding to develop an ab initio training program for pilots. The program will aim to provide quality commercial aviation training and certify approximately one hundred pilots per year.

The business plan for the program calls for an approximately \$11,000,000 start-up investment. The China Aviation Development Foundation has offered \$5,000,000 in aircraft and flight training equipment, and Taiwanese executives have expressed strong interest in providing \$4,000,000 in start-up loans. This measure would cover the remaining start-up costs, which are for expenses as a one-time investment and would enable the University of Hawaii to serve as a catalyst to start the integrated airline training center.

Upon further review, your Committee amended this measure by:

- (1) Changing the appropriation amount to an unspecified amount to facilitate continued discussion on this matter;
- (2) Clarifying that the appropriation is to be expended by the University of Hawaii through a contract with the Research Corporation of the University of Hawaii;
- (3) Changing the effective date from July 1, 2005 to July 1, 2050; and
- (4) Making technical nonsubstantive amendments for 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. 1697, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1697, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (English, Kanno).

SCRep. 762 Ways and Means on S.B. No. 1734

The purpose of this measure is to establish an investment tax credit for investments made in the development of a motor sports recreation and public safety training and educational facility in Kalaeloa, parcel 9 at the former Barbers Point Naval Air Station.

Your Committee finds that the existing motor sports facility in Leeward Oahu was built over forty years ago and meets the minimum safety standards for facilities of its kind. The facility, however, does not include many of the more desirable safety standards that are part of modern motor sports facilities. A new motor sports facility will not only provide a modern and safe racing environment for racing motorists, but will also provide a temporary boost in construction activity and permanent jobs after the new facility is completed.

This measure provides the incentive to raise the necessary capital to build a new motor sports recreation and public safety training and educational facility at Kalaeloa, parcel 9.

Your Committee has amended the measure by:

- (1) Changing the \$60,000,000 aggregate amount for tax credits to an unspecified amount;
- (2) Changing the effective date for purposes of furthering discussion;
- (3) Replacing Kalaeloa, parcel 9 with an unspecified site; and
- (4) Making technical 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. 1734, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1734, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (English, Kanno).

SCRep. 763 Ways and Means on S.B. No. 72

The purpose of this measure is to make permanent the current exemption from the rental motor vehicle surcharge tax for vehicles that are rented to the lessor while a vehicle is being repaired.

Your Committee finds that the existing exemption from the rental motor vehicle surcharge tax will expire on August 31, 2007. The current surcharge of \$3 per day will drop to \$2 per day after that date. Your Committee finds that no revenue will be lost to the State in making this exemption 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. 72, 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 (English, Kim, Nishihara).

SCRep. 764 Ways and Means on S.B. No. 179

The purpose of this measure is to:

- (1) Require the Housing and Community Development Corporation of Hawaii to hold a public hearing on a proposed housing project in the community plan area where the proposed project is to be located; and
- (2) Allow the legislative body of the county where the proposed project is to be located sixty rather than forty-five days to approve or disapprove of the project.

Your Committee finds that this measure will allow more public input and time for deliberation by the county legislative body in the review and decision-making on a proposed housing project.

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. 179, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 179, S.D. 3.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Kim, Nishihara).

SCRep. 765 (Majority) Ways and Means on S.B. No. 747

The purpose of this measure is to regulate money transmission in the State.

Money transmission means receiving currency or payment instruments to transmit, deliver, or instruct to be delivered to another location, inside or outside the United States, by any means including but not limited to wire, facsimile, courier, or electronic transfer. Money transmission does not include solely providing connection services to the Internet, telecommunications services, or network access.

This bill requires the annual registration of money transmitters with the Commissioner of Financial Institutions and establishes civil penalties for the failure to register.

Your Committee finds that regulation of money transmission is important because it will:

- (1) Reduce the potential for customer losses from fraud and unsound business practices;
- (2) Prevent the laundering of profits from illegal activities such as, drug distribution, gambling, or prostitution; and

- (3) Provide valuable information to financial institutions that provide banking services to money transmitters.

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. 747, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 747, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (English, Kim, Nishihara).

SCRep. 766 Ways and Means on S.B. No. 751

The purpose of this measure is to make housekeeping changes to the State's insurance statutes.

Your Committee finds that this measure assists in conforming the State's insurance statutes to federal law and national standards, and improves the efficiency of the insurance commissioner's operations.

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. 751, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 751, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (English, Kanno).

SCRep. 767 Ways and Means on S.B. No. 769

The purpose of this measure is to authorize the Director of Commerce and Consumer Affairs to provide a rebate to cable television subscribers when fees collected and deposited into the compliance resolution fund are in excess of what is needed to fund the Department's cable television division.

The measure also requires the Department of Commerce and Consumer Affairs to conduct an evaluation of the highest and best uses of cable television operator franchise fees, and report its findings and recommendations to the Legislature no later than twenty days before the convening of the Regular Session of 2006.

Your Committee understands that cable television operators are required to pay an annual fee of one per cent of their preceding year's income to cover the costs of administering cable television regulation in Hawaii. The fees collected have sometimes been in excess of what is required for cable television regulation. Your Committee recognizes that a rebate is one option for the surplus of annual fees.

Accordingly, your Committee has amended the bill by:

- (1) Changing its effective date to July 1, 2050, to facilitate further discussion; and
- (2) Adding a proviso to address the contingency amendment in Act 164, Session Laws of 2004, which is amended by this bill; the proviso reads: "provided that Section 4 shall not take effect if the contingent amendment addressed in section 35(5) of Act 164, Session Laws of Hawaii 2004, takes effect on July 1, 2005; and provided further that Section 2 shall not take effect if the contingent amendment addressed in section 35(5) of Act 164, Session Laws of Hawaii 2004, does not take effect on July 1, 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 S.B. No. 769, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 769, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (English, Kanno).

SCRep. 768 (Majority) Ways and Means on S.B. No. 770

The purpose of this measure is to transfer regulatory oversight of mortgage brokers and mortgage solicitors from the Director of Commerce and Consumer Affairs to the Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs.

Specifically, this measure redefines "mortgage commissioner" to mean the Commissioner of Financial Institutions rather than the Director of Commerce and Consumer Affairs.

Your Committee finds that under the present administrative practice, the Director of Commerce and Consumer Affairs has delegated the regulation of mortgage brokers and mortgage solicitors to the Department of Commerce and Consumer Affairs' Professional and

Vocational Licensing Division. Your Committee finds, however, that it is actually the Department's Division of Financial Institutions that possesses greater resources and background in the technical aspects of mortgage banking than does the Division of Professional and Vocational Licensing.

Your Committee has amended this measure by deleting the amendment requiring the mortgage broker or mortgage solicitor to register to do business with the Commissioner of Financial Institutions rather than with the Business Registration Division. Your Committee finds that registration with the Business Registration Division is something separate from licensure with the Professional and Vocational Licensing Division.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 770, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 770, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Hemmings). Excused, 3 (English, Kim, Nishihara).

SCRep. 769 Ways and Means on S.B. No. 801

The purpose of this measure is to appropriate funds to provide low-interest home construction loans to displaced Kalapana residents with long-term leases on ceded lands in the Kikala-Keokea homestead area.

The bill also repeals the Kalapana disaster relief program.

Specifically, the measure appropriates \$350,000 for each year of the 2005-2007 fiscal biennium to the Kikala-Keokea revolving fund (fund). Your Committee finds that the fund was established in 2001 to provide low-interest home construction loans to displaced Kalapana residents with long-term leases on ceded lands in the Kikala-Keokea homestead area.

Your Committee also finds that the Kalapana disaster relief program (program) was established in 1991 to provide low-interest acquisition, home construction, and mortgage loans to Kalapana residents who were dispossessed of their homes and land by the Kilauea eruptions. One mortgage loan was made under the program, and this loan has since been paid off. As such, your Committee believes that this program should be repealed.

Your Committee has amended this measure by:

- (1) Deleting the specific amount appropriated and leaving it unspecified to promote further discussion;
- (2) Clarifying that the funds appropriated to provide low-interest home construction loans to displaced Kalapana residents with long-term leases on ceded lands in the Kikala-Keokea homestead area are to be first deposited into the Kikala-Keokea revolving fund prior to expenditure;
- (3) Changing the expending agency from the Department of Human Services to the Housing and Community Development Corporation of Hawaii, since the Corporation is the agency that administers the Kikala-Keokea revolving fund; and
- (4) Making a 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. 801, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 801, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (English, Kanno).

SCRep. 770 (Majority) Ways and Means on S.B. No. 959

The purpose of this measure is to direct the allocation of access operating fees collected by cable television operators to provide equal funding to public, educational, and governmental access programming.

In its franchising agreements with cable operators, the State requires that a percentage of channel capacity and gross revenues be made available for community access. The State delegated the oversight of these community access channels to a public, educational, and governmental or "PEG" access organization in each of the four counties of the State.

Your Committee is aware that on the county of Maui funding for the educational component of community access is not in comparable proportion with the public and governmental components, having decreased from twenty-nine to nine per cent of total funding. This measure would ensure equitable allocation of funding for each component of community access. Your Committee is also aware of the importance of local community control in access matters and understands that active negotiations to resolve funding matters between the access provider and parties representing the education community are in progress.

Accordingly, your Committee has amended the bill by:

- (1) Changing its effective date to July 1, 2050 to facilitate further discussion;

- (2) Making a technical amendment to add a title to the new section added to chapter 440G, Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive amendments for clarity and style, and general applicability.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 959, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 959, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 3 (Hooser, Hemmings, Slom). Excused, 2 (English, Kanno).

SCRep. 771 (Majority) Ways and Means on S.B. No. 982

The purpose of this measure is to increase the number of public shelters available for emergency shelters.

Specifically, this measure provides funding to retrofit public buildings with the installation of hurricane protective measures so that they may serve as emergency shelters.

Your Committee finds that there is a significant shortage of adequate hurricane shelter space in Hawaii. As the public relies on the State to provide these spaces during hurricanes and tropical storms, your Committee believes the number of shelters should be increased to ensure the State is adequately prepared to handle an emergency situation posed by such weather conditions or phenomena.

Your Committee finds this measure is necessary for the health, safety, and general welfare of the public.

Your Committee amended this measure by:

- (1) Changing the source of the appropriation from the general revenues of the State to the Hawaii Hurricane Relief Fund; and
- (2) Making technical, nonsubstantive amendments for 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. 982, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 982, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (English, Kim, Nishihara).

SCRep. 772 Ways and Means on S.B. No. 1117

The purpose of this measure is to authorize the issuance of up to \$160,000,000 in special purpose revenue bonds to assist Hawaiian Electric Company, Inc., Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc. with financing multi-project capital improvement construction necessary for the furnishing of electricity.

Your Committee understands that the use of the proceeds from the sale of tax-exempt special purpose revenue bonds significantly reduces the cost of financing electric utility projects. Hawaiian Electric Company, Inc. and its subsidiary electric utilities estimate an overall savings of \$250,000 for every \$1,000,000 of bonds sold, or total estimated savings of \$40,000,000 over the thirty-year life of the bonds. All savings from this less expensive form of financing will benefit the ratepayers through lower electricity rates.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1117, 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 (Kim, Nishihara).

SCRep. 773 Ways and Means on S.B. No. 1129

The purpose of this measure is to modify conditions for grants given to homeowners by the Insurance Commissioner for the installation of wind resistive devices.

Specifically, this measure eliminates inspection expenses as a reimbursable cost and lowers the amount of the grant award from fifty per cent to thirty-five per cent of costs.

Furthermore, this measure appropriates general funds for the loss mitigation grant program.

Your Committee finds that this measure will enable more homeowners to receive benefits from the loss mitigation grant program, enable more homeowners to protect their homes from destructive hurricane force winds, and thereby reduce the number of homeowners that must seek refuge in the limited number of public shelters.

Your Committee has amended this measure by amending the definition of wind resistive devices to include safe rooms. Furthermore, your Committee has amended this measure by replacing the appropriation of general funds with a transfer of trust funds

from the hurricane reserve trust fund to the loss mitigation grant fund and an appropriation of special funds from the loss mitigation grant fund for the program.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1129, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1129, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kim, Nishihara).

SCRep. 774 Ways and Means on S.B. No. 1132

The purpose of this measure is to complete the recodification of the law on condominium property regimes.

Your Committee finds that Act 164, Session Laws of Hawaii 2004, recodified condominium laws relating to condominium management, governance, operations, and dispute resolution. This measure will complete the recodification of the condominium laws by amending condominium laws relating to:

- (1) The creation, alteration, and termination of condominiums;
- (2) The registration and administration of condominiums; and
- (3) The protection of condominium purchasers.

Your Committee finds that this measure, together with Act 164, will update, clarify, and clearly and uniformly organize the condominium property regimes law.

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. 1132, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1132, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (English, Kanno).

SCRep. 775 (Majority) Ways and Means on S.B. No. 1223

The purpose of this measure is to provide a vehicle to increase the fee charged for dishonored or bounced checks.

Your Committee finds that each year, the cost of doing business in Hawaii, especially for small businesses, continues to rise. Dishonored checks require business owners to track-down, contact and collect the funds represented on these checks. The time spent on dishonored checks is a cost to not only business owners, but consumers as well, if that cost is passed-on to them.

This bill provides a vehicle to increase the dishonored check fee to reasonably compensate business owners for the work involved with these checks, and to hopefully provide a disincentive for persons who write checks that are insufficiently funded.

Your Committee has amended the bill by replacing the word “draw” with the word “drawee” to conform to the language of the existing section 490:3-506.5, Hawaii Revised Statutes. Your Committee has also retained the unspecified amount of the fee and the defective date for purposes of continuing 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. 1223, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1223, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, 1 (Trimble). Excused, none.

SCRep. 776 (Majority) Ways and Means on S.B. No. 1453

The purpose of this measure is to authorize the imposition of the public service company tax on private sewer companies and facilities.

Presently, all public utilities regulated by the Public Utilities Commission (Commission) under chapter 269, Hawaii Revised Statutes, are subject to the public service company tax. Private sewer companies or facilities are among the public utilities regulated by the Commission under chapter 269, Hawaii Revised Statutes. However, a recent decision by the state tax appeals court held that private sewer companies or facilities are not subject to the public service company tax since these companies and facilities are not listed in the definition of “gross income” in the public service tax law. This bill corrects the inequity by amending the public service tax law to include private sewer companies and facilities in the definition of “gross income.”

Your Committee has amended the 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. 1453, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1453, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

SCRep. 777 Ways and Means on S.B. No. 1793

The purpose of this measure is to encourage the conversion of residential leasehold properties.

This measure will provide, for a limited time, that any proceeds received by a taxpayer from the sale of the fee interest in multi-family or single family residential leasehold property to a residential leasehold lessee shall be excluded from the taxpayer's taxable income.

Your Committee has amended this measure by changing its effective date to facilitate further discussion on this matter and 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. 1793, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1793, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (Fukunaga).

SCRep. 778 Ways and Means on S.B. No. 1852

The purpose of this measure is to authorize the issuance of general obligation bonds for the renovation, repair, and construction of low-income housing.

This measure further requires the Housing and Community Development Corporation of Hawaii to repair and renovate vacant low-income housing units by December 31, 2008.

Your Committee finds that available and habitable low-income housing is in short supply and great demand. Your Committee believes that this measure will address this problem by repairing and renovating existing vacant low-income housing units and accelerating the construction of additional units.

Your Committee amended this measure by changing the expending agency of the appropriation in this measure from the Department of Human Services to the Housing and Community Development Corporation 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. 1852, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1852, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (English, Kanno).

SCRep. 779 Ways and Means on S.B. No. 778

The purpose of this measure is to provide emergency funding to the Department of Education to cover increased costs for required services to children with autism spectrum disorder and for school-based behavioral health services.

Your Committee finds that in July 2002, the program responsibility for services for children with autism spectrum disorder was transferred from the Department of Health to the Department of Education. The transfer did not include infrastructure, which resulted in the program being under funded at the time of the transfer. Since the transfer, there has been no increase in the initial appropriation of \$27,000,000. Your Committee believes that the emergency appropriation is needed to enable the Department of Education to meet its federal obligations to these students under the federal Individuals with Disabilities Education Act. This measure will assist in paying for increased costs due to an increase in students identified as having autism spectrum disorder and for increased costs for school-based behavioral health services.

Upon further review, your Committee amended this measure by making technical, nonsubstantive amendments for 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. 778, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 778, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 780 Ways and Means on S.B. No. 873

The purpose of this measure is to require the Department of Education (Department) to create the categories of qualified pre-school teachers and pre-school teacher aides to be applied to the hiring of pre-school teachers and pre-school aides for the junior kindergarten program beginning with the 2007-2008 school year.

The measure also requires the Hawaii teacher standards board to develop standards for teachers and teacher aides assigned to junior kindergarten classrooms beginning with the 2007-2008 school year.

Your Committee finds that it is critical to create conditions that foster learning and will enable young children to succeed in their initial and future school experiences. Your Committee believes that, in junior kindergarten, qualified pre-school teachers and pre-school aides with specialized training can provide the best instruction for children in this age group. This measure will ensure that qualified pre-school teachers and pre-school aides are hired for junior kindergarten classrooms.

Upon further review, your Committee amended this measure to clarify that the Department shall create categories for pre-school teachers and pre-school aides, and adopt standards for teachers and teacher aides, assigned to junior kindergarten to be applied beginning with the 2007-2008 school year. Technical, nonsubstantive amendments were also made for 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. 873, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 873, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 781 (Majority) Ways and Means on S.B. No. 874

The purpose of this measure is to appropriate funds for fifteen permanent athletic health care trainer positions in the Department of Education.

Your Committee finds that athletic trainers have proved to be an essential part of school athletics and invaluable in establishing viable athletic health care programs. Trainers have contributed to the health care of thousands of student athletes and have become an integral part of the health, nutrition, and safety of public school students. Your Committee also finds that the increase in the number of teams and participants in multiple athletic venues requires more athletic health care trainers. This bill provides the means to meet this increased demand.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 874 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 1 (Trimble). Excused, 2 (English, Kanno).

SCRep. 782 (Majority) Ways and Means on S.B. No. 1221

The purpose of this measure is to require the Department of Education to reduce the student to teacher ratio for grades kindergarten to five.

In addition, the measure provides funding:

- (1) For the reductions;
- (2) To hire part-time teachers, tutors, or both for public elementary and intermediate schools; and
- (3) To hire additional part-time teachers, aides, or both when the one-to-twenty-six student to teacher ratio is exceeded in grades three to five in public schools.

Your Committee believes that students attending public schools should have the best learning environment possible to foster and encourage their learning. Research shows that students from small classes out-perform students from larger classes, are less likely to be retained in a grade, more actively participate in class, and are less likely to be referred to special education. Teachers also benefit from a smaller class size as they are better able to devote more time to each student, which can produce positive effects on student achievement and significantly impact the education of disadvantaged children.

Upon further review, your Committee amended this measure by:

- (1) Including unspecified appropriations for the second year (2006-2007) of the fiscal biennium in sections 4 and 5 of the measure;
- (2) Changing the appropriation amounts in sections 6 and 7 to unspecified amounts; and
- (3) Making technical, nonsubstantive amendments for 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. 1221, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1221, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Trimble). Excused, 1 (English).

SCRep. 783 Ways and Means on S.B. No. 1248

The purpose of this measure is to authorize the issuance of general obligation bonds to assist qualifying schools under the federal Qualified Zone Academy Bond program.

Qualified zone academy bonds bear no interest and provide bondholders with a federal income tax credit. At least ninety-five per cent of bond proceeds must be used for the repair, renovation, or restoration of school projects, acquiring equipment, developing school curriculum, or providing teacher training.

As of 2005, Hawaii's total allocation of qualified zone academy bonds is \$4,327,000, which includes Hawaii's allocations for 2003 and 2004. All of Hawaii's allocations authorized prior to 2002 have lapsed and the federal reauthorization for the bonds will sunset on December 31, 2005.

Your Committee finds that it is imperative that the State act quickly to take full advantage of this program, especially in light of the State's fiscal requirements and the budgetary needs of public education. Your Committee has left the bond issuance amount unspecified for purposes of discussion.

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. 1248, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1248, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 784 Ways and Means on S.B. No. 1255

The purpose of this measure is to allow the Department of Education, with the concurrence of the Board of Education, to adjust the price of the public school lunch.

The bill also repeals the current requirement that school lunch costs shall be only one-third of the cost of preparing the lunch.

Your Committee finds that economic changes affect the price of the school lunch. By giving the Department and Board authority to adjust the price of the school lunch, they can ensure that the price is in accord with average costs of its preparation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1255, 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 (English).

SCRep. 785 (Majority) Ways and Means on S.B. No. 1258

The purpose of this measure is to bolster civic responsibility among Hawaii's elementary and secondary school students by educating them accordingly in our public schools.

Specifically, this bill establishes a grant program in the Department of Education to develop K-12 lesson plans, curriculum, and other educational materials for teaching students civic responsibility. The Board of Education is required to establish a grant award panel with specified membership to review grant proposals and recommend grant awards. The panel is allowed to use up to one per cent of moneys appropriated for grants for the panel's expenses. The Superintendent is required to report annually to the Legislature on the operations of the panel each year before the convening of each Regular Session.

Furthermore, this bill appropriates \$100,000 for the civic responsibility education grant program. The bill further appropriates \$2,500,000 to buy social studies textbooks to support civic responsibility education. Finally, the bill appropriates \$2,500,000 to buy science textbooks and other science learning materials.

Your Committee supports the civic responsibility education of all students in Hawaii's schools. This bill is a major step in that direction. However, your Committee finds that the appropriation to purchase science textbooks, while worthy, is unrelated to the civic responsibility grant program and the other two supporting appropriations.

Accordingly, your Committee has amended this bill by:

- (1) Dividing the bill into three parts, separating the appropriation for science textbooks into a separate part II;

- (2) Changing all appropriated amounts to unspecified amounts for the purpose of stimulating further discussion; and
- (3) Making technical 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. 1258, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1258, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (Trimble). Excused, 1 (English).

SCRep. 786 Ways and Means on S.B. No. 1389

The purpose of this measure is to expedite the repair and maintenance of Hawaii's public schools.

Specifically, this bill appropriates \$500,000 in fiscal years 2005-2006 and 2006-2007 to the Hawaii 3R's school repair and maintenance fund and \$60,000 in fiscal years 2005-2006 and 2006-2007 for the Hawaii 3R's coordinator position.

Your Committee finds that Hawaii 3R's program, which is comprised of volunteer workers from the military, public schools, community organizations, and trade unions, have made significant contributions toward reducing the backlog of repair and maintenance projects in Hawaii's public schools. Since 2001, the Hawaii 3R's program has completed repair and maintenance projects at public schools that ordinarily would have been done exclusively with state funds and resources. Your Committee finds that the 3R's program is an extremely cost-effective program and deserves continued funding support.

Your Committee has amended this bill by:

- (1) Changing all appropriation amounts to unspecified amounts for the purpose of stimulating further discussion; and
- (2) Making technical 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. 1389, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1389, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 787 Ways and Means on S.B. No. 1394

The purpose of this measure is to appropriate funds to the Department of Education to expend for additional staff and services at schools that are significantly impacted by a military contingent.

This measure also requires the Department of Education to compile a priority listing of public schools that are impacted by a large population of military dependent students.

Furthermore, this measure requires the University of Hawaii to establish a readmission program for returning military personnel who were subject to deployment.

Your Committee finds that this measure is aimed at facilitating the return of military personnel and their families to their former lifestyles prior to the disruptions caused by an overseas deployment.

Your Committee has amended this measure by changing the date that the Department of Education must compile the priority listing to thirty days after the effective date of this measure. Your Committee has also changed the appropriation figure to an unspecified amount to facilitate further discussions. Lastly, 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. 1394, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1394, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (English, Kanno).

SCRep. 788 Ways and Means on S.B. No. 1483

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Waimea Country School to finance and refinance the planning, acquisition, construction, and improvement of its educational facilities.

Your Committee finds that the state constitution authorizes the issuance of special purpose revenue bonds for private school construction and renovation. This method of funding provides a worthy school such as Waimea Country School with the necessary

resources to fund a variety of school projects to minimize its reliance on alumni contributions, parents, and friends or other financial services. At the same time, your Committee notes that special purpose revenue bonds do not have a negative impact on, or otherwise detract from, public school funding.

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. 1483, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1483, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (English, Kanno).

SCRep. 789 Ways and Means on S.B. No. 1533

The purpose of this measure is to propose a constitutional amendment to change the composition of the Board of Education (Board).

Specifically, this measure proposes that there be seventeen voting board members and that each school board district be composed of three representative districts.

This measure also allows the Chief Election Officer to delineate the new board districts, which shall be used in elections until the 2010 reapportionment plan is adopted by the Legislature.

Your Committee finds that under the current structure, Board members represent two at-large school board districts. As a result, a school board district can encompass several islands with schools and communities on different islands being represented by a Board member who may not even live on the island or in the immediate community that the member represents. Your Committee believes that under the proposed structure, Board members would represent their communities geographically and be in a position to better know and represent their respective community's concerns and needs to the board. As such, the Board members would be more accountable to their constituents.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1533 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 790 Ways and Means on S.B. No. 1635

The purpose of this measure is to increase the amount of money deposited into the state educational facilities improvement special fund.

Your Committee finds that this measure increases the amount of general excise tax revenues that are deposited into the state education facilities improvement special fund for public school capital improvement program needs, bond-funded repair and maintenance projects, and cash-funded repair and maintenance projects.

Your Committee has amended this measure by changing the amounts of the increases to unspecified amounts to facilitate further discussion on this matter and 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. 1635, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1635, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Espero, Sakamoto).

SCRep. 791 (Majority) Ways and Means on S.B. No. 1637

The purpose of this measure is to provide funding to hire an additional 163.5 FTE secondary school teachers for the Department of Education's comprehensive school alienation program.

Your Committee finds that the comprehensive school alienation program is a statewide secondary education prevention and early intervention program aimed at students identified as being at-risk of becoming alienated from school or dropping out of school before meeting the high school graduation requirements. To help keep these students in school and help them graduate, the program provides appropriate instructional and counseling support services to assist students in overcoming educational, social, emotional, and related difficulties that hinder their academic progress and personal development.

In order to ensure that students receive the instruction they need in a smaller learning environment that is conducive to learning, the program seeks to reduce the teacher to student ratio to one to twenty-five. This measure will help to facilitate the reduction in this ratio by hiring additional teachers for the program for each public secondary school.

Upon further review, your Committee 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. 1637, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1637, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 1 (Trimble). Excused, 2 (English, Kanno).

SCRep. 792 Ways and Means on S.B. No. 1648

The purpose of this measure is to appropriate \$1,000,000 in each year of the 2005-2007 fiscal biennium to provide tuition assistance to members of the Hawaii National Guard who are undergraduate students working toward a degree on any campus of the University of Hawaii system.

Your Committee finds that providing financial assistance to members of the Hawaii National Guard who are undergraduate students working toward a degree at the University of Hawaii system will assist the Hawaii National Guard in its recruitment and retention efforts.

Your Committee has amended the measure by changing the appropriation to an unspecified amount as a means of ensuring 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. 1648, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1648, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (English, Fukunaga).

SCRep. 793 Ways and Means on S.B. No. 1661

The purpose of this measure is to assist in the further implementation of Act 51, Session Laws of Hawaii 2004, and allow the Department of Education to carry over unencumbered appropriations.

Specifically, this bill allows the Department of Education to retain the full amount, rather than five per cent, of appropriations at the close of a fiscal year, and the retained funds will not lapse until June 30 of the first fiscal year of the next fiscal biennium. This bill further appropriates \$5,000,000 in fiscal year 2005-2006 and \$8,000,000 in fiscal year 2006-2007 to the Department of Education to subsidize information systems projects, provide additional support personnel and training, provide two data processing systems analyst IV and three data processing systems analyst positions in fiscal year 2006-2007, and to continue implementation of Act 51, Session Laws of Hawaii 2004.

Your Committee finds that this bill will assist the Department of Education to continue to implement the goals and objectives under Act 51, Session Laws of Hawaii 2004. Your Committee believes, however, that the Department of Education can assist in achieving these goals by taking steps to convert principal positions to twelve-month status, or if not feasible, report to the Legislature why not.

Accordingly, your Committee has amended this bill by:

- (1) Requiring the Department of Education to take steps to convert principal positions to twelve-month status or, if not feasible, report to the Legislature why it is not feasible no later than twenty days prior to the convening of the Regular Session of 2006;
- (2) Changing the appropriated amounts to unspecified amounts for purposes of further discussion; and
- (3) Making technical amendments for the purposes of clarify 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. 1661, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1661, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Fukunaga, Nishihara).

SCRep. 794 (Majority) Ways and Means on S.B. No. 1814

The purpose of this measure is to authorize the Department of Education to assess and collect, by intergovernmental agreement with a county, fair share impact fees from developers for the development of state public school facilities.

This measure also makes an appropriation to be expended by the Department of Education for the preparation of public school needs assessment studies.

Your Committee finds that the imposition of fair share impact fees upon developers based on a needs assessment study that determines the impacts a development will have on public school facilities in the area of the development is fair and reasonable. By intergovernmental agreement, the counties may collect the fee at the time of the issuance of building permits.

Your Committee has amended this measure by:

- (1) Amending the effective date to facilitate further discussion on this matter;
- (2) Making a technical amendment on page 21, lines 7-8, to insert language to reflect the printed version of section 46-145, 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. 1814, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1814, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Fukunaga).

SCRep. 795 Ways and Means on S.B. No. 1838

The purpose of this measure is to increase the uniform maintenance allowance for members of the Army and Air National Guard and to allow the allowance to be automatically directly deposited into a bank account designated by the member.

Although your Committee is in accord with the intent of this measure, it has amended the measure by:

- (1) Changing the amounts of the daily and annual uniform maintenance allowances to unspecified amounts, and changing the effective date of this measure to facilitate further discussion on this matter; and
- (2) 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. 1838, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1838, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 15. Noes, none. Excused, none.

SCRep. 796 Ways and Means on S.B. No. 1554

The purpose of this measure is to permanently establish the Emergency Environmental Workforce program and make an appropriation therefor.

The Emergency Environmental Workforce was established in response to the September 11, 2001 national tragedy. The Workforce was intended as a temporary measure to assist residents of Hawaii who were negatively impacted with reduced work schedules or layoffs caused by the September 11th attack. The Workforce, however, was very successful in combating invasive species by containing the dengue fever epidemic, controlling the spread of the miconia plant and other invasive species, and reducing the coqui frog and fire ant populations.

This measure recognizes the success of the Workforce by making the Workforce permanent and by providing funds to allow the Workforce to continue its work of containing the spread of, or eliminating invasive species in Hawaii.

Your Committee has amended the bill by changing the amount appropriated to a blank amount for the purpose of continuing discussion on this matter, and 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. 1554, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1554, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 15. Noes, none. Excused, none.

SCRep. 797 (Majority) Ways and Means on S.B. No. 1709

The purpose of this measure is to establish an Office of International Affairs to coordinate and promote economic, social, cultural, and scientific relations with other countries.

Your Committee finds that an Office of International Affairs (Office) will serve the needs of and provide opportunities for Hawaii while taking advantage of the State's unique location and rich culture. In this time of war, the Office will coordinate and promote much needed peaceful initiatives through improved economic, social, cultural, and scientific relations with other countries.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1709 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. 798 Ways and Means on S.B. No. 3

The purpose of this measure is to authorize the Department of Health to license residential settings for individuals with developmental disabilities or mental retardation.

The measure also establishes a fee schedule for reimbursements for residential services provided to these individuals.

Residential service providers afford important residential care services to individuals with developmental disabilities or mental retardation. The provision of these services is particularly important in light of the closure in June 1999 of the Waimano Training School and Hospital, the facility that would have cared for a majority of these individuals. Adequate reimbursement to residential service providers will help to ensure the continued provision of these important services.

Your Committee recognized the need for clarification of the measure to ensure that it does not have the unintended effect of precluding the Department of Human Services from continuing to certify community care foster family homes, some of which have, as clients in the homes, individuals with developmental disabilities or mental retardation.

Accordingly, your Committee has amended the bill by:

- (1) Adding language to clarify that nothing in the bill shall exclude the Department of Human Services from licensing or certifying any residential setting serving individuals with developmental disabilities or mental retardation;
- (2) Deleting language pertaining to the residence of choice exception; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committee notes that the bill may require further clarification regarding whether and when the term, "domiciliary homes," should continue to be used. Your Committee hopes that further discussion in this regard will continue during 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. 3, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 799 Ways and Means on S.B. No. 128

The purpose of this measure is to transfer the administration of the medical marijuana program from the Department of Public Safety to the Department of Health.

Specifically, the bill:

- (1) Establishes a procedure to add the enumerated debilitating medical conditions that qualify an individual to use medical marijuana by creating a committee to consider additional debilitating medical conditions;
- (2) Adds a definition of "registration" and amends the definitions of "adequate supply", "debilitating medical condition", and "written certification";
- (3) Provides that a qualifying patient is permitted to use medical marijuana immediately after certain requirements are met;
- (4) Adds to existing prohibited uses the use of medical marijuana while using stationary heavy equipment;
- (5) Clarifies that a physician, in a written certification, is required to attest that an individual has one of the qualifying debilitating medical conditions, but is prohibited from including the qualifying patient's diagnosis; and
- (6) Requires the Department of Health to provide the registration form to the public by posting the form on the Department's website and by sending a copy by mail to any person requesting a registration form.

Your Committee finds that the medical marijuana program would be more logically placed within a department that has experience in working with health programs and patients, rather than within a law enforcement agency, which has a familiarity with criminals and correctional facilities. A number of other states that authorize use of medical marijuana have placed their programs in their health departments. There are anecdotal reports that physicians are reluctant to certify qualifying patients and that individuals are reluctant to become registered users solely because the program currently is administered by the Department of Public Safety. Your Committee

believes that a medical marijuana program should be viewed as a health program rather than a registry of “would-be” criminals and that its transfer to the Department of Health will further that goal.

Upon further consideration, your Committee has amended this measure by moving the new provisions added to the definition “written certification” to another section of part IX of chapter 329, Hawaii Revised Statutes, since the proposed amendments were substantive provisions that were not appropriately placed in a definition. The prohibition against use of medical marijuana while using heavy equipment was amended to include both stationary and moving heavy equipment. Additional technical nonsubstantive amendments were 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. 128, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 128, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 800 Ways and Means on S.B. No. 131

The purpose of this measure is to authorize the Hawaii Health Systems Corporation to establish its own temporary, captive insurance company to provide medical malpractice and hospital professional and general liability coverage to the corporation.

Specifically, this measure authorizes the corporation to have a captive insurance company for five years. Furthermore, this measure appropriates funds for the corporation to form the captive insurance company.

Your Committee has amended this measure by clarifying that it is the captive insurance company established by the Hawaii Health Systems Corporation, rather than the corporation itself, that will engage in the insuring of risks or the providing of malpractice and liability coverage. Your Committee has also amended this measure by changing the effective date to July 1, 2050 to facilitate further discussions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 131, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 131, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 801 Ways and Means on S.B. No. 459

The purpose of this measure is to authorize the issuance of \$30,000,000 in special purpose revenue bonds to assist Hawaii Pacific Health in financing, refinancing, and reimbursing costs related to construction of health care facilities, development of information technology and software, and other related projects.

The bill also amends the definition of “project agreement” under the special purpose revenue bond law relating to health care facilities to include lease financing.

Your Committee finds that Hawaii Pacific Health is comprised of Kapiolani Medical Center for Women and Children, Kapiolani Medical Center at Pali Momi, Straub Clinic and Hospital and Wilcox Memorial Hospital, including twenty three clinics and outreach programs. Your Committee further finds that the special purpose revenue bonds issued in this bill will serve the public purpose because Hawaii Pacific Health will use the proceeds from the special purpose revenue bonds for, among other things, the purchase of information technology, software and equipment, and diagnostic imaging equipment. This would allow Hawaii Pacific Health to implement a comprehensive electronic medical record system to integrate pharmacy, ambulatory, radiology, and hospital records to not only meet federal requirements but to also better serve their patients.

Your Committee also finds that the inclusion of lease financing in the definition of “project agreement” will clarify the law and also allow hospital and health care providers that apply for special purpose revenue bonds to use lease financing as a more cost-effective means of managing cash flow and to ensure the availability of needed healthcare services on a timely basis.

Your Committee has amended the bill by making a technical amendment that has 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. 459, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 459, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 802 Ways and Means on S.B. No. 527

The purpose of this measure is to appropriate funds from the emergency and budget reserve fund for human service and health care programs statewide.

Your Committee has amended this measure by deleting the proposed appropriations from the emergency and budget reserve fund, and adding language that amends section 103F-104, Hawaii Revised Statutes, to accord the area office on aging of each county the option of purchasing health and human services for the elderly pursuant to either chapter 103D (state procurement law) or 103F (purchases of health and human services), Hawaii Revised Statutes.

In so doing, your Committee recognizes that the option of applying either chapter 103D or 103F will greatly facilitate the provision of health and human services to elders under programs administered by the area offices on aging of the counties.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 527, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 527, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 803 Ways and Means on S.B. No. 562

The purpose of this measure is to require the Department of Health to provide family and caregiver support services for the elderly.

Your Committee finds that the elderly population in this State is rapidly increasing. This has and will continue to lead to a significant increase in the need for long-term care for the elderly. An affordable and viable means for the State to address this growing need is to develop adequate infrastructure of services to support the care of elderly individuals in their homes. Your Committee believes that this will enable family caregivers to provide the best quality care possible in their homes while also maintaining their own 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 S.B. No. 562 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 804 Ways and Means on S.B. No. 682

The purpose of this measure is to require businesses engaged in the retail sale of cigarettes and other tobacco products upon which a tax must be paid to obtain a retail tobacco permit from the Department of Taxation.

This measure also makes it a crime for the retailer to sell, possess, keep, acquire, distribute, or transport cigarettes, or other taxable tobacco products without a permit, requires the retailer to keep records of cigarette and tobacco product inventory, adds definitions to section 245-1, Hawaii Revised Statutes, and appropriates funds to establish and administer the licensing and permitting of tobacco and cigarette sales.

Your Committee finds that, under current law, it is not possible to know which or how many retail vendors are selling tobacco products. The retail tobacco permit will facilitate enforcement of the requirements of current law by providing a known and measurable list of entities engaged in the retail sale of cigarettes and other tobacco products.

Your Committee further finds that knowing who is licensed to sell tobacco products will greatly enhance and support efforts to reduce youth access to tobacco and keep the rates of illegal sale of tobacco to minors at one of the lowest in the nation. The record-keeping requirement of this measure also provides a tool to deal with the issue of counterfeit stamped products and counterfeit cigarettes and facilitates diligent enforcement of the Master Settlement Agreement and Cigarette Tax Law.

Your Committee has amended this measure by making technical nonsubstantive amendments for 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. 682, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 682, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 805 Ways and Means on S.B. No. 782

The purpose of this measure is to make an emergency appropriation from the Early Intervention Special Fund for fiscal year 2004-2005, for the Family Health Services Division of the Department of Health for early intervention services for infants and children.

Your Committee finds that, although funds were appropriated to the Department of Health for the Family Health Services Division for fiscal year 2004-2005, a critical need for further funding occurred based on an April 16, 2004, federal court stipulation for the step-down plan and termination of the revised consent decree between the State of Hawaii and the plaintiff class in *Felix v. Lingle*, Civil No. 93-00367.

Pursuant to this stipulation, the Department of Health must continue to carry out its statutory obligations to the plaintiff class, provide services as mandated by the Individuals with Disabilities Education Act, maintain a system of care for the plaintiff class, and ensure that eligible children will receive specified services in a consistent and timely manner.

These unexpected and additional duties and responsibilities have exhausted the appropriation previously made, thus prompting this emergency appropriation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 782, 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. 806 Ways and Means on S.B. No. 791

The purpose of this measure is to clarify the laws relating to settings for persons requiring therapeutic or rehabilitative services and care including persons recovering from substance abuse.

Specifically, this bill requires special treatment facilities to be licensed by the Department of Health and requires adoption of rules for programs to be provided, compliance with federal laws, and penalties for non-compliance. The bill also requires the Department to license therapeutic living programs and defines that term. The Director of Health is also required to adopt similar rules for therapeutic living programs. This bill allows “clean and sober homes” rather than “drug rehabilitation homes” as permitted uses in residential areas and defines the term “clean and sober homes”. The bill further restates that drug rehabilitation homes include both “clean and sober homes” and “transitional living homes”.

Your Committee finds that this bill provides for a continuum of health care settings for individuals requiring therapeutic or rehabilitative services and care, including persons recovering from substance abuse. Although clean and sober homes do not provide rehabilitative or therapeutic care or services, they do provide housing for persons recovering from substance abuse. Therefore, clean and sober homes do not require oversight from the Department of Health in the form of licensing and should be under the purview of the counties instead.

Upon further consideration, your Committee has amended this bill by:

- (1) Clarifying that a drug rehabilitation home operated by a community-based nonprofit agency is not licensed by the Department of Health by deleting the words “licensed by the department of health” on page 5, line 4;
- (2) Deleting the provision that section 5 of the bill, which repeals section 46-15.39, Hawaii Revised Statutes, takes effect on December 31, 2007, so that the entire bill takes effect upon approval;
- (3) Clarifying the definition of a “clean and sober home”; and
- (4) 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. 791, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 791, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 807 Ways and Means on S.B. No. 802

The purpose of this measure is to establish a state pharmacy assistance program to provide continuing or new prescription drug benefits to eligible elderly and disabled residents.

Specifically, the bill establishes a state pharmacy assistance program within the Department of Human Services that will coordinate the program’s prescription drug benefits with the federal medicare part D prescription drug benefit. The bill provides that:

- (1) The Department of Human Services is authorized to assist eligible individuals’ enrollment into the pharmacy assistance program, with priority to residents who are eligible for both medicare and medicaid;
- (2) Drug manufacturers are required to provide rebates to the state medicare prescription drug program as a condition of their products’ availability to participants in the state pharmacy assistance program;
- (3) The pharmacy assistance program is authorized to pay some or all of the deductibles, co-payments, and premiums for eligible residents, subject to the receipt of sufficient rebates; and
- (4) The state pharmacy assistance program is to be funded by rebates paid to the State’s medicare prescription drug program.

Your Committee finds that the cost of prescription drugs has increased steadily over the past several years. As a result, many seniors and disabled residents who live on fixed incomes have difficulty in obtaining their necessary medications. Currently, some

individuals who are eligible for medicare also qualify for medicaid prescription drug benefits; these dual eligible individuals now receive free prescription drugs as a medicaid benefit. Beginning January 1, 2006, dual eligible individuals will be required to participate in the federal medicare part D drug benefit, which will mean that they will no longer receive free drug benefits from medicaid. Your Committee believes that the pharmacy assistance program established by this measure will assist individuals eligible for medicare and medicaid to retain some of their current medicaid drug benefits and will also assist a number of eligible medicare beneficiaries in receiving new drug benefits.

Upon further consideration, 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. 802, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 802, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 808 Ways and Means on S.B. No. 1201

The purpose of this measure is to appropriate funds for state agencies and the counties for crystal methamphetamine (ice) treatment, prevention, rehabilitation, education, environmental damage assessment, and program monitoring initiatives.

Your Committee finds that the joint house-senate task force on “ice” convened in 2003 recommended the formulation of a multi-pronged approach that combined treatment, prevention, rehabilitation, public education, crime prevention, and law enforcement initiatives designed to prevent future generations from engaging in substance abuse as well as to treat the present generation of ice abusers. This measure sustains and expands these important efforts to ensure that the public health crisis represented by the abuse of ice does not fade into the background.

Your Committee has amended this measure by placing the expending authority within the respective sections appropriating funds to clarify which funds the named agencies are authorized to expend.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1201, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1201, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 809 Ways and Means on S.B. No. 1209

The purpose of this measure is to address the rising cost of prescription drugs by establishing a pharmaceutical cost management council.

The council, among other things, will analyze various approaches to manage prescription drug costs and increase access to affordable drugs for all state residents.

Your Committee finds that requiring the pharmaceutical cost management council to include representatives of all stakeholders who are concerned with, each from their own different perspectives, the affordability of necessary prescription drugs will produce the collaboration necessary to produce effective and creative solutions to the problem. For our most vulnerable populations, seniors and the disabled living on fixed incomes and frequently uninsured, obtaining necessary medications has become increasingly difficult over the last several years as drug costs continue to increase. The council created by this bill will analyze potential solutions, advise on these strategies, including the execution of prescription drug purchasing agreements, conduct research, and determine whether proposed drug benefit programs might jeopardize any other programs. Your Committee believes that this measure has the potential to address the rising cost of prescription drugs and provide assistance in increasing access to affordable drugs. Prescription drugs do not benefit those individuals who cannot afford to buy them.

Upon further consideration, 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. 1209, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1209, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 810 Ways and Means on S.B. No. 1419

The purpose of this measure is to increase the services to and support for sexual assault victims.

This measure changes the name of the domestic violence prevention special fund to the domestic violence and sexual assault special fund. In addition, this measure requires the Department of Health to work with:

- (1) Providers of services to victims of domestic violence to develop and report to the 2006 Legislature on a five-year strategic plan to:
 - (A) Reduce the incidence of domestic violence; and
 - (B) Increase support to victims of domestic violence; and
- (2) Sexual violence strategic planning groups to implement the recommendations of the January 2005 strategic plan, "Shaping Tomorrow, The Future of Sexual Violence Programs in Hawaii", and report to the 2006 Legislature on the progress of implementing the recommendations of the plan.

Your Committee finds that the domestic violence and sexual assault special fund will provide a revenue stream for prevention and education services that are essential to ending the abuse and violence that underlies many of society's ills and will help to focus funding and services on a target population. The required reports on the respective strategic plans for domestic violence and sexual assault will help the Legislature to ensure that progress is being made in these areas.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1419, 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. 811 (Majority) Ways and Means on S.B. No. 1469

The purpose of this measure is to increase the benefit and compensation for a non-civil service agent who issues marriage licenses.

Specifically, this measure establishes a surcharge in addition to the marriage license fee that is currently prescribed to compensate the agents for their work.

Your Committee finds that the current benefit and \$9 compensation rate for a non-civil service agent who issues marriage licenses has not changed since 1998. As this is insufficient to meet the operating costs of an agent, this measure will ensure that these agents are adequately compensated for their time and work and that their services remain readily available throughout the State.

Your Committee amended this measure by making technical, nonsubstantive amendments for 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. 1469, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1469, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

SCRep. 812 Ways and Means on S.B. No. 1713

The purpose of this measure is to promote improved care for patient residents at Kalaupapa on the island of Molokai.

Specifically, this measure declares the Legislature's intent to ensure that the Department of Health treats all patient residents of Kalaupapa with dignity, respect, courtesy, and sensitivity. In addition, the measure requires the Department to ensure the patient residents' liberties, autonomy, and dignity.

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 on the island of Molokai. 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 these patients are free to come and go as they please, they have chosen to live the remainder of their lives in Kalaupapa.

In April of 2005, one patient will be celebrating his fiftieth anniversary in Kalaupapa. If one statement could summarize his sentiment towards his life in Kalaupapa it is, "I thank God for giving me leprosy ... if I did not have the disease, I would not have had the opportunity to meet all the people I have met." A humble statement from one patient should make us all reflect that we should be thankful for what we have and that in the face of adversity, we will ultimately survive. Your Committee finds that this bill honors those who were forced to make sacrifices to alleviate the fears of others.

Again, 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 is to remember that the patients of Kalaupapa come first.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1713, 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. 813 Ways and Means on S.B. No. 1094

The purpose of this measure is to appropriate funds for the Hana Community Health Center for operations and equipment expenses.

Your Committee finds that maintenance of the levels of programs provided by the Hana Community Health Center is clearly essential to the public health, safety, and welfare. The Hana Community Health Center is the only health care provider in the district of Hana, one of the most isolated areas of the State. It provides essential medical services in an area that is federally designated as having a medically underserved population, mental health underserved population, and dental underserved population. Further, your Committee is also aware that Act 263, Session Laws of Hawaii 1996, authorized the transfer of the Hana medical center from the State to the Hana Community Health Center in July 1997, with a guarantee to continue providing needed state funding to support the development of the community-based health care program. In this regard, while the Center has demonstrated an ability to generate funds from a variety of funding resources for the initiation of new programs and services, state support will always be required to fund core medical services.

Accordingly, your Committee has amended this bill by:

- (1) Replacing the appropriation from the general fund with an appropriation of an unspecified amount from the emergency and budget reserve fund established by section 328L-3, Hawaii Revised Statutes;
- (2) Adding language making the legislative finding that maintenance of the levels of programs at the Hana Community Health Center are essential to the public health, safety, and welfare; 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. 1094, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1094, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (English, Kanno, Kokubun).

SCRep. 814 (Majority) Ways and Means on S.B. No. 1420

The purpose of this measure is to prohibit the Department of Human Services (Department) from restricting payment for a recipient's access to psychotropic medication.

Furthermore, this bill defines "psychotropic medication" and acknowledges that any individual "who is in need of emergency psychiatric or psychological services and who has not yet received an eligibility decision from the department (of human services) shall be presumed eligible ... until an eligibility decision is made...". The psychotropic medication must be prescribed by "a licensed medical care provider". The Department must reimburse any costs associated with the medication and concomitant physician services during the presumptive eligibility period. The bill further allows a "medical care provider" to prescribe psychotropic medication to an individual who is either Medicaid eligible or presumed eligible without any preauthorization procedure. Finally, this bill appropriates an unspecified amount in fiscal year 2005-2006 and in fiscal year 2006-2007 for the Department to provide unrestricted payment for and access to psychotropic medication for recipients.

Your Committee wishes to note that presumptive eligibility may be overly broad and unqualified so as to possibly occasion misuse. It is your Committee's desire that this issue undergo further discussion.

Your Committee has amended this bill to clarify the definition of "licensed medical care provider" as any "medical professional licensed in Hawaii to prescribe psychotropic medications". Your Committee also made other technical, nonsubstantive amendments for the purpose of clarity and changed the effective date of the bill to July 1, 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 S.B. No. 1420, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1420, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 2 (Slom, Trimble). Excused, 2 (English, Kokubun).

SCRep. 815 Ways and Means on S.B. No. 116

The purpose of this measure is to establish a nursing scholars program administered by the University of Hawaii to train nurses for teaching careers in nursing.

Specifically, this measure authorizes the University of Hawaii to grant scholarships to students enrolled in a graduate degree program in nursing in a public or private post-secondary educational institution in this State.

Upon completion of the graduate degree, the student must commence nursing instruction in this State for a period of years equal to the number of years that the student received a scholarship grant.

Your Committee finds that one of the reasons for the nursing shortage in the State is the lack of a sufficient number of qualified faculty. In turn, one of the reasons for the faculty shortage is the diminishing rate of financial returns in pursuing a graduate level nursing education when only a baccalaureate level education will more than ensure a steady career.

Your Committee has amended this measure by changing the appropriation figure to an unspecified amount. 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. 116, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 116, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 816 Ways and Means on S.B. No. 464

The purpose of this measure is to require that the University of Hawaii pay a \$100 penalty for each failure to pay its civil service exempt employees their wages within one pay period after the designated pay day under the after-the-fact payroll system.

Your Committee finds that newly hired civil service exempt employees of the University of Hawaii often have to wait up to six weeks to receive their first paycheck. This delay is caused in part by the filing and other requirements of the State's after-the-fact payroll accounting system. Your Committee believes that University of Hawaii civil service exempt employees should not have to wait an inordinate amount of time to receive their paychecks and that imposing such a penalty will provide the impetus for the University of Hawaii to develop a payroll system that is more efficient.

Your Committee has amended the measure by:

- (1) Clarifying that the penalty assessed against the University of Hawaii shall be paid to the employee;
- (2) Clarifying that the penalty shall not be compounded;
- (3) Clarifying that the measure does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun, before its effective date; and
- (4) Changing the effective date of the measure from July 1, 2010, to July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 464, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 464, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 15. Noes, none. Excused, none.

SCRep. 817 Ways and Means on S.B. No. 667

The purpose of this measure is to make emergency appropriations to pay for flood damage suffered by the University of Hawaii at Manoa as a result of the October 30, 2004 flood.

The bill makes an emergency appropriation for fiscal year 2004-2005:

- (1) Of \$25,000,000 out of the state risk management revolving fund; and
- (2) Of \$25,000,000 out of general revenues.

The funds appropriated are to be expended by the Department of Accounting and General Services and the University of Hawaii, respectively.

On the evening of October 30, 2004, a flash flood swept through the University of Hawaii at Manoa campus, causing millions of dollars in infrastructure damage, the loss of years of irreplaceable research in the Biomedical Sciences Building, and historical government documents and other books, collections, and articles at the Hamilton Library. Power was lost for some time in at least thirty-five buildings on campus. Classes were canceled for several days because of the damage and destruction.

Your Committee finds that the moneys appropriated by this measure will assist the University of Hawaii in recovering from the drastic effects of the flood of October 30, 2004. The funds will be used to assist the University of Hawaii in its continuing recovery from the flood damage and to reimburse the University of Hawaii for funds already expended to clean, repair, and replace damaged or destroyed property on campus.

Your Committee has amended this bill by making technical amendments to clarify that the amount provided is \$25,000,000 from general funds and not \$25,000,000 each from both the state risk management fund and the general fund.

This measure also has been amended to delete inaccurate language stating that the bill's appropriations exceeded the current spending ceiling. 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. 667, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 667, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Trimble).

SCRep. 818 Ways and Means on S.B. No. 898

The purpose of this measure is to repeal the June 30, 2005 sunset date of Act 321, Session Laws of Hawaii, 1986 (Act 321), relating to the University of Hawaii's authority over matters relating to its acquisition of goods and services.

In other words, this measure will make permanent the university's authority over such matters.

Your Committee finds that, unless the sunset date is repealed, the University of Hawaii's authority over its acquisition of goods and services will revert to the Department of Accounting and General Services on June 30, 2005. Your Committee finds that the original sunset date of Act 321 has been extended several times over the last two decades and that this string of extensions reflects the gravity of the matter, which is not conducive to hurried decisionmaking on making this law permanent.

Your Committee has amended this measure by extending the repeal date another year. 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. 898, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 898, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 819 Ways and Means on S.B. No. 1065

The purpose of this measure is to appropriate funds to the University of Hawaii for various agricultural research and market development programs.

Specifically, this measure appropriates \$500,000 for the continued development of high-value agricultural products, a breeding program to provide new agricultural products, the assessment of local and export markets, development of industry assessments, disease prevention programs, and other high-priority needs.

Furthermore, this measure requires the appropriations to be added to the base budget of the University of Hawaii.

Your Committee finds that agricultural research is critical to the survival of Hawaii's agricultural industry in the global market. More specifically, the agricultural industry in Hawaii is dependent upon the research and extension services of the College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa. The decline in state funding over the past several years has adversely affected the ability of producers to remain competitive in that global market. Accordingly, your Committee finds that the appropriations under this measure must be added to the base budget of the University of Hawaii in order to solidify the financial foundations of the University of Hawaii's agricultural research and development activities.

Your Committee has amended this measure by changing the appropriation figure to an unspecified amount for the purposes of continuing discussion on the matter. 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. 1065, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1065, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Kanno).

SCRep. 820 Ways and Means on S.B. No. 1747

The purpose of this measure is to support the Harold L. Lyon Arboretum.

Specifically, this bill appropriates \$900,000, to the University of Hawaii for the repair, maintenance, and operation of the Harold L. Lyon Arboretum.

Your Committee finds that the Lyon Arboretum is the only biological field research facility in a tropical rainforest owned and operated by a university in the United States and as such, it is a repository for rare and endangered native Hawaiian plants, an

educational program for children and adults, and a teaching and scientific research resource for the University of Hawaii. Your Committee finds that this measure adequately addresses the Auditor's concerns regarding the Arboretum.

Your Committee has made 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 S.B. No. 1747, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1747, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Kanno).

SCRep. 821 Ways and Means on S.B. No. 244

The purpose of this measure is to establish a long-term care resource program initiative with Kapiolani Community College to develop a model for expanding the State's workforce capacity for home- and community-based long-term care.

Your Committee recognizes that Hawaii's population of individuals over sixty-five years of age is increasing at a rate that is two to three times higher than the national average. Yet, the number of nursing home beds in Hawaii is currently less than fifty per cent of the national average. A broader range of home- and community-based long-term care options is clearly needed to address this ever worsening situation.

A critical element for the expansion of home- and community-based long-term care options is the development of an adequate long-term care workforce. This entails improving the State's training capacity for paraprofessional health care workers, increasing education and training for family caregivers, and harnessing and promoting the productivity of the elderly themselves.

Your Committee finds that, as the flagship community college for nursing, long-term care, and allied healthcare and education, Kapiolani Community College is well positioned to play a major role in strengthening the State's capacity to increase long-term care options. The development of a long-term care resource model by Kapiolani Community College will greatly assist Hawaii in preparing for the increasing needs of the elderly, by ensuring the development of an adequate, trained long-term care workforce. Moreover, the dispersal of this model to other community colleges will ensure that Hawaii is prepared to meet home- and community-based long-term care needs 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. 244, S.D. 2, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 822 (Majority) Ways and Means on S.B. No. 475

The purpose of this measure is to increase assistance allowance payments from the Department of Human Services to various recipients of financial assistance.

Specifically, this measure changes the base for the calculation of the standard of need from the 1993 federal poverty level to the level for the current year and updates that level annually. The assistance allowance remains at certain percentages of the standard of need. Previously, the standard of need did not apply to general assistance to households without minor dependents. However, the measure applies the standard of need to general assistance to households with and without minor dependents and includes the aged, blind, and disabled.

Your Committee finds that, although the cost of living has increased each year, in Hawaii the standard of need, upon which is based a recipient's assistance allowance, remains set at the federal poverty level in 1993. Your Committee believes that some accommodation needs to be made that allows individuals the wherewithal to maintain a household. It is your Committee's intention to promote further discussion on precisely how to do this.

Accordingly, your Committee has amended this bill by:

- (1) Deleting the year 1993 with reference to the federal poverty level and replacing it with an unspecified year;
- (2) Deleting language regarding annually updating the federal poverty level; and
- (3) Changing the effective date to July 1, 2099, for the purpose of stimulating 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. 475, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 475, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (English).

SCRep. 823 Ways and Means on S.B. No. 486

The purpose of this measure is to establish safe, structured learning environments and programs for children and youth during nonschool-hours by funding nonschool-hour programs.

Your Committee finds that, as a result of households where both parents or a single parent works, many children are left on their own before, during, and after school. Although Hawaii has the A+ program for after-school care and activities for public school students in kindergarten through grade six, older children do not have access to these programs. When older children are unsupervised during nonschool-hours, statistics show that rates of juvenile crime, drug use, and experimentation with tobacco, alcohol, and sex increase. Your Committee believes that the availability of added programs during nonschool-hours will ensure that children and youth of Hawaii have a safe, structured place to go to engage in educational, cultural, and recreational programs that promote positive social behavior and will help children avoid engaging in risky behavior.

Your Committee has amended this measure changing the appropriations to unspecified amounts to facilitate further discussion on this matter and by making technical, nonsubstantive amendments for 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. 486, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 486, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 824 (Majority) Ways and Means on S.B. No. 1022

The purpose of this measure is to require medical assistance programs administered by the Department of Human Services to cover chiropractic.

Your Committee finds that the State's Medicaid and QUEST programs currently do not cover chiropractic despite the fact that chiropractic is the largest non-allopathic healthcare provider in the United States and is covered under the Medicaid programs of the majority of other states.

Your Committee has amended this measure by making technical changes to clarify cross references and terminology in 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. 1022, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1022, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, 1 (Trimble). Excused, none.

SCRep. 825 Ways and Means on S.B. No. 1103

The purpose of this measure is to appropriate funds as a grant to Hale Mahaolu for its personal care program.

Your Committee finds that providing personal care services to Maui County's disabled and/or chronically ill adults enables them to maintain an independent lifestyle in their own homes, and prevents premature or unnecessary institutionalization. While the need for personal care services has increased, program funds have been reduced. Thus, your Committee believes that providing services to these clients to allow them to maintain an independent lifestyle in their own homes reduces costs of long term care for families, communities and government.

Your Committee has amended the measure by:

- (1) Changing the source of funding for the appropriation from the General Fund to the Emergency Budget and Reserve Fund established under section 328L-3, Hawaii Revised Statutes;
- (2) Deleting the specific amount of \$96,000 and replacing it with an unspecified amount; and
- (3) Making two 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. 1103, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1103, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Kanno, Nishihara).

SCRep. 826 (Majority) Ways and Means on S.B. No. 1750

The purpose of this measure is to ensure that the Temporary Assistance for Needy Families program is appropriately implemented and program expenditures are appropriately spent.

Specifically, this bill authorizes and requires the Legislature to conduct oversight hearings relating to the appropriate implementation of programs funded by federal Temporary Assistance for Needy Families moneys and the optimal expenditure of those federal moneys. The bill gives legislative oversight responsibilities to the committees having jurisdiction over fiscal matters and the committees having jurisdiction over human services in the Senate and the House of Representatives. The Department of Human Services is required to make all data available to the joint legislative oversight committee upon request.

Your Committee finds that the task of properly implementing the Temporary Assistance for Needy Families program and optimally using the related federal funds is quite complex. Without diligent oversight, it would not be surprising for the program to be operated at less than an optimal level and for program funds to be unspent or misspent. This issue becomes increasingly important as more families find themselves in need of supportive programs and services. Examining and evaluating the use of unspent and misspent program funds now is critical. Your Committee believes that joint legislative oversight is necessary to evaluate implementation of the Temporary Assistance for Needy Families program and the program's expenditures.

Your Committee has made several technical amendments, including clarifying that the legislative committees concerned have "joint" oversight through a single joint oversight committee.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1750, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1750, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

SCRep. 827 (Majority) Ways and Means on S.B. No. 1772

The purpose of this measure is to develop a mechanism to enable the State to identify and publicize employers with a significant number of employees enrolled in the State's medical assistance programs.

Specifically, this measure requires applicants for State medical assistance to identify their employers. This measure then requires the Department of Human Services to make a publicly available report to the Legislature, identifying employers in the State who employ twenty-five or more beneficiaries of medical assistance programs administered by the department.

Your Committee finds that this measure is necessary to substantiate unsettling rumors circulating among the community that certain employers in the State are undermining the purposes of the State's Prepaid Health Care Act by not fully covering the cost of health care coverage for their employees. These employers reportedly pay their employees wages that are just low enough to enable the employees to qualify for the State's medical assistance programs. In this manner, these employers surreptitiously shift the costs of their employees' health care coverage from themselves to the State, and from the State to the taxpayers.

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. 1772, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1772, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, 2 (Hemmings, Slom). Excused, none.

SCRep. 828 Ways and Means on S.B. No. 1854

The purpose of this measure is to raise the rent supplement payment that may be made by the Housing and Community Development Corporation of Hawaii to a housing owner on behalf of a qualified tenant.

Your Committee finds that the rent supplement payment ceiling should be raised; however, your Committee has amended this measure by leaving the payment ceiling unspecified 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. 1854, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1854, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 15. Noes, none. Excused, none.

SCRep. 829 Ways and Means on S.B. No. 1872

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Palolo Chinese Home, a Hawaii not-for-profit corporation, and its not-for-profit subsidiaries, in financing the expansion, construction, and rebuilding of its health care facilities.

In operation since 1917, Palolo Chinese Home is Hawaii's largest and second oldest adult care home facility. Its mission is to assist and care for the aged and indigent, maintain homes for them, and alleviate their suffering and distress through works of charity, mercy, and benevolence. To fulfill this mission, Palolo Chinese Home provides the elderly with extended care and intermediate and skilled

nursing care, as well as community services for those who wish to remain in their own homes, including good neighbor referral service, adult daycare, meal delivery, overnight respite services, and access to its community-based, integrated information network to services for the elderly.

Your Committee recognizes that Hawaii has the fastest growing rate of senior citizens per capita in the nation, with the over sixty years of age population growing 2.5 times faster than the national average. To meet the rapidly increasing demand for residential and community-based services, Palolo Chinese Home has developed a plan for redevelopment that replaces, renovates, and expands its existing facilities. The plan addresses the need for residential units that meet assisted living regulations and increased skilled nursing bed needs in an environment that embraces the aging-in-place and neighborhood concepts. Among other things, the plan includes the design and construction of a campus community center with a food service complex, chapel, meeting rooms, family activity rooms, dining rooms, and administrative offices. To date, Palolo Chinese Home has raised approximately seventy per cent of its capital campaign goal and projects the receipt of an additional \$3,000,000 through extensive fundraising efforts.

Your Committee supports the Palolo Chinese Home in its efforts to meet the rapidly increasing needs of Hawaii's elders and their families and finds that these efforts are clearly in the public interest and for the public health, safety, and general welfare.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1872 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 830 Ways and Means on S.B. No. 637

The purpose of this measure is to make an appropriation as a grant-in-aid to the Honolulu Police Department (HPD) for the development of a non-emergency reporting system, known as 3-1-1.

Specifically, the appropriation made by this bill would fund a 3-1-1 call section to receive non-emergency phone requests for assistance, a web site by which the public could submit an online form for assistance, personnel to handle requests for non-emergency services made by telephone or in person, improved information in telephone directories to instruct the public in the use of 9-1-1 and 3-1-1 systems, and an educational program on 3-1-1 non-emergency reporting.

The HPD operates the 9-1-1 emergency phone system for Oahu that handles over a million calls annually, including calls for police, ambulance, and fire response. However, as much as sixty-five to seventy-five per cent of all 9-1-1 calls consist of complaints regarding abandoned vehicles, noise, and animals. Non-emergency calls frequently overwhelm available 9-1-1 operators, resulting in a backlog of emergency 9-1-1 calls awaiting dispatch of appropriate emergency personnel.

The HPD is currently developing a non-emergency report system, known as 3-1-1, to relieve the 9-1-1 system of non-emergency phone calls. According to the HPD, it will use existing personnel to staff the 3-1-1 call center, so no additional personnel costs will be incurred. The HPD expects to save up to seventy per cent of the cost of sending a patrol officer to the scene of a non-emergency request with each 3-1-1 non-emergency report that can be fully processed over the phone.

Your Committee has amended this measure by changing the expending agency from the Honolulu Police Department to the City and County of Honolulu 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. 637, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 637, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 831 (Majority) Ways and Means on S.B. No. 1272

The purpose of this measure is to preserve the integrity of the expenditure of federal grant funds obtained by a state agency.

Specifically, this bill prohibits the Governor and the Director of Finance from restricting any state agency's ability to expend federal grant moneys if the federal granting agency has already approved expenditure of funds as provided in the state agency's grant application. Modifications of amounts expended must be agreed to by the state agency and the federal granting agency and shall not require the approval of the Governor or the Director of Finance.

Your Committee believes that federal funds should be expended by the State for their intended purposes. However, your Committee believes that modifications should require legislative authorization. Accordingly, your Committee has amended this bill by inserting language to the effect that, whenever modifications are to be made of the amounts of federal funds to be expended, legislative authorization shall be required, where permitted or required by state or federal laws, in the form of a concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1272, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1272, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

SCRep. 832 Ways and Means on S.B. No. 1478

The purpose of this measure is to require the State Fire Council to administer, upon receipt, any federal grants for fire-related projects.

Your Committee finds this measure is needed to authorize the State Fire Council to administer and expend federal grant funds. Current law authorizes the council to serve as a "focal point" through which all applications for federal grants shall be made but does not provide the State Fire Council with the authority to expend any federal grant moneys obtained. This measure clarifies the administration and expenditure of federal grant moneys awarded for fire-related projects.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1478, 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. 833 Ways and Means on S.B. No. 1685

The purpose of this measure is to allow the State to share taxpayer information with the counties.

Presently, the counties are not allowed access to state tax information. By allowing access to such information, this bill will strengthen county collection efforts with respect to the real property tax. With the ability to access state tax information, such as whether taxpayers are residents in a particular county, the counties would be able to investigate discrepancies related to real property tax exemptions and credits. The counties would also benefit from transient accommodations tax information by being able to investigate discrepancies related to the status of real property (i.e. condominium or hotel), since the type of property determines the tax rate for that property.

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. 1685, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1685, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 15. Noes, none. Excused, none.

SCRep. 834 (Majority) Ways and Means on S.B. No. 433

The purpose of this measure is to establish a permanent election by mail program applicable to all federal, state, and county primary, general, and special elections to be conducted beginning at an unspecified future primary election date.

This bill:

- (1) Establishes the procedures and processes for the mailing of ballot packages to eligible voters and handling undeliverable ballot packages;
- (2) Requires public notice before an election by mail is conducted;
- (3) Establishes requirements for voting by mail, including procedures for returning the return identification envelope either by mail or at designated places of deposit;
- (4) Creates procedures for obtaining a replacement ballot;
- (5) Establishes the method of counting mail-in ballots; and
- (6) Appropriates an unspecified amount for fiscal year 2005-2006 to implement and administer the election by mail voting system.

Your Committee finds that this bill provides not only an effective, but a permanent, measure to combat the steady three-decade decline in voter participation among Hawaii voters and to eliminate barriers to voting. Voting by mail is an obvious voter-friendly initiative whose time has come and that deserves support.

Your Committee has made technical 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. 433, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 433, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, 2 (Hemmings, Slom). Excused, none.

SCRep. 835 (Majority) Ways and Means on S.B. No. 617

The purpose of this measure is to establish the court interpreting services revolving fund in the Judiciary to provide financial support for the development of a comprehensive education, screening, testing, and certification program for court interpreters.

Your Committee finds that the court interpreting services revolving fund will permit the Judiciary to receive moneys, including user fees collected from court interpreters, which will be used not only to defray the cost of important court interpreter education and certification programs, but also to ensure the accuracy and reliability of court interpreters utilized in all legal proceedings in state courts. The court interpreting services revolving fund will enable the Judiciary to provide high quality interpreting services for non-English speakers who utilize the services of the Judiciary.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 617, 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 (English).

SCRep. 836 Ways and Means on S.B. No. 618

The purpose of this measure is to expand the type of delinquent receivables that the Judiciary may write off as uncollectible, to include fines, restitution, monetary assessments, fees, surcharges, penalties, sanctions, and court costs.

Your Committee finds that under existing law, the Judiciary is only authorized to write off delinquent fines and restitution that have been uncollectible for at least two years.

Your Committee has amended the bill by changing the effective date to July 1, 2050, to permit further discussion of the issues raised and making technical nonsubstantive changes for consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 618, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 618, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 15. Noes, none. Excused, none.

SCRep. 837 Ways and Means on S.B. No. 673

The purpose of this measure is to appropriate funds to pay settlements or judgments for monetary claims against the State, its officers, and employees.

Your Committee finds that with this measure, the State will be able to pay its outstanding liabilities in a timely manner.

Your Committee expressed concern when it found that the attorney general had to settle a claim with Romy Nochi for \$46. Your Committee heard from a representative of the attorney general that these claims could not be simply paid. Your Committee would like the attorney general to explore amending state law to allow these types of small claims to be paid from a fund versus having to go through a legal process.

Your Committee amended this measure by adding six additional claims to part I: a new section for three claims against the Department of Accounting and General Services; one claim (Moniz) for the Department of Education, and two claims (Baker and Bernard) for the Department of Public Safety. Your Committee has also made technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 673, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 673, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 15. Noes, none. Excused, none.

SCRep. 838 Ways and Means on S.B. No. 824

The purpose of this measure is to convert the positions for two part-time members of the Hawaii Paroling Authority to full-time positions and to increase the level of compensation for the positions to reflect full-time service.

Your Committee finds that the workload of the Hawaii Paroling Authority is not only significant, but also increasing. Even so, the two part-time members are expected to handle their responsibilities with the parole board in addition to their full-time jobs. By making these part-time positions full-time and increasing the salary of parole board members to a level commensurate with full-time status, parole board members will be able to devote their full attention and energies to the various duties and responsibilities entrusted to them.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 824 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (Fukunaga).

SCRep. 839 (Majority) Ways and Means on S.B. No. 825

The purpose of this measure is to entitle deputy sheriffs who terminate from employment on or after July 1, 2005, with twenty-five years of credited service to receive retirement benefits unreduced for age.

Your Committee finds that this measure will place deputy sheriffs in greater parity with other law enforcement and safety personnel, who presently may retire with an unreduced pension 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 S.B. No. 825, 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 (Fukunaga).

SCRep. 840 (Majority) Ways and Means on S.B. No. 828

The purpose of this measure is to entitle correctional officers who are either class C (noncontributory) or class H (hybrid) members of the Employees' Retirement System and who terminate from employment on or after July 1, 2005, with twenty-five years of credited service to receive retirement benefits unreduced for age.

Your Committee finds that this measure will place correctional officers in greater parity with other law enforcement and safety personnel, including correctional officers who are class A (contributory) members, who presently may retire after twenty-five years of credited service with an unreduced pension, 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 S.B. No. 828, 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 (Fukunaga).

SCRep. 841 Ways and Means on S.B. No. 995

The purpose of this measure is to repeal the mandatory retirement age of seventy for all state judges and justices.

Your Committee finds that the current mandatory retirement age for judges and justices is counterproductive to judicial efficiency and productivity as it often dispenses of highly experienced jurists capable of discharging their duties well beyond the age of the seventy. Your Committee further finds that age alone does not determine a judge's functional ability. Mandatory retirement does not consider the value of a judge's accumulated wisdom and experience on the bench.

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. 995, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 995, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Fukunaga, Sakamoto).

SCRep. 842 Ways and Means on S.B. No. 1317

The purpose of this measure is to increase the rate and total amount of compensation payable to an attorney appointed by the court to represent an indigent criminal defendant or juvenile in any stage of a judicial or administrative proceeding, including appeal.

Under current law, court-appointed attorneys are paid \$40 per hour for out-of-court services and \$60 per hour for services performed in court. Current law also sets a maximum amount that can be paid to the attorney based on the grade of offense and type of proceeding. For example, the maximum amount for a felony case is currently \$3,000, while the maximum amount for a petty misdemeanor case is \$450. This bill would increase the hourly rate to \$90, the same rate paid to appointed counsel in federal criminal proceedings, and increase the total amount of compensation payable in any given case.

Your Committee finds that the current rates have not been increased since 1987 and are insufficient to ensure constitutionally adequate legal representation. The courts have found it difficult to find competent attorneys to accept complex cases and cases on appeal. This difficulty has resulted in increased claims of ineffective assistance of counsel and appellate caseloads.

Your Committee has amended the bill by increasing the maximum amounts payable in any given case. Under current law, there is a correlation between the hourly rate and the total compensation payable. For example, appeals are compensable at a maximum of

\$2,500, which represents 62.5 hours of work at the rate of \$40 per hour. As received by your Committee, this bill would increase the hourly rate to \$90 but the total amount payable for an appeal would be increased only to \$3,125, which represents 34.72 hours of work at the new hourly rate. Accordingly, your Committee has amended the bill by increasing the maximum payable compensation in the same proportion to the hourly rate as is provided under current law. For example, appeals would be compensable at a maximum of \$5,625. Figures have been rounded down to the closest \$25.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1317, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1317, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 843 (Majority) Ways and Means on S.B. No. 1327

The purpose of this measure is to improve the services provided to crime victims by the Crime Victim Compensation Commission.

Specifically, this measure:

- (1) Exempts the crime victim compensation special fund from assessments for central service expenses and departmental administrative expenses;
- (2) Allows the crime victim compensation special fund to cover the costs of mental health care counseling and other related services to surviving family members when a family member is the victim of a crime that results in death; and
- (3) Authorizes the Department of Public Safety to garnish the wages of inmates to satisfy court-ordered crime victim compensation fees.

Your Committee finds that the exemption from central service and administrative expense assessments will enable the Crime Victim Compensation Commission to devote additional financial resources to victim compensation awards and help the Commission achieve fiscal self-sufficiency.

Your Committee also finds that permitting the Director of Public Safety to garnish moneys received by an inmate to satisfy the victim compensation fee imposed by a court at sentencing will enhance the Commission's stream of revenue and hold offenders accountable for the consequences of their actions. These additional resources will permit the Commission to defray expenses associated with providing mental health care services for surviving family members of a deceased victim.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1327 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. 844 (Majority) Ways and Means on S.B. No. 1328

The purpose of this measure is to establish the order of priority in which a defendant must pay court-ordered restitution, crime victim compensation fees, probation service fees, other fees, and fines.

This measure also increases by \$10 the crime victim compensation fee that a defendant may be ordered to pay based on the grade of criminal offense.

Your Committee finds that the establishment of a priority system regarding payment of court-ordered fees that a defendant is responsible for paying ensures that the victim of the defendant's crime receives the first amount of compensation paid by the defendant. Your Committee further finds that the Judiciary is not assessing the crime victim compensation fee on a regular basis against criminal defendants. The increase in the compensation fee will help improve realizations to the Crime Victims Compensation Special Fund from which payments are made to victims for expenses incurred, and losses sustained as a result of, the defendant's crime.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1328, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Sakamoto).

SCRep. 845 Ways and Means on S.B. No. 1551

The purpose of this measure is to make various amendments to chapter 92, Hawaii Revised Statutes, the State's sunshine law.

Specifically, this measure:

- (1) Authorizes the Office of Information Practices to enforce part I, chapter 92, Hawaii Revised Statutes ("Sunshine" law);

- (2) Allows a court to void a board's actions, taken in violation of the open meeting or notice requirements of the sunshine law, without proof of wilful violation;
- (3) Allows the Office of Information Practices to waive any fee to access a record if the waiver is in the public interest;
- (4) Requires the Judicial Council to select the candidates for the position of Director of the Office of Information Practices; and
- (5) Specifies a six-year appointment term for the Director of the Office of Information Practices.

Your Committee understands that this measure will:

- (1) Enable the Office of Information Practices to enforce compliance with open meeting requirements. Without this authority, government boards are able to disregard determinations of the Office of Information Practices without fear of legal action;
- (2) Allow the courts, by removal of the proof of wilful violation requirement, the discretion to decide whether a board violation was of such magnitude as to require the action be voided; and
- (3) Enable the Office of Information Practices to be the final arbiter regarding the waiver of fees to access a public record.

Your Committee has amended this measure by making:

- (1) A technical amendment to clarify that the Office of Information Practices may not waive reproduction costs; and
- (2) 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. 1551, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1551, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 846 Ways and Means on S.B. No. 1781

The purpose of this measure is to appropriate funds to the Department of Public Safety for community-based reintegration programs that assist former inmates in successfully transitioning back into the community.

Your Committee finds that funding for community-based reintegration programs must be increased in order to hold recidivism rates in check. In other words, without increased funding for a better coordination of services the so-called revolving door between prison and the community will continue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1781 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 847 Ways and Means on S.B. No. 1864

The purpose of this measure is to make an emergency appropriation from the Judiciary Computer System Special Fund to cover unexpected costs associated with the implementation of the Judiciary Information Management System.

Your Committee finds that the Judiciary is in the process of implementing the traffic module of the Judiciary Information Management System, which is an integrated case management system aimed at improving the efficiency, effectiveness, and accessibility of the courts in the State. In this massive undertaking, the Judiciary faces some unanticipated costs in the actual implementation of the system. With the emergency appropriation, the Judiciary will be able to cover these costs that would otherwise cause it to exceed the current fiscal year's appropriation.

Your Committee amended this measure by making technical, nonsubstantive amendments for 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. 1864, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1864, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 848 (Majority) Ways and Means on S.B. No. 55

The purpose of this measure is to require employers to permit their employees to take a rest or meal period of at least thirty minutes for every five hours of work.

Furthermore, this measure exempts employers who are part of a collective bargaining agreement that provides for meal breaks or who are operators of continuously operating facilities that are regulated by an environmental permit.

Your Committee finds that it is common business practice for employers to give their employees meal breaks. However, employees in Hawaii presently have no right to meal breaks. In contrast, they reportedly have that right in other western states. By converting a common employer practice to a protected employee right, your Committee finds that this measure will promote the employee's health, good faith, and human dignity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 55, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (English)

SCRep. 849 Ways and Means on S.B. No. 424

The purpose of this measure is to protect a recipient's weekly unemployment benefit payments from being reduced if the recipient is also receiving pension payments under the Social Security Act or Railroad Retirement Act of 1974.

Your Committee finds that the present employment security law prohibits the State from offsetting pension payments against unemployment benefits, provided that the unemployment benefits are for base periods during which the recipient's services for the employer had no effect on the pension payments.

However, the law makes an exception for pensions paid under the federal Social Security Act and the Railroad Retirement Act of 1974. Accordingly, the receipt of pension payments under those federal statutes allows the State to offset those federal pension payments against the recipient's unemployment benefits, and thereby reduce the amount of unemployment benefits payable to the recipient.

Your Committee finds that the offset provisions penalize retirees who must continue to work in order to maintain a decent standard of living. Eliminating the threat of Social Security offsets will boost the fixed incomes of retirees and hopefully enhance their purchasing power.

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. 424, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 424, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 15. Noes, none. Excused, none.

SCRep. 850 (Majority) Ways and Means on S.B. No. 425

The purpose of this measure is to entitle the surviving spouse or similarly situated person of a deceased member of the Employees' Retirement System to continue receiving benefits subsequent to the spouse's remarriage or entry into a new reciprocal beneficiary relationship.

Your Committee finds that under the present law benefits are terminated once the surviving spouse remarries or enters into a new reciprocal beneficiary relationship. The present law therefore creates economic disincentives for a surviving spouse to remarry or enter into a similar personal bond and regain a normal lifestyle. Your Committee accordingly finds that such a law tends to reflect a public policy that the State disfavors remarriages by surviving spouses of state employees.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 425, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 4 (Kim, Hemmings, Slom, Trimble). Excused, none.

SCRep. 851 (Majority) Ways and Means on S.B. No. 533

The purpose of this measure is to allow the use, for family leave purposes, of sick leave in excess of the statutory minimum amount of temporary disability leave.

The measure also amends the definition of "sick leave" under the family leave law.

Your Committee has amended this measure by changing the effective date to July 1, 2050, in order to facilitate further 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. 533, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 533, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 2 (Slom, Trimble). Excused, none.

SCRep. 852 Ways and Means on S.B. No. 738

The purpose of this measure is to allow the Board of the Employees' Retirement System to compromise or settle claims by members who detrimentally rely upon erroneous information provided by the Employees' Retirement System.

More specifically, the Board, under this measure, may compromise or settle any claims for benefits to which a member or former member of the system would not otherwise be entitled if:

- (1) The claim resulted from an erroneous written representation made by an authorized employee of the system; and
- (2) The member, in good faith reliance on the representation, decided to retire or terminate the member's employment or membership in the system.

Your Committee finds that allowing the Employees' Retirement System to settle such claims provides fairness to members or former members of the system and may avoid lengthy and costly litigation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 738, 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 (Kim).

SCRep. 853 Ways and Means on S.B. No. 740

The purpose of this measure is to make clarifying, corrective, and conforming amendments to the statutes on the Employees' Retirement System.

In other words, this bill is simply a housekeeping measure. Among other things, the bill makes the Employees' Retirement System law comply with federal tax code:

- (1) Limits on the compensation used to determine ordinary death benefits; and
- (2) Requirements for income tax withholding of pension benefits.

The bill also reclassifies county employees so as to be grouped with state employees engaged in comparable functions.

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. 740, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 740, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Kim).

SCRep. 854 Ways and Means on S.B. No. 807

The purpose of this measure is to adjust the pay salaries of state positions that are not set by the Executive Salary Commission.

Your Committee finds that the Executive Salary Commission was established to review and recommend salary adjustments for executives in state government. Your Committee also finds, however, that a number of executive positions in state government are outside the purview of the Executive Salary Commission and are either tied to the compensation of state deputy directors or are set by statute. This salary policy for executives who fall outside of the Commission's review has caused its share of problems, including confusion caused by multi-tiered deputy director salary structures and the daunting challenge of adjusting salaries that require legislative approval.

This bill addresses these problems by either authorizing a governing body or higher executive to set an executive's salary (thereby removing salary limitations altogether) or specifying a specific deputy director position for purposes of tying an executive's salary to that position.

Your Committee has amended the bill by deleting the provision allowing the ethics commission to set the salary of the executive director and 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. 807, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 807, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

SCRep. 855 Ways and Means on S.B. No. 813

The purpose of this measure is to appropriate \$10,000,000 in each year of the fiscal biennium from the Unemployment Insurance Trust Fund to support various labor-related activities, including the County Workforce Investment Boards and Leeward Community College's immigrant education and job training programs.

The bill also appropriates funds to the Department of Labor and Industrial Relations:

- (1) For the America One-Stop Operating System and other employment-type services;
- (2) To improve computer systems connectivity and employment related electronic needs; and
- (3) To improve access to workforce information to enhance employment in the State.

Finally, the bill conforms state law to the Temporary Extended Unemployment Compensation Act of 2002 so that the State can utilize the federal funds which is the source for the appropriations made in this bill.

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. 813, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 813, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

SCRep. 856 (Majority) Ways and Means on S.B. No. 933

The purpose of this measure is to clarify that prevailing wage benefits to laborers and mechanics performing work on public work projects extends also to laborers and mechanics working on public work projects off of the job site.

The measure also requires governmental contracting agencies making accrued payments withheld under the terms of a public work contract to make such payments to laborers and mechanics and their required assistants, helpers, tenders, or apprentices.

Your Committee finds that this measure provides clarity and equity to the existing provisions of Chapter 104, 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. 933, 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 (Kim, Sakamoto).

SCRep. 857 (Majority) Ways and Means on S.B. No. 935

The purpose of this measure is to expand the scope of the requirement that state funded construction projects establish certified payroll and comply with state law relating to prevailing hours and wages of employees on public works, known as the "Little Davis Bacon Act."

Specifically, this measure broadens the application of the law, codified in chapter 104, Hawaii Revised Statutes, by deleting the limiting factor that a governmental contracting agency be a party to the contract. In addition, the measure repeals the definition of governmental contracting agency for a public work project in excess of \$2,000 and clarifies that special purpose revenue bonds are included in the definition of "public work" under chapter 104, Hawaii Revised Statutes.

Your Committee finds that construction projects funded by special purpose revenue bonds are funded by tax exempt bonds and thus fall under the definition of "public work" under chapter 104, Hawaii Revised Statutes. As such, the requirements of chapter 104, including the payment of the prevailing wages on these construction projects would apply. This clarifying amendment will ensure that all public works projects are properly monitored for compliance and that all contractors maintain prevailing wages.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 935, S.D. 1, 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. 858 Ways and Means on S.B. No. 943

The purpose of this measure is to fund, for fiscal biennium 2005-2007, 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, the measure also funds, for fiscal biennium 2005-2007, the salary increases and other cost adjustments authorized under chapter 89C, Hawaii Revised Statutes, for employees who are excluded from collective bargaining and under the same compensation plans as those officers and employees within collective bargaining unit (2).

Although no sums have been appropriated or authorized from the sources of funding indicated in the 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.

Your Committee has amended the measure by inserting language that authorizes the various departments and agencies to expend the funds allotted and by making a technical, nonsubstantive amendment for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 943, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 943, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

SCRep. 859 Ways and Means on S.B. No. 1045

The purpose of this measure is to fund, for fiscal biennium 2005-2007, 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, the measure also funds, for fiscal biennium 2005-2007, the salary increases and other cost adjustments authorized under chapter 89C, Hawaii Revised Statutes, for employees who are excluded from collective bargaining and under the same compensation plans as those officers and employees within collective bargaining unit (3).

Although no sums have been appropriated or authorized from the sources of funding indicated in the 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.

Your Committee has amended the measure by inserting language that authorizes the various departments and agencies to expend the funds allotted and by making a technical, nonsubstantive amendment for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1045, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1045, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

SCRep. 860 Ways and Means on S.B. No. 1046

The purpose of this measure is to fund, for fiscal biennium 2005-2007, 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 schedule.

In addition, the measure also funds, for fiscal biennium 2005-2007, the salary increases and other cost adjustments authorized under chapter 89C, Hawaii Revised Statutes, for employees who are excluded from collective bargaining and under the same compensation plans as those officers and employees within collective bargaining unit (6).

Although no sums have been appropriated or authorized from the sources of funding indicated in the 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.

Your Committee has amended the measure by inserting language that authorizes the various departments and agencies to expend the funds allotted and by making technical, nonsubstantive amendment for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1046, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1046, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

SCRep. 861 Ways and Means on S.B. No. 1047

The purpose of this measure is to fund, for fiscal biennium 2005-2007, 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, the measure also funds, for fiscal biennium 2005-2007, the salary increases and other cost adjustments authorized under chapter 89C, Hawaii Revised Statutes, for employees who are excluded from collective bargaining and under the same compensation plans as those officers and employees within collective bargaining unit (4).

Although no sums have been appropriated or authorized from the sources of funding indicated in the 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.

Your Committee has amended the measure by inserting language that authorizes the various departments and agencies to expend the funds allotted and by making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1047, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1047, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

SCRep. 862 Ways and Means on S.B. No. 1048

The purpose of this measure is to fund, for fiscal biennium 2005-2007, 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, the measure also funds, for fiscal biennium 2005-2007, the salary increases and other cost adjustments authorized under chapter 89C, Hawaii Revised Statutes, for employees who are excluded from collective bargaining and under the same compensation plans as those officers and employees within collective bargaining unit (8).

Although no sums have been appropriated or authorized from the sources of funding indicated in the 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.

Your Committee has amended the measure by inserting language that authorizes the various departments and agencies to expend the funds allotted and by making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1048, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1048, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

SCRep. 863 Ways and Means on S.B. No. 1049

The purpose of this measure is to fund, for fiscal biennium 2005-2007, all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (9), registered professional nurses.

In addition, the measure also funds, for fiscal biennium 2005-2007, the salary increases and other cost adjustments authorized under chapter 89C, Hawaii Revised Statutes, for employees who are excluded from collective bargaining and under the same compensation plans as those officers and employees within collective bargaining unit (9).

Although no sums have been appropriated or authorized from the sources of funding indicated in the 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.

Your Committee has amended the measure by inserting language that authorizes the various departments and agencies to expend the funds allotted and by making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1049, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1049, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

SCRep. 864 Ways and Means on S.B. No. 1050

The purpose of this measure is to fund, for fiscal biennium 2005-2007, 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, the measure also funds, for fiscal biennium 2005-2007, the salary increases and other cost adjustments authorized under chapter 89C, Hawaii Revised Statutes, for employees who are excluded from collective bargaining.

Although no sums have been appropriated or authorized from the sources of funding indicated in the 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.

Your Committee has amended the measure by:

- (1) Inserting language that authorizes the various departments and agencies to expend the funds allotted; 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. 1050, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1050, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

SCRep. 865 Ways and Means on S.B. No. 1052

The purpose of this measure is to clarify the definition of "dependent-beneficiary" for purposes of Employer-Union Health Benefits Trust Fund coverage.

Specifically, this bill includes in the definition of "dependent-beneficiary" any other child who lives in a parent-child relationship with the employee-beneficiary and who qualifies as a dependent of the employee-beneficiary for federal tax purposes.

Your Committee finds that current law does not recognize, for purposes of coverage under the Employer-Union Health Benefits Trust Fund, any children in a parent-child relationship with an employee-beneficiary unless they are legally adopted, stepchildren, foster children, or recognized natural children. However, in Hawaii, many individuals are involved in relationships where they are raising a grandchild, niece, nephew, sibling, or hanai child. Your Committee believes that these other children also deserve coverage under the Employer-Union Health Benefits Trust Fund because they are in a parent-child type relationship with the employee-beneficiary and the employee-beneficiary provides financial support for these children.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1052 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

SCRep. 866 Ways and Means on S.B. No. 1192

The purpose of this measure is to limit the number of exempt civil service positions in the State, except for the Judiciary, to an unspecified percentage of the total number of civil service positions.

Furthermore, this measure requires the Department of Human Resources to make annual reports to the Legislature on the number of civil service and exempt employees employed by the State.

Your Committee finds that placing limits on the number of exempt civil service positions in the State is necessary to preserve the principle that the civil service shall comprise all positions in the State. The proliferation of exempt positions in the State tends to undermine this principle. Placing limits on the number of exempt positions and regularly monitoring the implementation of those limits will help preserve the integrity of the civil service system.

Your Committee has amended this measure by clarifying that the first report to the Legislature is due January 1, 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 S.B. No. 1192, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1192, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 867 Ways and Means on S.B. No. 1193

The purpose of this measure is to permit civil service employees who were transferred from executive branch agencies to the Department of Education pursuant to Act 51, Session Laws of Hawaii 2004, to retain the right to apply for intra-departmental or inter-departmental transfer and promotional opportunities.

Your Committee finds that this measure will ensure the rights and benefits of those employees who were transferred to the Department of Education from other executive branch agencies.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1193, 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 (Kim, Sakamoto).

SCRep. 868 Ways and Means on S.B. No. 1194

The purpose of this measure is to require public employee members of the State Deferred Compensation Plan (Plan) board of trustees to be elected by the Plan membership.

Presently, the Plan's board of trustees is comprised of seven members. Two members are ex officio state department directors, and five members are public employee Plan members appointed by the Governor and confirmed by the Senate.

Your Committee finds that a more democratic process is needed with respect to the selection of public employee board members to allow the Plan's membership to participate more directly in the administration of the Plan. By requiring the election of public employee board members by the Plan's membership, this bill recognizes the right of the Plan's membership to administer its own Plan.

Your Committee has amended the bill by requiring the Plan to pay for the elections, by correcting a drafting error, and by making other technical, nonsubstantive amendments for purposes of drafting 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. 1194, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1194, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

SCRep. 869 (Majority) Ways and Means on S.B. No. 1352

The purpose of this measure is to permit a state or county employee to take seven days of paid leave per year to serve as a bone marrow donor and thirty days of paid leave to serve as an organ donor.

Your Committee finds that the number of individuals in need of organ and bone marrow transplants far exceed the number of organs available for transplant and the number of willing living organ and bone marrow donors. In spite of ongoing medical and technological advances and breakthroughs, more needs to be done to increase the supply of organ donors. To this end, in 1999 Congress acted to facilitate the donation of organs by enacting the Organ Donor Leave Act, which permits a federal employee to take thirty days of paid leave, annually, in order to serve as an organ donor. Your Committee believes that public employees in Hawaii should also be provided with adequate leave time in order to serve in this capacity.

Your Committee has amended this measure by making technical, nonsubstantive amendments for 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. 1352, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1352, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 2 (Slom, Trimble). Excused, 2 (Kim, Sakamoto).

SCRep. 870 (Majority) Ways and Means on S.B. No. 1395

The purpose of this measure is to mirror the civil service benefits of the executive civil service system and the Department of Education (Department) civil service system, as established pursuant to chapter 76, Hawaii Revised Statutes.

Your Committee finds that Act 51, Session Laws of Hawaii 2004, requires the transition of certain functions and resources from various state agencies to the Department. Specifically, it requires the Department to establish a separate personnel system, including existing department employees and those who are transferred to the Department from other state agencies. This measure will help to ensure that the rights and benefits of civil service employees of the Executive Branch who are transferred to the Department are maintained and not diminished or lost as a result of the transfer.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1395, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 1 (Slom). Excused, 2 (Kim, Sakamoto).

SCRep. 871 (Majority) Ways and Means on S.B. No. 1578

The purpose of this measure is to allow unemployment insurance claimants to receive their full unemployment insurance weekly benefits without any deduction for earnings received from employment.

Presently, when the total weekly wages earned by an unemployment insurance claimant is less than the claimant's weekly benefits, earnings in excess of the first \$50 for that week are deducted from the claimant's benefits on a dollar-for-dollar basis. Your Committee finds that this law serves as a disincentive to unemployment insurance claimants to find work and is counterproductive to the underlying public policy of achieving full employment in the State.

This bill will allow unemployment insurance claimants to maximize their weekly benefits to not only support their families, but to also support their efforts to find adequate employment.

Your Committee has amended the bill by changing the effective date to January 1, 2006, for the purposes of administrative efficiency and ease, and by making other nonsubstantive technical 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. 1578, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1578, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (Kim, Sakamoto).

SCRep. 872 Ways and Means on S.B. No. 1579

The purpose of this measure is to fund, for fiscal biennium 2005-2007, all collective bargaining cost items relating to the Employer-Union Health Benefits Trust Fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (1), nonsupervisory employees in blue collar positions.

In addition, the measure also funds, for fiscal biennium 2005-2007, the cost items relating to the Employer-Union Health Benefits Trust Fund authorized under chapter 89C, Hawaii Revised Statutes, for employees who are excluded from collective bargaining and under the same compensation plans as those officers and employees within collective bargaining unit (1).

Although no sums have been appropriated or authorized from the sources of funding indicated in the 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.

Your Committee has amended the measure by inserting language that authorizes the various departments and agencies to expend the funds allotted and 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. 1579, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1579, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

SCRep. 873 Ways and Means on S.B. No. 1580

The purpose of this measure is to fund, for fiscal biennium 2005-2007, all collective bargaining cost items relating to the Employer-Union Health Benefits Trust Fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (5), teachers.

In addition, the measure also funds, for fiscal biennium 2005-2007, the cost items relating to the Employer-Union Health Benefits Trust Fund authorized under chapter 89C, Hawaii Revised Statutes, for employees who are excluded from collective bargaining.

Although no sums have been appropriated or authorized from the sources of funding indicated in the 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.

Your Committee has amended the measure by:

- (1) Inserting language that authorizes the various departments and agencies to expend the funds allotted;
- (2) Inserting language that clarifies that the appropriation for excluded employees contained in the measure applies to those excluded employees who belong to the same compensation plan as those officers and employees within collective bargaining unit (5); 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. 1580, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1580, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

SCRep. 874 Ways and Means on S.B. No. 1581

The purpose of this measure is to fund, for fiscal biennium 2005-2007, all collective bargaining cost items relating to the Employer-Union Health Benefits Trust Fund 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, the measure also funds, for fiscal biennium 2005-2007, the cost items relating to the Employer-Union Health Benefits Trust Fund authorized under chapter 89C, Hawaii Revised Statutes, for employees who are excluded from collective bargaining.

Although no sums have been appropriated or authorized from the sources of funding indicated in the 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.

Your Committee has amended the measure by:

- (1) Inserting language that authorizes the various departments and agencies to expend the funds allotted;
- (2) Inserting language that clarifies that the appropriation for excluded employees contained in the measure applies to those excluded employees who belong to the same compensation plan as those officers and employees within collective bargaining unit (7);
- (3) Inserting language that requires salary increases or cost adjustments for officers or employees whose compensation is paid in whole or in part from federal, special, or other funds be paid wholly or proportionately from the respective funds; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1581, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1581, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

SCRep. 875 Ways and Means on S.B. No. 1582

The purpose of this measure is to fund, for fiscal biennium 2005-2007, all collective bargaining cost items relating to the Employer-Union Health Benefits Trust Fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (9), registered professional nurses.

In addition, the measure also funds, for fiscal biennium 2005-2007, the cost items relating to the Employer-Union Health Benefits Trust Fund authorized under chapter 89C, Hawaii Revised Statutes, for employees who are excluded from collective bargaining.

Although no sums have been appropriated or authorized from the sources of funding indicated in the 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.

Your Committee has amended the measure by:

- (1) Changing the reference in section 2 of the measure from “fiscal biennium 2005-2006” to “fiscal biennium 2005-2007”;
- (2) Inserting language that authorizes the various departments and agencies to expend the funds allotted;
- (3) Inserting language that clarifies that the appropriation for excluded employees contained in the measure applies to those excluded employees who belong to the same compensation plan as those officers and employees within collective bargaining unit (9); and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1582, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1582, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

SCRep. 876 Ways and Means on S.B. No. 1583

The purpose of this measure is to fund, for fiscal biennium 2005-2007, all collective bargaining cost items relating to the Employer-Union Health Benefits Trust Fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (10), institutional, health, and correctional workers.

In addition, the measure also funds for fiscal biennium 2005-2007, the cost items relating to the Employer-Union Health Benefits Trust Fund authorized under chapter 89C, Hawaii Revised Statutes, for employees who are excluded from collective bargaining.

Although no sums have been appropriated or authorized from the sources of funding indicated in the 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 (10) will eventually produce a settlement.

Your Committee has amended the measure by:

- (1) Inserting language that authorizes the various departments and agencies to expend the funds allotted;
- (2) Inserting language that clarifies that the appropriation for excluded employees contained in the measure applies to those excluded employees who belong to the same compensation plan as those officers and employees within collective bargaining unit (10); 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. 1583, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1583, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

SCRep. 877 Ways and Means on S.B. No. 1584

The purpose of this measure is to fund, for fiscal biennium 2005-2007, all collective bargaining cost items relating to the Employer-Union Health Benefits Trust Fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (11), firefighters.

In addition, the measure also funds, for fiscal biennium 2005-2007, the cost items relating to the Employer-Union Health Benefits Trust Fund authorized under chapter 89C, Hawaii Revised Statutes, for employees who are excluded from collective bargaining.

Although no sums have been appropriated or authorized from the sources of funding indicated in the 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.

Your Committee has amended the measure by:

- (1) Inserting language that authorizes the various departments and agencies to expend the funds allotted;
- (2) Inserting language that clarifies that the appropriation for excluded employees contained in the measure applies to those excluded employees who belong to the same compensation plan as those officers and employees within collective bargaining unit (11);

- (3) Inserting language that requires salary increases or cost adjustments for officers or employees whose compensation is paid in whole or in part from federal, special, or other funds be paid wholly or proportionately from the respective funds; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1584, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1584, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

SCRep. 878 Ways and Means on S.B. No. 1585

The purpose of this measure is to fund collective bargaining cost items relating to the Employer-Union Health Benefits Trust Fund for public employees in certain collective bargaining units and their excluded counterparts.

Specifically, the measure funds, for fiscal biennium 2005-2007, Employer-Union Health Benefits Trust Fund 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, the measure funds, for fiscal biennium 2005-2007, the Employer-Union Health Benefits Trust Fund cost items authorized under 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 the measure, your Committee believes that a vehicle for funding these collective bargaining cost items 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.

Your Committee has amended the measure by inserting language that authorizes the various departments to expend the funds allotted and 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. 1585, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1585, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Kim, Sakamoto).

SCRep. 879 (Majority) Ways and Means on S.B. No. 1773

The purpose of this measure is to prohibit the Department of Human Resources Development (Department) from eliminating the social worker class.

Specifically, this bill requires the Department, on or before June 30, 2006, to develop a plan for the implementation of separate classifications of a social worker class and a human services professional class. Previously, on May 1, 2004, the Department had eliminated the class known as social worker in all of its classifications and replaced it with the social worker/human services professional class.

This bill re-establishes the social worker class separate from the human services professional class. Furthermore, this bill restores employees transferred from the social worker class and transfers those hired subsequent to the elimination of the social worker class into the appropriate separate classes. The Department is required to report to the Legislature prior to the convening of the Regular Session of 2007 with the implementation plan for the two separate classes. If the Legislature accepts the plan, the plan will become effective on July 1, 2007.

In addition, this bill specifically prohibits the Department from eliminating or abolishing, by reason of attrition or any other reason, except by direct act of the Legislature, the social worker class, or replacing it with any other class throughout all jurisdictions of the civil service, except for social worker positions reclassified within the parole officer series.

Your Committee believes that the previous reclassification divested social workers with advanced degrees in social work of their well-earned titles by also allowing individuals without such degrees to be referred to as social workers under the new "social worker/human services professional class." Your Committee recognizes the unique services provided by social workers and their specialized education and training and determines that their status should be restored. The class should also be upgraded by transitioning currently exempt state social workers into licensed social workers. Your Committee finds that the Department should develop and implement a new plan for the reclassification of social worker/human services professionals into two separate classes while restoring the social worker class.

Your Committee has made several technical 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. 1773, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1773, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 2 (Slom, Trimble). Excused, 2 (Kim, Sakamoto).

SCRep. 880 Ways and Means on S.B. No. 33

The purpose of this measure is to establish a comprehensive statewide telecommuting policy that would apply to eligible employees of state agencies.

Your Committee finds that telecommuting has the potential to provide significant transportation, air quality, energy, time, and quality of life benefits. Government agencies, moreover, can play a significant role in facilitating and encouraging telecommuting.

Your Committee has amended this bill by changing its effective date to July 1, 2050, to facilitate further discussion on the mechanics and impacts of implementing a telecommuting policy, including consideration of costs, benefits, and public worker union impacts. Technical, nonsubstantive amendments have also 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. 33, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 33, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 15. Noes, none. Excused, none.

SCRep. 881 (Majority) Ways and Means on S.B. No. 541

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 to include digital media and sound recording and support and build the local workforce and infrastructure needed to grow Hawaii's digital media industry.

Specifically, the measure:

- (1) Amends section 235-7.3, Hawaii Revised Statutes, to add digital media to the definition of "performing arts products" so that it mirrors the definition of "performing arts products" added to section 235-110.9, Hawaii Revised Statutes;
- (2) Amends section 235-110.9, Hawaii Revised Statutes, to add a new definition for "performing arts products", and to add language to the definition of "qualified high technology business" to clarify that businesses claiming the tax credit under this section in taxable years beginning after December 31, 2005, shall provide proof to the Department of Business, Economic Development, and Tourism of educational or in-kind support of Hawaii secondary or post-secondary performing arts programs, employment of Hawaii residents, and use of facilities in the State;
- (3) Increases the existing four per cent income tax credit on Hawaii qualified production expenditures to fifteen per cent for productions on Oahu and twenty per cent for productions on the neighbor islands;
- (4) Allows a qualified production to receive a wage reimbursement tax credit for an unspecified percentage of the wages paid to below-the-line hires that are Hawaii residents;
- (5) Deletes the tax credit for transient accommodations taxes established under section 235-17(b), Hawaii Revised Statutes;
- (6) Requires that motion picture or film productions expend a minimum of \$200,000 in the State to qualify for the tax credit;
- (7) Requires that a sound recording production expend a minimum of \$20,000 in the State to qualify for the tax credit;
- (8) Requires that a production that qualifies for the tax credit provide the State with a shared-card, end-title credit;
- (9) Requires that productions interested in claiming the tax credit be pre-qualified by the Department of Business, Economic Development, and Tourism;
- (10) Establishes record keeping and reporting requirements for the Departments of Business, Economic Development, and Tourism and Taxation;
- (11) Defines terms such as "below-the-line hires", "commercials", "digital media", "post-production", "production", "qualified production", and "qualified production costs";
- (12) Prohibits the claiming of tax credits under both the production expenditure tax credit established under section 235-17, Hawaii Revised Statutes, and the investment tax credit established under section 235-110.9, Hawaii Revised Statutes;

- (13) Caps tax credit claims at \$8,000,000 per production;
- (14) Requires the Department of Business, Economic Development, and Tourism, in consultation with the Department of Taxation and the county film offices, to develop an appropriate revenue generation and economic benefit model to determine the economic impact of the enhanced film and digital media tax credits established under this Act;
- (15) Requires the Department of Business, Economic Development, and Tourism, beginning with the 2006 Regular Session, to annually submit reports on the film and digital media production expenditure, revenue projection, and revenue realization information to the Legislature until the 2011 Regular Session; and
- (16) Makes the amendments made to the enhanced film and digital media tax credits applicable to taxable years beginning after December 31, 2004.

Your Committee has amended the measure by:

- (1) Moving the provisions that:
 - (A) Establish certain types of reoccurring productions as separate productions with regard to qualifying for the tax credit; and
 - (B) Require qualified productions to comply with applicable laws, spending thresholds, participation, and reporting requirements,
 out of the definition of “qualified production” and placed these provisions in the subsection that establishes the tax credit claim cap (proposed subsection (i)), since these provisions are substantive in nature;
- (2) Changing the cap on tax credit claims from \$8,000,000 to \$1 per production;
- (3) Adding the provisions that require performing arts production businesses that claim the tax credit established under section 235-110.9, Hawaii Revised Statutes, to provide proof of the business’ support of Hawaii schools’ performing arts programs, the employment of Hawaii residents, and the use of in-state production facilities in the production of the business’ qualifying performing arts product that are being added to the definition of a “qualified high technology business”, to the reporting requirements of section 235-110.9(e), Hawaii Revised Statutes;
- (4) Changing the effective date of the measure from July 1, 2005 to July 1, 2050; and
- (5) Making technical and 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. 541, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 541, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, 1 (Trimble). Excused, none.

SCRep. 882 (Majority) Ways and Means on S.B. No. 575

The purpose of this measure is to establish the King Kamehameha celebration commission fund as a separate fund of the Hawaii Community Foundation.

Your Committee finds that the King Kamehameha parade and festivities have been a long standing tradition in Hawaii, enjoyed by both residents and tourists. This measure will assist the Kamehameha celebration commission in preserving this valuable, cultural tradition by providing a means to address its funding challenges.

Your Committee has amended the bill by:

- (1) Specifying that, upon termination of the fund or dissolution of the Hawaii Community Foundation, proceeds remaining in the fund shall be dispersed appropriately;
- (2) Changing its effective date to July 1, 2050, to facilitate further discussion; 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. 575, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 575, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Hemmings, Trimble). Excused, 1 (English).

SCRep. 883 Ways and Means on S.B. No. 666

The purpose of this measure is to allow government agencies to create, accept, retain, or store electronic records.

In addition, this measure allows agencies to convert their paper, microfilm, and microfiche records to electronic formats.

Your Committee finds that allowing government agencies to create, accept, retain, or store electronic records will lead to greater and more efficient public access to government records. It will also allow these agencies to electronically locate and transmit these records to the public faster and more efficiently, thereby reducing the amount of time and resources agencies dedicate to responding to government records requests.

Your Committee amended this measure by:

- (1) Changing reference to “county council” to “the legislative body of the county” for the purpose of consistency; and
- (2) Making technical, nonsubstantive amendments for 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. 666, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 666, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 884 (Majority) Ways and Means on S.B. No. 819

The purpose of this measure is to provide for the deposit into the Hawaii Historic Preservation Special Fund any civil, criminal, and administrative penalties, fines, and other charges collected pursuant to the provisions of chapter 6E, Hawaii Revised Statutes.

The measure also authorizes expenditures from the fund by the Department of Land and Natural Resources for permanent and temporary staff positions and to cover administrative and operational costs for the historic preservation program.

Your Committee is in agreement with the purposes of this measure; however, your Committee has amended this measure to ensure that any expenditures from the special fund are subject to legislative authorization. Your Committee also made technical nonsubstantive amendments for 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. 819, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 819, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, 1 (Trimble). Excused, none.

SCRep. 885 Ways and Means on S.B. No. 967

The purpose of this measure is to establish a committee to determine the scope and role that a museum of Hawaiian music and dance would have in the State.

In addition, the committee would determine:

- (1) The appropriate type of institution that should be established;
- (2) Its location;
- (3) Possible financing mechanisms for the institution; and
- (4) An initial business plan.

Your Committee finds that native Hawaiian culture is unique, filled with a rich history, and can contribute significantly to society. Particularly, Hawaiian music and dance demonstrate a proud statement of cultural identity. As such, your Committee believes that it is critical to preserve Hawaiian music and dance, as it serves to protect historic value while also serving the tourism industry in Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 967, 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. 886 (Majority) Ways and Means on S.B. No. 1171

The purpose of this measure is require the Department of Taxation to work with designees appointed by the President of the Senate and the Speaker of the House of Representatives regarding the Streamlined Sales Tax Project.

Specifically, the bill requires the Department and the designees to:

- (1) Identify the issues that require resolution to enact and operate a streamlined sales and use tax that is based on the Streamlined Sales Tax Project's model Agreement and Act;
- (2) Draft policy recommendations to resolve these issues;
- (3) Conduct informational briefings; and
- (4) Report back to the Legislature.

The bill also repeals the Streamlined Sales and Use Tax Advisory Council.

Your Committee finds that in 2003, the State lost approximately \$115,000,000 in state and local revenue because of an inability to collect taxes from electronic commerce transactions. Those estimates increase to approximately \$200,000,000 by the year 2008.

In response to this data, the Legislature enacted chapter 255D, Hawaii Revised Statutes, the Hawaii Simplified Sales and Use Tax Administration Act. The Act, essentially directed the Department of Taxation to enter into streamlined sales and use tax agreements with other states to simplify and modernize the administration of sales and use taxes. The modernization included, among other things, preventing the widespread nonpayment of taxes from electronic commerce transactions. The Department of Taxation, however, was also required to consult with an Advisory Council that was to be appointed by the Governor.

As of this date, the Governor has yet to appoint any members to that Council, which in effect, prevents the Department of Taxation from performing its duties under chapter 255D, Hawaii Revised Statutes.

To address this problem, this bill repeals the provision relating to the Council. The bill also requires the President of the Senate and the Speaker of the House of Representatives to appoint designees to work with the Department of Taxation on this matter to provide the input that the council would have otherwise provided.

Your Committee has amended the bill by making technical amendments that have no substantive effect. Your Committee has also retained the unspecified number of designees in the bill to allow further discussion on this important 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. 1171, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1171, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

SCRep. 887 Ways and Means on S.B. No. 1304

The purpose of this measure is to assist talented Hawaii filmmakers to obtain financing for their productions through a separate grants process supported by the Hawaii television and film development special fund.

Specifically, this bill:

- (1) Increases membership in the Hawaii Television and Film Board from nine to eleven, giving both the Senate President and the Speaker of the House of Representatives one more appointment each;
- (2) Outlines specific administrative procedures including funds disbursement and a grants review process aimed at furthering a sustainable local television and film industry;
- (3) Allows grants related to television and film development and production to be deposited into the Hawaii television and film development special fund;
- (4) Allows up to ten per cent of the moneys in the Hawaii television and film development special fund to be used by the Hawaii television and film development board to support the board's operations and administration of the special fund, and any grant, venture capital, or loan program; and
- (5) Appropriates \$2,000,000 to the board's special fund.

Your Committee believes that this bill will assist the Hawaii television and film development board to achieve its goals, including establishing a sustainable local television and film industry.

Upon further consideration, your Committee has amended this bill by:

- (1) Changing the appropriated amount to an unspecified amount for purposes of stimulating further discussion; and

- (2) Making technical nonsubstantive amendments for 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. 1304, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1304, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 888 Ways and Means on S.B. No. 1457

The purpose of this measure is to direct the Department of Land and Natural Resources to renew its efforts to acquire, through land exchange, lands adjacent to the Kohala Historical Sites State Monument.

Your Committee notes that Act 166, Session Laws of Hawaii 1992 (Act 166), directed the Board of Land and Natural Resources to acquire by gift or land exchange certain described parcels of property in North Kohala and designate the acquired lands as part of the Kohala Historical Sites State Monument. Since the enactment of Act 166, the State has been unsuccessful in acquiring the described parcels; however, the parcels are still necessary to provide access to and protect those parcels that are already under state ownership and are part of the Kohala Historical Sites State Monument.

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. 1457, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1457, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 889 (Majority) Ways and Means on S.B. No. 1695

The purpose of this measure is to authorize the Hawaii Strategic Development Corporation to issue \$100,000,000 in tax credits to implement the State Private Investment Fund, created under Act 215, Session Laws of Hawaii 2004.

Your Committee finds that the State Private Investment Fund was established to build a stronger venture capital community in Hawaii and to keep the local high technology industry at home. The State Private Investment Fund addresses the larger capital needs of companies in their second and third stages of funding when companies experience their greatest growth. At these stages, companies are adding hundreds of new employees and need substantial financing that is often times not available locally.

Based on a local study, it is estimated that existing start-up and emerging companies in the high technology industry will require \$223,000,000 from Hawaii and external sources over the next five years. The State Private Investment Fund represents the means to obtain that level of financing.

Your Committee has amended the bill by:

- (1) Increasing the amount of the tax credits authorized to \$120,000,000;
- (2) Changing the measure's effective date for purposes of continuing discussion on this issue;
- (3) Deleting the bracketed period on page 4, line 13, to reflect the printed version of the Hawaii Revised Statutes; and
- (4) Making technical 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. 1695, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1695, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, 1 (Trimble). Excused, none.

SCRep. 890 Ways and Means on S.B. No. 1699

The purpose of this measure is to ensure the perpetuation and support of culture and the arts in Hawaii.

Specifically, this measure increases the Hawaii State Foundation on Culture and the Arts' general fund appropriation to demonstrate strong legislative support for the importance of culture and the arts in Hawaii's communities and the enrichment of the quality of life of Hawaii's people.

Your Committee finds that the arts and the preservation and growth of culture are essential components of our society, contributing to the well being of the community. The creative processes used or learned through art help people learn to develop new concepts, new ideas, and new solutions to solve issues faced in the community and business. As the arts and culture stimulate the economy and

revitalize communities, your Committee believes that this measure is vital to ensure that culture and the arts play a role in our communities.

Upon further review, your Committee amended this measure by:

- (1) Changing the appropriation amounts from specific dollar amounts to unspecified amounts to facilitate continued discussion on this matter;
- (2) Changing the effective date from July 1, 2005 to July 1, 2050; and
- (3) Making technical, nonsubstantive amendments for 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. 1699, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1699, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 891 (Majority) Ways and Means on S.B. No. 1702

The purpose of this measure is to establish the High Technology Innovation Corporation, an attached nonprofit subsidiary of the High Technology Development Corporation.

Your Committee finds that establishing a nonprofit High Technology Innovation Corporation will:

- (1) Enable the High Technology Development Corporation to seek and receive grants from foundations, endowments, corporations, and governments, both foreign and domestic, that are presently unavailable; and
- (2) Provide a more nimble, efficient, and responsive platform to provide services to and assist in the development of the State's technology sector.

Your Committee has amended the measure by making technical, nonsubstantive amendments to correct a grammatical error, delete a reference to a repealed law, and for the purpose of style.

Your Committee believes the measure will promote the State's goal of nurturing and supporting its technology sector while reducing the State's cost for doing so.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1702, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1702, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

SCRep. 892 (Majority) Ways and Means on S.B. No. 1721

The purpose of this measure is to establish a permanent cultural public market on at least ten acres of state-owned land in the Kakaako Makai area of the Kakaako community development district in the city and county of Honolulu.

Your Committee finds that a cultural public market in the Kakaako Makai area will stimulate business and commercial activities, particularly for local farmers, businesses, manufacturers, artists, and entertainers; create a gathering place for the local community and visitors; and perpetuate and promote the rich cultural diversity of the people of our State, including the host Hawaiian culture.

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. 1721, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1721, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 2 (Slom, Trimble). Excused, 2 (Espero, Fukunaga).

SCRep. 893 (Majority) Ways and Means on S.B. No. 1792

The purpose of this measure is to appropriate general funds to establish an international business and technology incubator program to be administered by the High Technology Development Corporation (Corporation).

Specifically, the program will enable the Corporation to assist foreign technology companies primarily from the Asian countries of China and Japan in setting up a business in Hawaii.

Your Committee finds that the Corporation is qualified to assist the Asian companies in understanding legal, financial, and human resource practices. Furthermore, companies in China and Japan are accustomed to working almost exclusively with and among government entities. Your Committee finds that attracting foreign investment in the State will increase the State's tax base and broaden employment prospects for Hawaii residents.

Your Committee has amended this measure by changing the appropriation figures to unspecified amounts for the purpose of continuing discussion on 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. 1792, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1792, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 2 (Slom, Trimble). Excused, none.

SCRep. 894 (Majority) Ways and Means on S.B. No. 1186

The purpose of this measure is to provide for a temporary increase in the hotel construction and remodeling tax credit.

Specifically, this measure raises the four per cent hotel and construction and remodeling tax credit to eight per cent temporarily, from January 1, 2006 through June 30, 2009, then reduces the tax credit back to four per cent on July 1, 2009, and repeals the tax credit altogether on June 30, 2012.

Your Committee finds that the hotel construction and remodeling tax credit has been successful since its inception in 2001. The tax credit has spurred construction to reduce unemployment, boost the economy, and provide quality hotel facilities for the State's visitor industry.

Your Committee concurs with the intent of this measure to exclude time share units regulated under chapter 514E, Hawaii Revised Statutes, from the definition of "qualified full service hotel facilities" thus making time share units ineligible for the hotel construction and remodeling tax credit. Your Committee believes that the focus of the hotel construction and remodeling tax credit should be on hotel facilities that provide full services to their guests. Your Committee has therefore excluded "time share owners association" from the definition of "taxpayer".

Your Committee also concurs with the increase in the tax credit proposed in this measure, but for purposes of administrative ease, finds that the tax credit should remain at four per cent until December 31, 2007, raised to eight per cent on January 1, 2008, and finally repealed on December 31, 2010. Your Committee has amended the bill accordingly.

Your Committee has also amended the bill by changing the effective date to July 1, 2050, for purposes of furthering discussions and by making technical amendments for style and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1186, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1186, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 2 (Hemmings, Trimble). Excused, none.

SCRep. 895 (Majority) Ways and Means on S.B. No. 1727

The purpose of this measure is to coordinate and oversee all marketing efforts of products made in Hawaii to ensure that state funds are used in a conservative and creative manner without being wasteful or redundant.

Specifically, this bill requires the Department of Business, Economic Development, and Tourism to coordinate and oversee the marketing of all products made in Hawaii in such areas as planning, promoting, selling, and distributing products that are made in Hawaii with the cooperation and participation of the Hawaii Tourism Authority. The bill further requires all state agencies using state funds to market and promote products made in Hawaii to report the expenditures and specific allocations of the funds to the Department of Business, Economic Development, and Tourism at the end of each fiscal year. The Department is to establish and maintain a comprehensive information list providing the most current information and share it with the Hawaii Tourism Authority.

Your Committee believes that there is a need to centralize and coordinate the marketing of products made in Hawaii so that state funds can be better utilized and conserved to avoid duplication of efforts.

Your Committee has amended this bill by:

- (1) Conforming the text in section 486-119, Hawaii Revised Statutes, to the printed version, on page 2, line 10; and
- (2) Making other 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. 1727, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1727, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, 1 (Slom). Excused, none.

SCRep. 896 (Majority) Ways and Means on S.B. No. 1730

The purpose of this measure is to discourage the conversion of hotels to time share or condominium use by imposing a transient accommodations tax surcharge on any converted hotel to ensure a stable hotel inventory and transient accommodations tax revenue base.

The transient accommodations tax surcharge shall be imposed on the owner of the hotel prior to its conversion in an amount equal to the average of fifty per cent of the previous two years of transient accommodations tax revenues collected from the hotel. Your Committee further notes that this measure includes time share units within the definition of transient accommodations.

Your Committee has amended this measure by:

- (1) Amending the effective date to facilitate further discussion on this matter; and
- (2) 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. 1730, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1730, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 2 (Slom, Trimble). Excused, none.

SCRep. 897 (Majority) Ways and Means on S.B. No. 1863

The purpose of this measure is to require the Department of Taxation (Department) to review the forms and process relating to the collection of the transient accommodations tax from "vacation rentals" and "bed and breakfast" establishments and include these units as separate categories of tax collection under the transient accommodations tax.

The measure also requires the Department to establish other criteria to identify a "vacation rental" and a "bed and breakfast establishment" and report the transient accommodations tax revenues received from these types of establishments. The Department is to report to the Legislature twenty days before the convening of the Regular Session of 2006 on the results of its review and its findings and recommendations.

Your Committee wishes to note that, although the Department is required to establish other criteria to identify these two types of units, more definitive statutory definitions are needed. Accordingly, your Committee has amended this measure by changing the effective date to July 1, 2009, 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. 1863, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1863, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (English).

SCRep. 898 Ways and Means on S.B. No. 599

The purpose of this measure is to transfer the Boards of Registration from the Office of the Lieutenant Governor to the Department of Accounting and General Services for administrative purposes.

Your Committee finds that in 2003 the Office of Elections was transferred from the Office of the Lieutenant Governor to the Department of Accounting and General Services. The Boards of Registration hear voter registration appeals of the precinct chairperson on Election Day or the county clerk prior to the election. Your Committee believes that the Boards of Registration were inadvertently left attached to the Office of the Lieutenant Governor, and that this bill corrects that oversight.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 599 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 899 (Majority) Ways and Means on S.B. No. 609

The purpose of this measure is to allow the counties to increase, up to a maximum of \$10, the certificate of motor vehicle registration add-on fee used to defray abandoned and derelict motor vehicle disposal costs.

Currently, section 286-51(b), Hawaii Revised Statutes, allows the counties to add an extra amount up to a maximum of \$5 to the motor vehicle registration fee for beautifying highways under county ownership, control, or jurisdiction, and defraying the costs of disposal of abandoned or derelict motor vehicles. It specifies that any increase of this added amount that is above a \$2 increase shall be used for defraying the additional costs involved in disposing abandoned or derelict vehicles.

It is your Committee's understanding that the counties have incurred significant costs for motor vehicle disposal due to the high volume of abandoned and derelict vehicles that cannot be traced back to their owners. The county of Maui, for example, processes an average of one hundred abandoned cars per month. The increase up to a maximum of \$10 proposed by this bill will provide the counties with the opportunity to raise the add-on to the registration fee to help defray disposal 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. 609 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 2 (Slom, Trimble). Excused, none.

SCRep. 900 Ways and Means on S.B. No. 735

The purpose of this measure is to repeal the law providing for the escheat to the State of unclaimed property.

In 1996, legislation was enacted at the request of the Department of Budget and Finance that provided for the escheat to the State of unclaimed property after a period of years varying with the value of the property. However, section 523A-3.5, Hawaii Revised Statutes, has never been implemented and is inconsistent with the policy of the State to act as custodian of unclaimed property until it can be reunited with the rightful owner.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 735 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 901 Ways and Means on S.B. No. 848

The purpose of this measure is to provide financial flexibility to concessions to give security for contract performance.

Specifically, this bill allows the use of legal tender or financial instruments other than security bonds to secure performance under concession contracts with the State.

Your Committee finds that security bonds have become increasingly expensive and difficult to obtain for airport concessionaires. This measure would provide concessionaires with flexibility, and reduce their costs associated with financial security requirements by providing financial instruments other than security bonds to secure contract performance.

Your Committee has made a technical amendment to conform the text of the bill in section 2 to the printed version of the Hawaii Revised Statutes, and made further technical 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. 848, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 848, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 902 Ways and Means on S.B. No. 960

The purpose of this measure is to make an appropriation to upgrade the State's tsunami preparedness efforts.

Your Committee believes that this appropriation will support those efforts through the installing of new siren systems, updating evacuation maps, constructing new shelter space, providing around-the-clock alert staff for the civil defense division, and expanding public education campaigns emphasizing the need for tsunami preparedness.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 960 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 903 Ways and Means on S.B. No. 963

The purpose of this measure is to establish a task force to provide for the transfer of state highway functions to the counties.

This measure would make each county responsible for the state highways located in its respective boundaries. Your Committee is aware that certain concerns have been raised regarding the transfer, including possible impact on federal funding.

Accordingly, your Committee has amended the bill by:

- (1) Changing its focus from “providing for the transfer” to “studying the feasibility of the transfer and issues related to its implementation”; and
- (2) Changing the effective date to July 1, 2050 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. 963, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 963, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 904 Ways and Means on S.B. No. 1038

The purpose of this measure is to establish the Procurement Institute at the William S. Richardson School of Law, University of Hawaii, under the direction of a director appointed by the Dean of the school of law and approved by the Board of Regents.

This measure also makes an appropriation for the operating expenses for the Procurement Institute for fiscal years 2005-2006 and 2006-2007.

Your Committee finds that the mission of the Procurement Institute is to promote and develop a professional acquisition workforce and to improve and enhance the State’s contractor industrial base through education and training.

Your Committee has amended this measure by:

- (1) Changing, in chapter 304, Hawaii Revised Statutes, the proposed new section establishing the Hawaii Procurement Institute to a new section being added to the Hawaii Revised Statutes, establishing the Procurement Institute;
- (2) Changing the amount to be appropriated to an unspecified amount to facilitate further discussion on this matter; 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. 1038, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1038, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 905 Ways and Means on S.B. No. 1127

The purpose of this measure is to streamline certain purchases under the Procurement Code.

Specifically, this bill provides that vendors in small purchase contracts with the State are no longer required to produce documents demonstrating compliance with the Procurement Code. In addition, the bill eliminates the requirement that, upon award of a contract under the Procurement Code, all vendors must be incorporated or organized under state law or be registered to do business in the State as a separate branch or division capable of fully performing under the contract.

Your Committee finds that this bill will benefit many small businesses by eliminating the requirement to obtain a tax clearance, a certificate of good standing, and a certificate of compliance to be eligible for small purchases by the State. There is evidence that some vendors refuse to accept small orders for state purchases because of the trouble and inconvenience of complying with the documentation required by the Procurement Code. Elimination of the documentation requirement for small purchases will benefit both vendors and government agencies, reducing costs and paperwork.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1127, 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. 906 Ways and Means on S.B. No. 1222

The purpose of this measure is to authorize actions by the State and counties to recover the costs of search and rescue against a person whose failure to exercise reasonable care or failure to comply with the law or public safety warnings necessitated or complicated the search and rescue.

Your Committee finds that search and rescue operations can be very costly, depending on the circumstances, and often involve personnel and search craft. Too frequently, the rescue was necessitated by the victim's own failure to plan, to be properly equipped, and to use good judgment. This measure clarifies existing law to permit recovery in situations where the victim's own actions or inactions created the need for rescue or unnecessarily complicated it.

Your Committee has amended this measure by clarifying that the type of devices used by a person exercising reasonable care includes signaling devices and communication devices generally, not just cellular telephones. Your Committee has also made technical nonsubstantive amendments for 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. 1222, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1222, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 15. Noes, none. Excused, none.

SCRep. 907 (Majority) Ways and Means on S.B. No. 1244

The purpose of this measure is to allow the Governor, in a declared emergency, to release up to ten per cent of the Emergency and Budget Reserve Fund to assist victims of a natural disaster.

Your Committee finds that during a time of emergency, especially a natural disaster, time is of the essence. The longer it takes emergency relief to reach those in need, the greater the damage and cost to address that damage. This bill provides the State with the ability to contain disaster costs that could otherwise result in devastating property losses to residents and businesses.

Your Committee has amended the bill by making technical amendments that have no substantive effect. The bill appropriates an unspecified amount of 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. 1244, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1244, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, 2 (Slom, Trimble). Excused, none.

SCRep. 908 Ways and Means on S.B. No. 1343

The purpose of this measure is to appropriate funds to the Department of Defense to ensure that all emergency shelters in the State are equipped with windows and doors that conform to federal hurricane damage mitigation standards.

Your Committee finds that the windows and doors are the most critical structures of an emergency shelter. Secure windows and doors prevent the detachment of the roof due to extreme wind conditions. Your Committee further finds that Hawaii's geographic isolation increases the need for secure emergency shelters. Residents and tourists cannot simply run away from the storm. They must seek shelter somewhere.

Your Committee has amended this measure by appropriating the funds out of the hurricane reserve trust fund rather than the general fund. Your Committee has also amended this measure by amending the laws relating to the Hawaii hurricane relief fund to authorize such an appropriation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1343, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1343, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 15. Noes, none. Excused, none.

SCRep. 909 Ways and Means on S.B. No. 1591

The purpose of this measure is to appropriate funds for the "roads in limbo" program, to repair and maintain roads in Hawaii county, for which the ownership or jurisdiction is disputed by Hawaii county and the State.

Specifically, this bill appropriates an unspecified amount to repair and maintain roads in Hawaii county that were created or acquired by the State, but for which ownership or jurisdiction is disputed. The appropriation is conditioned on a dollar-for-dollar matching amount from Hawaii county, other sources, or a combination of sources.

Your Committee finds that some of the disputed roads exist and some are referred to only on paper and that, in many instances, some of these roads date back to the Territorial days. These roads were established by the Territorial government and have since been

ignored by the State and the counties. Your Committee believes that this bill is necessary to maintain and protect the health, welfare, and safety of residents of Hawaii who use these roads.

Your Committee has amended this bill by changing the source of funding from general funds to a more appropriate source -- the state highway fund, which may be used, in part, pursuant to section 248-9, Hawaii Revised Statutes, for maintenance and repair costs of the state highway 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. 1591, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1591, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 15. Noes, none. Excused, none.

SCRep. 910 (Majority) Ways and Means on S.B. No. 1732

The purpose of this measure is to appropriate funds for a flood warning system for Lake Wilson on the island of Oahu.

Your Committee understands that the United States Geological Service plans to install a flood warning system at Lake Wilson to provide advance information on impending floods. Federal funding will be provided for half of the cost, and matching state funding is required for the other half. The flood warning system will consist of community volunteers; rainfall, river, and other hydrologic gauges; a communications network; and a local flood coordinator responsible for issuing flood warnings.

Your Committee has amended this bill by changing the appropriation to an unspecified amount to facilitate further discussion and 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. 1732, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1732, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (English).

SCRep. 911 (Majority) Ways and Means on S.B. No. 1752

The purpose of this measure is to place the entire state capitol building and grounds, including its parking facilities, under the joint management of the legislature, through the Joint Legislative Management Committee, and the Department of Accounting and General Services.

Your Committee notes that this measure does not strip the Department of Accounting and General Services of the responsibility to manage the capitol grounds, but requires the Department to do so in conjunction with the Joint Legislative Management Committee. Your Committee believes that because most of the capitol is occupied by the Legislature, the Legislature rightfully should have input into how the building and grounds are managed.

Your Committee has amended this measure by making technical nonsubstantive amendments for 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. 1752, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1752, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, 1 (Slom). Excused, none.

SCRep. 912 Ways and Means on S.B. No. 1843

The purpose of this measure is to amend the public procurement code to prohibit a governmental body from requiring a contractor for construction design services to indemnify the government for the government's negligence, but to allow the governmental body to require the contractor to indemnify the governmental body for the contractor's negligence.

Your Committee finds that the prevailing practice in state and county contracts is to require the contractor to indemnify, defend, and hold harmless the government in the event of negligence of the employees and agents of the government. Your Committee further finds that this contracting practice is against public policy on the basis that every party to a contract should be liable for that party's own conduct.

Your Committee also finds that indemnity clauses are the subject of frequent litigation involving their interpretation and the true intent of the parties. Your Committee learned that "duty to defend agreements" are insurable only when the policyholder is determined to be negligent. The insurance policy does not cover a public agency for the public agency's wrongdoing.

This measure is intended to resolve these difficulties and thereby to facilitate bidding on government contracts. In doing so, it will encourage economic growth and discourage costly and time-consuming litigation.

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. 1843, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1843, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 913 Ways and Means on S.B. No. 1876

The purpose of this measure is to facilitate the use of federal alternative standards when repairing or reconstructing a scenic highway.

Specifically, the measure:

- (1) Applies alternate federal guidelines in the repair or reconstruction of legislatively-designated "scenic highways" that consider, among other things, safety, the area's constructed and natural environment, and scenic, environmental, aesthetic, historic, community, and preservation impacts;
- (2) Immunizes the State and public utilities from liability for injury or death occurring on these scenic highways, except when they have acted with gross negligence or wilful misconduct, or are found to be more than twenty-five per cent at fault;
- (3) Establishes a scenic highways advisory commission to recommend highways that should receive the "scenic highways" designation, subject to legislative approval; and
- (4) Appropriates funds to cover the advisory commission's expenses.

It is your Committee's intent to encourage the highest quality design to ensure that road and bridge projects are safe, meet the State's transportation needs, exist in harmony with their surroundings, and add value to the communities they serve.

Your Committee has amended this bill by changing its effective date to July 1, 2050, to facilitate further discussion, and 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. 1876, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1876, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 914 Ways and Means on S.B. No. 834

The purpose of this measure is to conform Hawaii's income tax law to the federal Internal Revenue Code for taxable years beginning after December 31, 2004.

This bill:

- (1) Makes operative for chapter 235, the provisions of Public Law 109-001 that accelerates the income tax benefits for charitable cash contributions made to victims of the Indian Ocean tsunami which applies to section 170 of the Internal Revenue Code;
- (2) Conforms chapter 235, Hawaii Revised Statutes, relating to the federal Working Families Tax Relief Act of 2004, specifically to provisions related to the definitions of "surviving spouse" and "head of household";
- (3) Exempts Hawaii tax law from Section 199, relating to the United States production activities deduction; and
- (4) Extends the Hawaii tax law exemption from section 179 (with respect to the election to expense certain depreciable business assets) maximum deduction (section 179(b)(1)) and qualifying investment amounts (section 179(b)(2)) from 2006 to 2008.

Your Committee has amended the bill by exempting the following sections of the Internal Revenue Code from chapter 235, Hawaii Revised Statutes:

- (1) Section 179B, relating to expensing of capital costs incurred in complying with environmental protection agency sulphur regulations; and
- (2) Section 181, relating to special rules for certain film and television productions.

Your Committee has also added provisions that:

- (1) Clarify the application of the provision relating to net income gain reduced by investment income as section 1(h)(2), not section 1(h)(3), Internal Revenue Code;

- (2) Clarify that section 114, Internal Revenue Code, refers to extraterritorial income resulting from any transaction that has occurred pursuant to a binding contract as specified in the American Jobs Creation Act of 2004;
- (3) Clarify the reference to subchapter Q of the Internal Revenue Code to include sections 1311 to 1359; and
- (4) Makes operative for chapter 235, section 6103(i)(3)(C) and 6103(i)(7), relating to disclosures of information to federal and state authorities for purposes of investigating terrorist incidents, threats, or activities.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 834, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 834, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 915 Ways and Means on S.B. No. 212

The purpose of this measure is to appropriate funds to the Commission on Water Resource Management to hire a hydrologist and a geologist.

The classifications for these positions are listed as a hydrologist IV and an geologist I.

Your Committee finds that the Commission on Water Resource Management's Stream Protection and Management Branch and the Survey Branch are in need of a hydrologist IV and a geologist I position, respectively, to carry out their duties. Specifically, the measure appropriates moneys that would fund the:

- (1) Hydrologist IV position to assist the Stream Protection and Management Branch's Instream Use Protection Section with testing to establish necessary instream flow standards; and
- (2) Geologist I position to assist the understaffed Survey Branch with accomplishing its tasks of data analyses for aquifer tests, groundwater and surface water interaction, and groundwater interpretation, and advising other departments on geological matters.

Your Committee has amended the measure by:

- (1) Appropriately identifying the Hawaii Supreme Court decision referenced in the measure;
- (2) Correcting a spelling error to accurately reflect material quoted from the Hawaii Supreme Court decision;
- (3) Changing the amounts appropriated to unspecified amounts to facilitate further discussion; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 212, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 212, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 916 Ways and Means on S.B. No. 669

The purpose of this measure is to authorize the Board of Agriculture to rent the animal quarantine property and facilities to third parties.

This measure also requires all revenues generated by the use or rental of the property or facilities to be deposited into the Animal Quarantine Special Fund and to be used to defray operational costs of the animal quarantine program, as well as minimize the animal quarantine fees.

Your Committee finds that recent modifications to the animal quarantine program have lowered the number of cats and dogs requiring long-term confinement in quarantine. This reduction has left much of the property, including the kennels, empty.

Your Committee has amended this measure by making it effective on July 1, 2050, in order to promote further 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. 669, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 669, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 15. Noes, none. Excused, none.

SCRep. 917 Ways and Means on S.B. No. 671

The purpose of this measure is to provide professional employees more time to conduct more complex agricultural certification activities.

Specifically, the measure allows the use of the certification services revolving fund to hire temporary employees to assist in the certification of chicken eggs and meat. In addition, the measure allows the Department of Agriculture to regulate the advertisement of imported or Hawaii produced commodities and repeals the coffee weighing law.

Your Committee finds that allowing the hiring of temporary employees to conduct certifications for chicken eggs and meat will give professional employees more time to conduct more complex agricultural certification activities. The coffee weighing law was never implemented. Allowing the Department to regulate advertisement of fresh fruits or vegetables or coffee through requirements specifying size, grade, geographic origin, or quality in conjunction with price, may be useful for marketing and regulating these agricultural commodities, and, most importantly, for the protection of consumers.

Your Committee amended this measure by making technical, nonsubstantive amendments for 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. 671, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 671, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 15. Noes, none. Excused, none.

SCRep. 918 (Majority) Ways and Means on S.B. No. 955

The purpose of this measure is to appropriate funds through the Department of Agriculture for the Hawaii Farm Bureau Federation to be able to conduct agricultural research and market development.

Your Committee finds that the Hawaii Farm Bureau Federation is the ideal organization to oversee and conduct agricultural research and market development in this State. The organization represents the agriculture industry and frequently partners with the Department of Agriculture, the College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa, and other agricultural organizations on research and market development projects. Your Committee further finds that without adequate funding for agricultural research and market development, Hawaii's agricultural industry will not be able to remain competitive in the global marketplace.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 955, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, 1 (Slom). Excused, none.

SCRep. 919 Ways and Means on S.B. No. 1006

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Honolulu Seawater Air Conditioning LLC with the planning, design, and construction of the chilled water distribution system and balance-of-system components and structures of a district seawater air conditioning system in downtown Honolulu.

Your Committee understands that this seawater air conditioning system project will assist the State in meeting its renewable resource, energy efficiency, and environmental sustainability objectives by:

- (1) Using an abundant, indigenous renewable resource, i.e., cold, deep seawater, to provide more than seventy per cent of the cooling load;
- (2) Providing energy savings of seventy per cent or more, when compared to conventional air conditioning systems; and
- (3) Eliminating the need for cooling towers, thus reducing potable water and toxic chemical use and the production of sewage.

Your Committee has amended this bill by changing its effective date to July 1, 2050, to facilitate further discussion, and making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1006, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1006, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Kanno, Sakamoto).

SCRep. 920 (Majority) Ways and Means on S.B. No. 1267

The purpose of this measure is to take steps to counter the growing incidents of shark attacks in Hawaii.

Specifically, this measure provides funding to tag and monitor sharks along the leeward coast of Oahu from Pearl Harbor to Kaena Point to learn more about shark activity, their movements, and their migration habits.

Your Committee finds that, recently, there has been an increase in the number of shark attacks in Hawaii. Your Committee believes that learning more about the movement of sharks can help to predict future shark attacks thereby ensuring the safety and well being of residents and visitors alike.

Upon further review, your Committee amended this measure by changing the appropriation amount from \$25,000 to an unspecified amount 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. 1267, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1267, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, 1 (Slom). Excused, none.

SCRep. 921 Ways and Means on S.B. No. 1268

The purpose of this measure is to require the Agribusiness Development Corporation (Corporation) to purchase the agricultural lands owned by the Galbraith Estate in Waialua on Oahu.

The measure also allows the Corporation to contract with financial institutions to provide lease management services for agricultural lands and allows the Corporation to purchase, accept, and maintain permanent conservation easements.

Your Committee finds that, by purchasing prime agricultural lands in Waialua, Oahu, the State ensures the continued growth of diversified agriculture. The purchase will also support and retain the rural lifestyle of agricultural communities, broaden the State's agricultural economic base, improve our food security, and preserve green, open space for our residents and visitors.

Your Committee also finds that, by allowing the Corporation to provide lease management services and to purchase, accept and maintain permanent conservation easements, the State will be providing a promising opportunity for long-term farming to enhance diversified agriculture in the State.

Your Committee has amended the bill by replacing the directive that mandates the purchase of the Galbraith Estate with language that authorizes the purchase of the Estate. This amendment will provide the Corporation with the necessary flexibility to purchase the Estate at a fair and equitable price. Your Committee has also amended the bill by 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. 1268, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1268, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 922 Ways and Means on S.B. No. 1451

The purpose of this measure is to develop comprehensive watershed management strategies and conduct a pilot demonstration of constructed wetland designs for the entire Lake Wilson catchment on the island of Oahu.

This measure also appropriates unspecified moneys from the environmental response revolving fund for strategy development in fiscal year 2005-2006 and the pilot demonstration project in 2006-2007.

Your Committee recognizes that cost-effective comprehensive watershed management is necessary to preserve Hawaii's environment, ecosystems, and water quality. Constructed wetlands reduce contamination in waterways, thus providing ecological benefits, improved downstream water quality, coastal zone and coral reef protection, the preservation of wildlife habitats, and the protection of native species. Constructed wetlands also create aesthetically pleasing areas for the community and contribute to a tourism friendly environment.

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. 1451, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1451, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 923 Ways and Means on S.B. No. 1461

The purpose of this measure is to appropriate funds to the University of Hawaii to conduct, through the College of Tropical Agriculture and Human Resources, a pilot project for the Kaiaka Bay, Oahu watershed and action plan, as a model for statewide use.

Your Committee finds that Kaiaka Bay, Oahu, is an ideal location for a pilot watershed assessment and action plan that would eventually lead to the development of a statewide resource management model.

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. 1461, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1461, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 924 Ways and Means on S.B. No. 1474

The purpose of this measure is to direct the Auditor to conduct a study of the Mauna Kea science reserve to evaluate existing approval and decision making procedures and the feasibility of establishing a new management structure.

The Mauna Kea science reserve hosts unique spiritual, cultural, historical, and natural resources, and is home to some of the world's rarest plant and animal life. It is also one of the world's premier sites for astronomical research because of excellent viewing conditions at the summit.

Your Committee understands that in 1998, the Auditor found deficiencies in the University of Hawaii's management of the Mauna Kea science reserve and the Department of Land and Natural Resources' efforts at protecting the summit's natural resources. Corrective actions have been taken by the University of Hawaii and the Department of Land and Natural Resources, including the implementation of a new management structure with two advisory groups providing guidance on community, environmental, cultural, historical, and other matters; the establishment of the Office of Mauna Kea Management with two full time rangers to monitor public activities on the summit; the adoption of historic preservation administrative rules; and enforcement for conservation district use violations. However, your Committee is aware that management and natural resource protection concerns continue to exist. This measure seeks to address those concerns.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1474, 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 (English).

SCRep. 925 Ways and Means on S.B. No. 1592

The purpose of this measure is to establish a Hawaii 2050 task force to assist the Auditor in the creation of a state sustainability plan that would define and implement state goals, objectives, policies, and priorities to the year 2050.

This measure further makes two separate appropriations, to be expended by the Auditor, to assist the task force in its review and to assist the Auditor in creating the Hawaii 2050 sustainability plan.

Your Committee has amended this measure by making technical nonsubstantive changes to this measure for 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. 1592, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1592, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 926 Ways and Means on S.B. No. 1593

The purpose of this measure is to expand and enhance the use of rural districts through a one-time reclassification of lands that were classified agriculture prior to June 4, 1976, based upon studies and recommendations from each county.

The measure further makes an appropriation to each county for this purpose.

Your Committee finds that this measure will redefine the rural district and create new rural use criteria and development standards for rural communities through citizen advisory groups in the various counties. Based upon the development of these new criteria and standards, the counties may identify areas that are suitable for rural use and so advise the Land Use Commission. Your Committee further finds that the one-time reclassification of lands classified agriculture prior to June 4, 1976, will bring conformity to both the rural and agriculture districts.

Your Committee has amended this measure by:

- (1) Clarifying that the one-time reclassification shall be subject to chapter 91, Hawaii Revised Statutes (Administrative Procedure Act); and
- (2) 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. 1593, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1593, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 927 (Majority) Ways and Means on S.B. No. 1877

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 (Department) 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.

The measure also prohibits the transfer of any of these offices or functions to any other department by executive order and establishes that the position of Director of the Office of Planning is to be filled by appointment by the Governor with the advice and consent of the Senate.

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. 1877 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. 928 Ways and Means on S.B. No. 1879

The purpose of this measure is to address the unique circumstances of agricultural businesses.

Specifically, this measure:

- (1) Establishes that agricultural businesses shall remain eligible for tax incentives in the event of force majeure;
- (2) Allows agricultural businesses to meet annual gross revenue requirements if the businesses are unable to meet annual full-time employee requirements;
- (3) Clarifies the definition of "full-time employee" by including leased employees and employees under a joint employer relationship; and
- (4) Clarifies that enterprise zone firms cannot claim the same tax credits or exemptions in other tax incentive programs.

Your Committee finds that agricultural businesses face many unique challenges and may start with little financial support. This measure provides an important and necessary step in allowing farmers to benefit from incentives that are allowed under state law but that may not otherwise be available to farmers. Farmers first need to make investments in equipment and infrastructure to grow their business without having the stress of meeting the additional hiring or other requirements required by the State's incentives until the business can afford additional hires.

Upon further review, your Committee amended this measure by making technical nonsubstantive amendments for 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. 1879, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1879, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 929 Ways and Means on S.B. No. 1883

The purpose of this measure is to ensure sustainable stocks of fish and good catch of nearshore fish for subsistence needs for the Miloli'i community in South Kona.

Specifically, this measure designates the Miloli'i fisheries management area in South Kona as a community based subsistence fishing area to preserve and maintain the area's legacy as a traditional Hawaiian fishing village.

Your Committee finds that the population growth along the South Kona coast and continued development in the area negatively impact the delicate balance of subsistence living practiced in Miloli'i on the island of Hawaii. As Miloli'i is one of the last predominantly traditional Hawaiian fishing villages, it relies on the catch of nearshore fish for its subsistence and nutritional needs. As such, your Committee believes that it behooves the State to establish the Miloli'i fisheries management area as a community based subsistence fishing area to ensure that there are sustainable stocks of fish for this traditional Hawaiian lifestyle that may otherwise become extinct if action is not taken now to preserve these resources.

Upon further review, your Committee amended this measure by making technical nonsubstantive amendments for 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. 1883, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1883, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 930 (Majority) Ways and Means on S.B. No. 1891

The purpose of this measure is to amend the fee requirements for commercial use vessels that are moored in the State's small boat harbors.

The measure also clarifies which fees and penalties are to be deposited to the boating special fund.

Your Committee understands that the proposed fee adjustment is required to enable the Boating Division of the Department of Land and Natural Resources to meet small harbor needs driven by the rapidly growing level of boating activity.

Your Committee has amended this bill by clarifying the formula for calculating the commercial use vessel fee. Accordingly, the fee shall be three per cent of gross revenues derived from the use of the vessel or two times the moorage fee assessed for a recreational vessel of the same size, whichever is greater. Technical nonsubstantive amendments have also 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. 1891, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1891, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, 1 (Slom). Excused, none.

SCRep. 931 (Majority) Ways and Means on S.B. No. 1897

The purpose of this measure is to establish permanent adequate funding for land conservation by dedicating twenty-five per cent of the annual proceeds from the conveyance tax to the land conservation fund established pursuant to section 173A-5, Hawaii Revised Statutes.

This measure also sets forth the purposes for which proceeds from the land conservation fund may be expended and further allows the Board of Land and Natural Resources to make grants to other state agencies and nonprofit land conservation organizations for the preservation of real property.

Your Committee has amended this measure by:

- (1) Increasing the conveyance tax imposed by chapter 247 on a sliding scale;
- (2) Dedicating ten per cent of the annual proceeds from the conveyance tax to the land conservation fund; 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. 1897, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1897, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (English).

SCRep. 932 Ways and Means on S.B. No. 1899

The purpose of this measure is to appropriate funds to develop guidelines and a marketing plan to obtain export clearances for the Rainbow papaya to Japan and other countries.

Your Committee finds that the papaya is Hawaii's second most valuable fruit crop. The papaya industry, however, is still recovering from the ringspot virus that inflicted widespread damage during the 1990s. But with the advent of the virus-resistant, genetically engineered Rainbow papaya, the papaya industry is on the rebound with potential markets worldwide.

In order to respond to these markets, foreign regulations on the import of genetically enhanced organisms require data on the genome structure of the transgenic Rainbow papaya. This bill provides the funds to provide the required sequencing data to obtain export clearances, as well as to develop guidelines and a marketing plan for the Rainbow papaya.

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. 1899, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1899, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 933 Commerce, Consumer Protection and Housing on S.B. No. 140

The purpose of this measure is to prohibit health insurance contracts with employers, issued subsequent to December 31, 2005, from including any clause that provides an insurer, mutual benefit society, or health maintenance organization with broad discretionary authority to set the type and scope of medical coverage to be provided.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, Pahio Resorts, Inc., and the Employers' Chamber of Commerce. Testimony in opposition to this measure was submitted by Kaiser Permanente, the Hawaii Medical Service Association, and the American Council of Life Insurers. Comments on this measure were also submitted by the America's Health Insurance Plans.

Your Committee finds that health care issues, including the rising costs of health care coverage, are of great concern to all, insurers, employers, and the insured alike. As a result, health care insurers seek broad discretionary authority in determining the scope of coverage within their policies so as to control costs. However, this broad discretionary authority may be and has been utilized to burden employers with excessive risks of liability. Although your Committee understands that the insurers need some degree of authority to determine which benefits should be covered, the extent of this authority should not be overly broad. Instead, your Committee determines that efforts must be made to balance the interests of all parties and that this measure is necessary in order to protect the interests of the employers and the insured. At the same time, insurers will still maintain the ability to more narrowly define areas of coverage to be included in any policy, contract, plan, or agreement.

However, your Committee is concerned that the measure may be interpreted to extend to life insurers based upon the creation of a new section within Chapter 431:10A, Hawaii Revised Statutes, which applies to accident and health or sickness insurance and also includes disability insurance issued by life insurers. Clarification may be necessary to ensure that this measure only addresses health insurers and not life insurers.

Accordingly, your Committee has amended this measure by including language to limit the applicability of the prohibition on discretionary authority clauses under the newly created section within Chapter 431:10A, Hawaii Revised Statutes, to exclude life insurance, annuities, disability income insurance, and long-term care insurance agreements.

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. 140, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 140, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ige).

SCRep. 934 Commerce, Consumer Protection and Housing on S.B. No. 568

The purpose of this measure is to authorize the licensure of dental specialists by credentials.

The Board of Dental Examiners (Board) and numerous individuals testified in support of this measure. The Hawaii Dental Association and numerous individuals opposed the measure.

Your Committee finds that administration of the Board of Dental Examiners' clinical dentistry exam at Pearl Harbor was suspended following the 2001 terrorist attacks that resulted in greater security on the nation's military bases, and that the exam has been suspended indefinitely pending the development of a national clinical exam and a change in state law to recognize the national exam. In the interim, persons seeking licensure in the State as a dentist must, at considerable inconvenience and expense, take a regional exam or another state's clinical exam, even if the person is already licensed by another state to practice dentistry.

This measure would implement licensure by credentials for dental specialists and permit the licensure of dental specialists without requiring passage of the state examination if the license applicant has graduated from an accredited dental specialty program and is licensed to practice dentistry in another state with licensing standards at least equivalent to Hawaii's licensing standards. To qualify for licensure without examination under this measure, applicants would be required to provide, among other things, proof of education, experience, and continuing education coursework, possession of an active license in good standing, and criminal and license discipline histories. Your Committee finds that this measure will facilitate access to specialized dental treatment without compromising consumer protection.

Your Committee has amended this measure:

- (1) By deleting the requirements that an applicant submit a letter of intent to practice in the State and a third party affidavit attesting to the applicant's professional standing and moral character;
- (2) To require that an applicant:
 - (a) Submit proof of completion of thirty-two, rather than thirty-five, hours of continuing education during the preceding two-year period;
 - (b) Have three, rather than five years of experience in the practice of dentistry, and submit proof of a minimum of one thousand hours of experience in dentistry for each of the three years;
 - (c) Submit a self-query report from the National Practitioners Data Bank, rather than a release for the disclosure of information; and
 - (d) Submit verification of passage of the National Board Dental Examination; and
- (3) To disallow licensure without examination for an applicant who has failed the Hawaii dental examination within the five-year period preceding the date of application.

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. 568, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 568, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Espero, Sakamoto).

SCRep. 935 Commerce, Consumer Protection and Housing on S.B. No. 1003

The purpose of this measure is to remove the cap on the allowable customer-generator generating capacity provided under the net energy metering law.

This measure also:

- (1) Provides for incremental increases in the percentage of the total energy generating capacity produced by eligible customer-generators beginning in 2006 through 2022; and
- (2) Modifies the definition of "net energy metering" to reflect the difference between the electricity supplied through the electric grid and the electricity generated by an eligible customer-generator and fed back to the electric grid over an annual billing rather than monthly billing period.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Hawaii Chapter of the Sierra Club, PowerLight Solar Electric Systems, the Hawaii Renewable Energy Alliance, the Hawaii Solar Energy Association, Inter-Island Solar Supply, and a Council Member from the County of Maui. Testimony in opposition to this measure was submitted by the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, the Hawaiian Electric Company, and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company. Comments on this measure were also submitted by the Public Utilities Commission.

Your Committee finds that pursuant to Act 99, Session Laws of Hawaii 2004 (SLH 2004), the Legislature sought to promote the use of renewable energy in Hawaii by increasing the maximum allowable generating capacity of eligible customer-generators from 10KW to 50KW, as well as by allowing government entities to participate in net energy metering. The enactment of Act 99, SLH 2004, affirmed the Legislature's commitment to promoting renewable energy development and reducing government operating costs. This measure seeks to remove the eligible customer-generator capacity limits under the current law and institute increases in the percentage of total utility energy generating capacity allowed on a utility's system.

Your Committee further finds that there are many benefits associated with the expansion of net energy metering for systems larger than 50KW, including encouraging more rapid growth of customer-generators, thereby helping to meet the growing power needs within the State. Additionally, increasing the percentage of the total energy generating capacity produced by eligible customer-generators will help to reduce future power consumption, necessary in reducing the risk of power outages. Finally, adjusting the billing period from monthly to annually will also allow customer-generators to size their net-metered systems to take advantage of monthly fluctuations in output that are typical of some renewable resource systems.

However, your Committee notes that this measure has raised many concerns, including the fact that Act 99, SLH 2004, has been in effect for only a short period of time. Therefore, the full effect of the increase in the cap has not yet been ascertained, thus the propriety of the removal of the cap is unclear, as it may be premature.

Accordingly, your Committee has amended this measure by changing the effective date of the Act 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 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. 1003, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1003, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Hogue).

SCRep. 936 Commerce, Consumer Protection and Housing on S.B. No. 1100

The purpose of this measure is to authorize and regulate the sale and distribution of over-the-counter pseudoephedrine products by pharmacies.

The Office of the Lieutenant Governor, Department of Public Safety, Hawaii Pharmacists Association, Longs Drug Stores, and an individual testified in support of this measure. The Honolulu Police Department, Foodland, Hawaii Food Industry Association, Community Alliance on Prison, and Legislative Information Services of Hawaii opposed the measure. Safeway, Inc., presented comments.

Your Committee finds that crystal methamphetamine or “ice” is the most abused drug in the State and its illegal use is at the root of many of the State’s societal problems, including violent crime, child abuse and neglect, and property theft.

Your Committee further finds that methamphetamine can be manufactured using common household items, which has led to the proliferation of clandestine methamphetamine “labs” throughout the State, typically located in kitchens, garages, and hotel rooms. In addition to endangering the public through the production and introduction of illegal drugs into community, these labs pose a further threat to public health and safety due to the risks of fire, explosions, and toxic exposure associated with their operations.

One of the primary precursor chemicals used in the manufacturing of methamphetamine is pseudoephedrine, which is readily available in over-the-counter cold remedies. Currently, operators of drug labs can easily obtain pseudoephedrine to manufacture methamphetamine by purchasing over-the-counter cold and allergy medications in pharmacies and retail establishments.

This measure proposes to regulate the sale of over-the-counter pseudoephedrine products by establishing pseudoephedrine as a Schedule V controlled substance and authorizing the dispensing, sale, or distribution of pseudoephedrine products only by pharmacies, subject to requirements relating to authorized sales personnel, purchase amounts, and recordkeeping. These requirements would not apply to pseudoephedrine products in liquid, liquid capsule, or gel capsule form that contain an active ingredient in addition to pseudoephedrine.

Your Committee has amended this measure:

- (1) To extend the authorization and requirements to retailers;
- (2) To permit a retail clerk to dispense, sell, or distribute pseudoephedrine products from an area not accessible by customers or the general public, or from a locked display case;
- (3) By inserting an effective date of July 1, 2015; and
- (4) By deleting superfluous language in the description of pseudoephedrine as a Schedule V controlled substance and by making other technical amendments for the purposes of clarity, consistency, and style.

Your Committee finds that this measure, as amended, addresses the concerns of the retail industry regarding their continuing ability to lawfully offer and sell over-the-counter cold and allergy medications to their customers, while implementing necessary controls over the sale of pseudoephedrine products used in the illegal manufacturing of methamphetamine.

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. 1100, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1100, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 937 Commerce, Consumer Protection and Housing on S.B. No. 1228

The purpose of this measure is to expand the scope of services authorized for the treatment of mental illness and substance abuse treatment under health insurance policies issued in this State to include marriage and family therapy.

Testimony in support of this measure was received from the Hawaii Association for Marriage and Family Therapists (HAMFT), Catholic Charities Hawaii, National Association of Social Workers, Hawaii Medical Service Association, Argosy University, The Bobby Benson Center, Samaritan Counseling Center of Hawaii, Hawaii Youth Services Network, Ka Lima O Maui, Maui Youth and Family Services, Inc., Hale Ipu Kukui Alakai, Aloha House Maui, Neighborhood Place of Kona, Chaminade University, HAMFT Maui Chapter, Ka Hale A Ke Ola Homeless Resource Center, and numerous individuals.

Chapter 431M, Hawaii Revised State (Chapter 431M), requires health insurance policies issued in this State to provide coverage for the treatment of mental illness and alcohol and drug dependence, and authorizes treatment provided by qualified physicians, psychologists, licensed clinical social workers, and advanced practice registered nurses. This measure expands the scope of authorized treatment to include services provided by marriage and family therapists (MFTs).

Your Committee finds that MFTs are licensed mental health professionals trained to diagnose and treat mental, emotional, and behavioral disorders within the context of individual relationships. There are approximately one hundred MFTs licensed in Hawaii who practice in a wide range of settings across the State. MFTs are approved providers under the military health insurance program and various state programs, and many work in the more remote areas of the State where there is a scarcity of mental health providers. Your Committee further finds that this measure will facilitate access to treatment for mental health and substance abuse disorders and provide consumers with additional treatment options.

Your Committee has amended this measure to make conforming amendments within chapter 431M.

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. 1228, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1228, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Espero, Sakamoto).

SCRep. 938 Commerce, Consumer Protection and Housing on S.B. No. 1229

The purpose of this measure is to authorize the licensure of dental hygienists without requiring passage of the state examination if the person is licensed to practice dental hygiene in another state.

The Board of Dental Examiners (Board), Hawaii Dental Hygienists' Association, and numerous professionals in the dental profession testified in support of this measure.

Your Committee finds that there is a serious shortage of experienced dental hygienists in the State, which has affected consumers' access to dental hygiene services in a State with the highest rate of child tooth decay in the nation. On the island of Hawaii alone, patients must wait three to six months for a dental cleaning appointment. The University of Hawaii dental hygienist program, which graduates fewer than twenty dental hygienists a year, cannot fill this professional shortage.

Your Committee further finds that a major deterrent to the entry of qualified dental hygienists into the State is the examination requirement for licensure, which requires a substantial commitment of time and money for applicants. For applicants who are already licensed to practice dental hygiene in another state and who have been deemed qualified by another state's licensing authority, the state examination requirement creates an unnecessary barrier to the practice of dental hygiene in Hawaii.

This measure addresses the State's dental hygienist shortage by allowing licensure by credentials. Applicants who are licensed in a state with licensing standards equivalent to or higher than Hawaii's standards and who provide proof of education, experience, and possession of an active license in good standing, among other things, would be allowed to be licensed in Hawaii without having to take the state constructed dental hygienist exam. Your Committee finds that this measure would help to attract more dental hygienists to practice in the State and alleviate the shortage that has hindered the ability of dentists to provide preventative care at a reasonable cost.

Your Committee has amended this measure:

- (1) By deleting the reference to "reciprocity";
- (2) By deleting the requirements that an applicant submit a letter of intent to practice in the State and a third party affidavit attesting to the applicant's professional standing and moral character;
- (3) To require that an application include:
 - (a) Verification of completion of twenty hours of continuing education within the preceding two-year period; and
 - (b) Verification of five, rather than three, years of experience in dental hygiene;
- (4) To disallow licensure without examination for an applicant:
 - (a) Who has failed the Hawaii dental hygienist examination within the preceding five-year period;
 - (b) Who has failed the Hawaii dental hygienist examination more than once before the preceding five-year period; or
 - (c) Who has failed a regional dental hygienist examination more than three times without completing remedial courses; and

(5) To require the Board:

- (a) To create a list of approved state and regional examinations that meet or exceed the standards of Hawaii's dental hygienist examination; and
- (b) To establish a panel of dental hygienists to review and make recommendations to the Board on applications for licensure without examination.

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. 1229, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1229, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Espero, Sakamoto).

SCRep. 939 (Majority) Commerce, Consumer Protection and Housing on S.B. No. 1239

The purpose of this measure is to authorize appropriately trained and supervised licensed medical psychologists working in federally qualified health centers or in other licensed health clinics located in federally designated medically underserved areas to prescribe psychotropic medications for the treatment of mental illness.

Testimony in support of this measure was received from the American Psychological Association, Hawaii Primary Care Association, Hawaii Psychological Association, Kokua Kalihi Valley Comprehensive Family Services, Louisiana Academy of Medical Psychologists, National Association of Social Workers, Molokai Community Health Center, Na Pu'uwai Native Hawaiian Health Care System, and numerous individuals.

The Hawaii Medical Association, Hawaii Psychiatric Medical Association, Medical Risk Management Associates, National Alliance for the Mentally Ill Oahu, and numerous individuals submitted testimony in opposition. The Department of Health, Board of Medical Examiners, Board of Psychology, and two individuals submitted comments.

This measure establishes a process for the issuance of a conditional prescription certificate and prescription certificate to enable qualified medical psychologists to prescribe psychotropic medications for the treatment of mental and emotional disorders. Under this process, certificate holders would be required to meet educational, experiential, and examination requirements, to apply for a federal drug enforcement license, to carry sufficient malpractice insurance, and to practice in federally qualified health centers or licensed health clinics located in federally designated medically underserved areas of the State. Additionally, conditional certificate holders would be allowed to prescribe only under the supervision of a physician, psychiatrist, advanced practice nurse, or nurse practitioner specializing in mental health care and would be required to maintain an ongoing collaborative relationship with a patient's physician.

Proponents of this measure argue that the State suffers from a shortage of psychiatrists, which negatively impacts access to quality medical care for Hawaii's residents, especially for the economically disadvantaged and the medically underserved in remote and rural areas. They refer to data from a federal Department of Defense (DOD) psychopharmacology demonstration project as evidence that appropriately trained psychologists can be trained to safely and effectively prescribe psychotropic medication. Supporters further note that community health centers and clinics have begun to integrate primary care and behavioral health services, and that allowing qualified psychologists to prescribe psychotropic medication in collaboration with primary care physicians would facilitate a more holistic and interdisciplinary approach to patient care that allows the treatment of both behavioral and physical conditions.

Opponents of this measure argue that without a foundation based in medical education and training, psychologists lack the proper knowledge and unique skills necessarily to safely and effectively prescribe psychotropic medications. Further, they question claims that there is a lack of adequate access to psychiatric care in the State's rural and remote areas and the drawing of conclusions in favor of granting psychologists psychotropic prescriptive authority based on evidence from the DOD demonstration project.

Your Committee finds that this measure raises numerous unresolved issues that require further review and consideration. Therefore, to facilitate continued discussion on these matters, your Committee has amended this measure by inserting an effective date of July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1239, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1239, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Hogue). Excused, 2 (Espero, Sakamoto).

SCRep. 940 Commerce, Consumer Protection and Housing on S.B. No. 1557

The purpose of this measure is to amend the Public Utilities Commission laws to clarify rates for electricity purchases and renewable energy provisions and studies.

The Public Utilities Commission (PUC), Hawaii Renewable Energy Alliance, Hawaii Solar Energy Association, Honolulu Seawater Air Conditioning LLC, Inter-Island Solar Supply, PowerLight, the Rocky Mountain Institute, and Sierra Club – Hawaii Chapter submitted testimony in support of this measure. The Hawaiian Electric Company and its subsidiary utility companies, Hawaii Electric

Light Company and Maui Electric Company, as well as Puna Geothermal Venture submitted testimony in opposition to this measure. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee finds that Act 95, Session Laws of Hawaii 2004 (Act 95), was enacted to decrease the State's dependency on large amounts of imported fossil fuels and increase the use and development of Hawaii's renewable energy resources. There were, however, several provisions that were not included in Act 95, and this measure amends the PUC statutes to address those provisions by:

- (1) Clarifying that the PUC establish a rate for public utilities purchasing electricity that is not less than one hundred percent of the cost avoided by purchasing rather than producing the electrical energy;
- (2) Clarifying the definition of "renewable energy";
- (3) Amending the renewable portfolio standards percentages for net electricity sales in 2015 and 2020;
- (4) Clarifying the circumstances when the electric utility company will be relieved of responsibility for meeting renewable portfolio standards;
- (5) Deleting the definition of "cost-effective"; and
- (6) Establishing PUC duties with respect to a renewable portfolio standards study in session law rather than in statute.

Your Committee has amended this measure by:

- (1) Amending the PUC duties with respect to renewable portfolio standards studies under section 269-95, Hawaii Revised Statutes by:
 - (a) Clarifying the purpose of developing and implementing the utility ratemaking structure;
 - (b) Clarifying the purpose of gathering, reviewing, and analyzing data to determine the extent that the utility ratemaking structure would impact profit margins;
 - (c) Adopting rules to implement incentives and penalties to assist electric utility companies in meeting renewable portfolio standards; and
 - (d) Clarifying whom the PUC may contract with for independent studies and what the studies shall include;
- (2) Deleting the duties outlined for a renewable portfolio standards study in session law; and
- (3) Making technical, nonsubstantive changes for style, clarity, and consistency.

Your Committee finds that these amendments have been made to refine the provisions that were not included in Act 95; however, your Committee believes that dialogue should be continued on this measure. Accordingly, your Committee has also amended this measure by inserting an effective date of July 1, 2050 to ensure further 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. 1557, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1557, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Hogue).

SCRep. 941 (Majority) Commerce, Consumer Protection and Housing on S.B. No. 1889

The purpose of this measure is to require the Director of Labor and Industrial Relations to establish a state apprenticeship council, whose purpose shall be to promote and approve apprenticeship programs.

This measure also amends the standards for apprenticeship agreements to include assurances of qualified training personnel, adequate job supervision, and the requisite licenses.

Testimony in support of this measure was submitted by the Painting and Decorating Contractors Association of Hawaii, the International Union of Painters and Allied Trades District Council 50, and the Glaziers, Architectural Metal and Glassworkers Local Union 1889 - AFL-CIO. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations (DLIR), the Building Industry Association of Hawaii, and Associated Builders and Contractors, Inc.

Your Committee finds that the current law contemplates an apprenticeship council, which is purely advisory in nature and convened only at the discretion of the Director of DLIR. Instead, this measure mandates the establishment of a state apprenticeship council by the Director in order to properly facilitate the promotion and approval of apprenticeship programs within the State. Additionally, so as to ensure the maintenance of the highest standards in apprenticeship programs, this measure requires inclusion in the standards for apprenticeship agreements assurances of qualified training personnel, adequate job supervision, and the requisite specialty licenses.

Your Committee further finds that the Office of Apprenticeship Training, Employer, and Labor Services (OATELS), under the United States Department of Labor, oversees the National Apprenticeship System in order to safeguard the welfare of apprentices. State apprenticeship councils or agencies may be federally recognized upon the submission and approval of specified materials pursuant to 29 C.F.R. part 29.12. Modifications to state apprenticeship council policies or procedures regarding recognized state apprenticeship programs require submission to and approval by the OATELS. It is the understanding of your Committee that approval for the changes proposed by this measure have been submitted to the OATELS; however, such approval has yet to be received. Therefore, your Committee determines that this measure requires the inclusion of language that recognizes the possible need for the OATELS approval prior to becoming effective.

Accordingly, your Committee has amended this measure by including language to indicate that the provisions contained within this measure shall not be effective until approved by the OATELS.

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. 1889, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1889, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Hogue). Excused, 1 (Ige).

SCRep. 942 Commerce, Consumer Protection and Housing on S.B. No. 1903

The purpose of this measure is to exempt seawater air conditioning district cooling projects from public utility regulation.

The Department of Commerce and Consumer Affairs and Honolulu Seawater Air Conditioning LLC submitted testimony in support of this measure. The Public Utilities Commission submitted comments.

Seawater air conditioning district cooling systems are a renewable energy technology that has the potential to help advance the State's energy policy goal of reducing fossil fuel dependency. These systems also have an additional benefit of reducing some of the electric company's peak commercial load.

Your Committee finds that because these cooling systems will not be the sole providers of a service that is essential for public health and welfare, the public utility regulation of the cooling systems is not necessary. Accordingly, this measure exempts the seawater air conditioning district cooling systems from the Public Utility Commission's regulations.

Your Committee has amended this measure by making technical, nonsubstantive changes for style, 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. 1903, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1903, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 943 Ways and Means on S.B. No. 1009

The purpose of this measure is to extend the Individual Development Account Program, including the individual development contribution tax credit for five years.

The bill also authorizes financial institutions to claim the tax credit and to use part of the private funds contributed to the program for ministerial purposes. The bill also raises the individual development account contribution ceiling from \$1,000,000 to \$2,000,000 until the proposed repeal of the program on December 31, 2009.

Your Committee finds that individual development accounts are a proven strategy that assist low-income individuals and families to build wealth and assets. The accounts are matched savings accounts that offer a 1:1 to 3:1 match for every dollar a participant saves. Individuals or families can accumulate savings toward a down payment on a home, higher education tuition and fees, or capital to start a business.

Your Committee has amended the bill by making technical nonsubstantive amendments for 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. 1009, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1009, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Espero, Fukunaga, Sakamoto).

SCRep. 944 Ways and Means on S.B. No. 1380

The purpose of this measure is to establish the Small Business Bill of Rights.

Your Committee finds that small businesses make up more than ninety-five per cent of all Hawaii establishments and provide jobs to approximately sixty per cent of Hawaii's employees.

This bill provides a Bill of Rights to ensure that small businesses are treated fairly by government and to reduce the numerous bureaucratic roadblocks to business success. The Bill of Rights will also assist small business owners to strengthen their establishments to ultimately diversify Hawaii's economy and to create more jobs.

Your Committee has amended the bill by providing an effective date of July 1, 2050, for the purpose of promoting further discussion, by clarifying potential conflicts between statutes, and by making technical nonsubstantive amendments for purposes of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1380, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1380, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (English, Kanno).

SCRep. 945 Ways and Means on S.B. No. 1347

The purpose of this measure is to authorize the tax collector to foreclose without suit on real property on which a tax lien has existed for at least eighteen months or on which are owed fines exceeding \$25,000 that are the penalty for egregious zoning or building code violations.

Your Committee finds that counties must currently wait for three years before commencing foreclosure on real property on which there is an outstanding lien. Reducing the time the counties must wait before taking action will promote better fiscal management and minimize the risk that an account receivable will need to be eventually written off as bad debt.

Your Committee has amended this measure by changing the effective date to July 1, 2099.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1347, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1347, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Espero, Fukunaga).

SCRep. 946 (Majority) Ways and Means on S.B. No. 1851

The purpose of this measure is to provide funding to assist homeless and transitional housing projects throughout the State.

Your Committee finds that, as real estate prices for first-time home buyers in Hawaii continue to rise to an average of half a million dollars and there continue to be new housing developments throughout the State, there remains a continued, unmet need for housing for the growing homeless population and for those requiring transitional housing. This measure is one step that will help to assist individuals and families in getting off the streets by providing funding to increase the capacity of homeless providers and transitional housing.

Upon further review, your Committee has amended this measure by:

- (1) Changing the funding source from the general revenues of the State to the emergency and budget reserve fund;
- (2) Changing the appropriation amounts for items (1) and (2) of section 2 to unspecified amounts to facilitate continued discussion on this matter; and
- (3) Making technical, nonsubstantive amendments for 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. 1851, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1851, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 1 (Slom). Excused, 2 (English, Kanno).

SCRep. 947 Ways and Means on S.B. No. 35

The purpose of this measure is to establish a two-year pilot program to provide early childhood education to children age five years and under.

This measure also appropriates funds for the preschool open doors program.

Your Committee recognizes that children who have had developmentally appropriate and enriching learning experiences in their earliest years are better equipped to face the subsequent challenges of school and life. Fifty-five per cent of a child's ability to learn is developed in the first four years of life. The proposed pilot project moves in the direction of universal early education for the children of Hawaii, starting with children from families who are unable to afford quality, early childhood education. Additionally, the funding proposed for the preschool open doors program will assist preschools in areas such as the hiring of qualified teachers.

Your Committee has amended this bill by:

- (1) Requiring the Department of Human Services to submit a final report on the pilot project to the legislature no later than twenty days prior to the convening of the 2007 Regular Session;
- (2) Appropriating an unspecified amount for the preschool open doors project to facilitate further discussion;
- (3) Adding an appropriation of an unspecified amount for the second year of the pilot project, fiscal year 2006-2007, to facilitate further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 35, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 35, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 948 Ways and Means on S.B. No. 639

The purpose of this measure is to transfer the administration of the teachers' housing program from the Housing and Community Development Corporation of Hawaii (Corporation) to the Department of Education (Department).

Specifically, the bill requires the Department to report to the Legislature twenty days prior to the convening of the 2006 regular session regarding the feasibility of transferring the teachers' housing program from the Corporation to the Department. The actual date of the transfer is July 1, 2007. The bill also provides for the establishment of a teachers' housing revolving fund, an annual review of housing units, annual statements, and the adoption of rules by the Department to administer the program.

Your Committee finds that the teachers' housing program provides rental housing units for teachers or other certified school-level personnel in rural isolated areas. The housing program provides safe and decent accommodations for teachers who might not have otherwise accepted the positions. Your Committee further finds that both the Corporation and the Department agree that the Department is better suited, with respect to teachers and their housing needs, to administer this program.

Your Committee has amended the bill by:

- (1) Specifically authorizing the Department to administer the teachers' housing program;
- (2) Changing the effective dates for purposes of furthering discussions; and
- (3) Making technical amendments for 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. 639, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 639, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 949 Ways and Means on S.B. No. 950

The purpose of this measure is to clarify that new century charter schools, like all other state agencies without a specific exemption, are required to comply with state land use laws and county land use, zoning, subdivision, and building ordinances and rules.

This measure also subjects new century charter schools to audit and inspection by the Charter School Administrative Office.

Your Committee notes that a similar measure was passed by the legislature last session and was vetoed by the Governor for "singling charter schools out from all other state agencies and subjecting them to county zoning ordinances which other state agencies need not comply (with)." This measure clarifies that charter schools, in the same manner as all other state agencies without a specific exemption, must comply with state land use laws and county land use, zoning, subdivision, and building ordinances and rules.

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. 950, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 950, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 950 Ways and Means on S.B. No. 1634

The purpose of this measure is to increase the State's support of early childhood education programs.

Specifically, the bill:

- (1) Requires the identification of available facilities and facility inspections for early childhood education programs;
- (2) Establishes a temporary task force to review the progress of early childhood education programs in the State, including making recommendations on improving State involvement, encouraging public-private sector partnerships, developing an office for early childhood education, and establishing standards for professional development, curriculum, and program requirements;
- (3) Requests the Legislative Reference Bureau to study the impact to private providers of lowering the age for entering public school over a seven-year phase-in period;
- (4) Requires the Department of Human Services to work with the counties on streamlining the permit process for early childhood education facilities; and
- (5) Appropriates funds for renovations to public school facilities, classroom supplies, and supplemental training for early childhood education teachers and staff.

Your Committee recognizes the importance of early childhood education in preparing Hawaii's children for the challenges of school and life. This measure provides the planning and support required to develop an early childhood education system for Hawaii.

Your Committee has amended the bill by:

- (1) Transferring the study on the impacts of lowering the age for entering public school from the Legislative Reference Bureau to the temporary task force; 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. 1634, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1634, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 951 (Majority) Ways and Means on S.B. No. 1636

The purpose of this measure is to establish annual increment salary increases for teachers.

Specifically, this measure grants annual salary increments of 3.14 per cent of their annual salaries to public school teachers for satisfactory service, if they earn under \$50,000 a year. Furthermore, this measure grants a biannual performance step increases of 3.14 per cent of their annual salaries to public school teachers for positive performance, if they earn at least \$50,000 a year.

For teachers who do not qualify for an annual increment or a biannual performance step increase under section 302A-626, the measure provides an annual increment or longevity increase, as the case may be, for a year's satisfactory service in any fiscal year.

Also, this measure augments the current teacher evaluation program by requiring more frequent evaluations and by establishing a comprehensive evaluation process, including an advisory team to work with the teacher and principal in the event of a negative evaluation.

Your Committee finds that, under current law the amounts of annual increments and longevity steps are left specified, and longevity is emphasized over performance. Your Committee believes that performance should be emphasized over longevity and that the specific amounts of those increments and steps are a matter of such public importance that its determination cannot be left to the whims and uncertainties of the collective bargaining process.

Your Committee has amended this measure by clarifying that the salary increases are for teachers, and not for other personnel of bargaining unit 05. Your Committee has also made technical 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. 1636, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1636, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (English).

SCRep. 952 (Majority) Ways and Means on S.B. No. 1642

The purpose of this measure is to establish various programs to encourage teacher retention and recruitment.

Specifically, this measure establishes, among other things, a teacher cadet program, a two-year teaching program, additional university faculty positions, an educator loan forgiveness program, a teacher induction program, alternative licensure routes, and tax credits.

Your Committee has amended this bill by changing all appropriation figures to unspecified amounts and changing the effective date in order to promote continuing discussion on the matter. Your Committee has also amended this measure by requiring the Department of Education to certify to the Department of Taxation as to which teachers and which state senatorial districts are subject to the various new education-related tax credits. 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. 1642, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1642, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 2 (Slom, Trimble). Excused, 2 (English, Fukunaga).

SCRep. 953 Ways and Means on S.B. No. 1650

The purpose of this measure is to reimburse members of the Hawaii National Guard who incur air travel expenses for travel from the member's residence in the State for drills, exercises, or other official duties. This measure further makes an appropriation for the reimbursements.

Your Committee finds that in today's world, particularly with hostilities in Iraq and Afghanistan, members of the Hawaii National Guard are taking on greater responsibilities for national security. Your Committee believes that in these circumstances, it is equitable to reimburse these travel expenses incurred by members of the Hawaii National Guard.

Your Committee has amended this measure by leaving the amount of the appropriation unspecified 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. 1650, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1650, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (English, Kanno).

SCRep. 954 (Majority) Ways and Means on S.B. No. 1660

The purpose of this measure is to transfer all educational facilities' repair, maintenance, and construction duties to the Department of Education.

Your Committee finds that facilities repair, maintenance, and construction projects have been generally divided between the Department of Accounting and General Services and the Department of Education. Although both departments have been diligent in their duties with respect to the State's educational facilities, this separation of responsibilities has caused its share of bureaucratic problems and delays.

This bill consolidates all responsibilities for facilities repair, maintenance, and construction with the Department of Education to allow it to respond more efficiently and expediently to its repair, maintenance, and construction needs.

Your Committee has amended the bill by:

- (1) Providing a drop-dead clause to take effect two years after the effective date of the bill;
- (2) Changing the effective dates for purposes of furthering discussions; and
- (3) Making technical nonsubstantive amendments for 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. 1660, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1660, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 2 (Slom. Trimble). Excused, 1 (Fukunaga).

SCRep. 955 Ways and Means on S.B. No. 1816

The purpose of this measure is to clarify the law that governs referral for substance abuse assessment and treatment of students who violated the zero tolerance policy for drugs and alcohol in public schools established by section 302A-1134.6, Hawaii Revised Statutes.

This measure also makes an appropriation to the Department of Education for referrals for substance abuse assessment to be completed by certified substance abuse treatment counselors.

Your Committee finds that substance abuse treatment is successful in reducing arrests, hospitalization, and emergency room visits. It is, therefore, good public policy to ensure students who meet the criteria for substance abuse treatment services receive it. Removing students from school only serves to place them in an unsupervised environment where they may encounter risky situations.

Your Committee finds that the Department of Education does not have the mechanisms, resources, or staff in place to adhere to the requirements of Act 44, Session Laws of Hawaii 2004. Furthermore, there is a shortage of certified substance abuse counselors who can complete the required assessment. Consequently, students waiting to be assessed or for treatment are placed in alternative learning centers which are currently filled. While parents are making good faith efforts to seek assessment and treatment for their children, they are usually turned away for lack of funding and personnel.

Your Committee has amended this measure by:

- (1) Delaying the effective date of the amendments to section 302A-1134.6, Hawaii Revised Statutes, to July 1, 2006;
- (2) Establishing an advisory task force in the Department of Education to study the process by which students are referred for substance abuse assessment and treatment and requiring the task force to report back to the Legislature prior to the 2006 regular session regarding the need, if any, for amendments to the law and additional resources;
- (3) Changing the effective date of the measure to July 1, 2050, to permit further discussion of the issues raised; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1816, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1816, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Kim).

SCRep. 956 Ways and Means on S.B. No. 1817

The purpose of this measure is to authorize the Department of Education (Department) to conduct criminal history record checks of persons other than its employees who work or train in close proximity to public school students.

Presently, a criminal history record check in the Department of Education is only required of employees and persons seeking employment (including teacher trainees) who will be in close proximity to students. The law, however, does not cover a person who is a service provider, a subcontractor, or a higher education trainee. This bill expands the Department's authority to conduct criminal history record checks on these persons to ultimately ensure the safety of school children.

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. 1817, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1817, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (English, Kanno).

SCRep. 957 Ways and Means on S.B. No. 1002

The purpose of this measure is to regulate discharges of liquids and air emissions from commercial passenger vessels.

This measure regulates the discharge of sewage, graywater, other wastewater, and air emissions from commercial passenger vessels and requires the operators of commercial passenger vessels to maintain records of discharges and report any discharges that are prohibited by this measure.

Your Committee has amended this measure by:

- (1) Adding a severability clause;

- (2) Making technical amendments to correct certain cross-references, define “innocent passage”, and delete the definition of “special fund”; and
- (3) Making technical and 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. 1002, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1002, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Espero, Sakamoto).

SCRep. 958 Ways and Means on S.B. No. 1262

The purpose of this measure is to preserve the environmental and natural integrity of the resources of the Waianae Coast.

Specifically, this bill requires the Department of Land and Natural Resources to perform a baseline environmental study of ocean resources and state parks, containing the same information required in an environmental impact statement, in the area between Kalaeloa and Kaena point on the island of Oahu. The bill also appropriates an unspecified amount for this purpose.

Your Committee finds that a comprehensive study and inventory of nearshore and shoreline resources along the Waianae coast is necessary to help determine present and future actions to preserve the environmental and natural integrity of the area while accommodating those who use and enjoy these resources. By requiring a baseline environmental study instead of an environmental impact statement, the study can avoid the cumbersome steps required by the environmental impact statement review process under chapter 343, 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. 1262, 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 (English, Kanno, Kokubun).

SCRep. 959 Ways and Means on S.B. No. 1427

The purpose of this measure is to require, as of January 1, 2006, that all state agencies purchasing or leasing motor vehicle fleets obtain hybrid or high energy efficient vehicles, to the extent that these vehicles are available.

Your Committee finds that alternative fuel vehicles produce fewer air pollutants and greenhouse gases and generally have improved fuel economy. This supports the objectives of better air quality, less dependence on imported petroleum, reduced consumption of nonrenewable resources, and environmental sustainability. The State can lead by example in the implementation of this policy.

Your Committee has amended this by:

- (1) Deleting the requirement that state agencies purchase high energy efficient vehicles to the extent those vehicles are available;
- (2) Adding an acquisition schedule under which:
 - (A) By January 1, 2007, at least twenty per cent of newly purchased light duty vehicles acquired by each agency must be alternative fuel vehicles;
 - (B) By January 1, 2009, at least forty per cent of newly purchased light duty vehicles acquired by each agency must be alternative fuel vehicles; and
 - (C) For each year subsequent to January 1, 2009, the percentage of alternative fuel vehicles newly purchased shall be five percentage points higher than the previous year, until at least sixty per cent of each agency’s newly purchased, light duty vehicles are qualified alternative fuel vehicles; 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. 1427, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1427, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Espero, Sakamoto).

SCRep. 960 Ways and Means on S.B. No. 789

The purpose of this measure is to make an emergency appropriation to reimburse developmental disabilities or mental retardation Medicaid waiver providers for fiscal year 2004-2005.

Your Committee finds that the Department of Health's program to provide home and community based services for the developmentally disabled or mentally retarded, also known as the Title XIX Waiver Program, will expend all appropriated funds before the end of the current fiscal year. The Department needs additional funds to meet its fiscal obligations to support its developmentally disabled or mentally retarded clients with services as required by state law and to continue to fulfill its obligations under a federal court settlement agreement.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 789 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (English, Kanno, Kokubun).

SCRep. 961 Ways and Means on S.B. No. 1232

The purpose of this measure is to appropriate funds in the amount of \$100,000 for each year of the fiscal biennium as a grant-in-aid to the Maui AIDS Foundation.

Your Committee finds that providing support for meeting the basic needs of food, housing, and transportation to individuals with HIV or AIDS is critical. Historically, federal funding through the Ryan White Comprehensive AIDS Resources Emergency Care Act of 1990 has assisted more than five hundred thousand HIV or AIDS patients annually. Federal funding, however, has been drastically reduced recently, leaving many HIV and AIDS patients in serious need of assistance in living with their conditions. Your Committee finds that this measure will provide valuable needed assistance in maintaining an acceptable quality of life for HIV and AIDS patients on Maui.

Your Committee has made the following amendments:

- (1) Changed the source of funding to the emergency budget and reserve fund and added a purpose section;
- (2) Replaced the phrase "grant-in-aid" with "grant in accordance with chapter 42F, Hawaii Revised Statutes" to more accurately reflect the requirements relating to such a "grant";
- (3) Changed the expending agency from the Maui AIDS Foundation to the Department of Health because a government agency should be the entity to expend funds appropriated by the Legislature to make it clear that the funds are being appropriated and expended for a public purpose; and
- (4) Changed the appropriation 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. 1232, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1232, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (English, Kim, Nishihara).

SCRep. 962 Ways and Means on S.B. No. 27

The purpose of this measure is to appropriate funds for the Kapiolani Child At-Risk Evaluation program to continue offering forensic health care services to children who are victims or suspected victims of abuse and neglect.

Your Committee finds that over two thousand five hundred children are abused and neglected each year in Hawaii. The Kapiolani Child At-Risk Evaluation program is the only one of its kind on Oahu to provide medical expertise in the field of child abuse and child-abuse related health problems. The program offers pre-placement medical evaluations for children entering foster care and forensic medical evaluations for children who are suspected victims of abuse and neglect. The program also provides information to Child Welfare Services for the purposes of providing evidence in cases of abuse and neglect and reducing the risk of erroneous accusations.

Your Committee has amended this bill by changing the amounts appropriated to unspecified amounts and 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. 27, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 27, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (Fukunaga).

SCRep. 963 Ways and Means on S.B. No. 561

The purpose of this measure is to establish a full-time, permanent program specialist in aging position in the Executive Office on Aging.

In Hawaii, we have a history and tradition of caring for our ohana. Family caregiving is not only an alternative to institutional care and its rising cost, it is a matter of family values and the preference of families to remain together with elderly family members at home as long as possible.

Family caregivers make many sacrifices to care for family members. Caregiving clearly impacts a caregiver's employment, economic situation, and personal life. Moreover, family caregivers often face innumerable challenges as they seek, apply for, and coordinate the support services they require.

As our elderly population grows, so does the need for family caregiver support services. The establishment of a full-time program specialist in aging position will ensure the development and coordination of these services statewide.

Your Committee has amended this bill by making technical, nonsubstantive amendments have also 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. 561, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 561, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 964 Ways and Means on S.B. No. 1780

The purpose of this measure is to extend the repeal date applicable to the State Commission on Fatherhood (Commission) from June 30, 2005, to June 30, 2007.

This measure also places the Commission under the Department of Human Services for administrative purposes and appropriates funds received by the State from the Temporary Assistance for Needy Families Program to carry out the purposes of the Commission.

Your Committee finds that this measure will provide the Commission with the support, funding, and additional time needed to fulfill its duties. This includes selecting a strategic plan; coordinating public award recognition of exemplary businesses with parent-friendly policies; raising public awareness on the impact of fatherhood on children; serving as a central clearinghouse and coordinating body for fatherhood activities and services; identifying obstacles impeding the involvement of fathers with their children; and recommending policies and practices that promote and re-engage fathers in the lives of their children.

Your Committee has amended this bill by changing the appropriations to unspecified amounts to facilitate further discussion and 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. 1780, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1780, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 965 Ways and Means on S.B. No. 467

The purpose of this measure is to provide gender responsive programming and parity for female offenders and female adjudicated youths in relation to their male counterparts.

Your Committee finds that the parity of treatment and social services available to female offenders and female adjudicated youths have been ignored for far too long by Hawaii's criminal justice system. These women must be given access to the same level of care and programs currently provided to men in order to break the cycle of recidivism and enable them to change and rehabilitate their lives for the better.

This measure addresses these concerns by requiring a range of quality custody-based programs for female offenders and female adjudicated youths that establishes standards for programs to ensure the health, psychological, social, economic, and educational needs of female offenders. The bill also institutes a grant-in-aid program to involve private agencies in the development and implementation of these programs and imposes duties upon the Department of Public Safety and the Office of Youth Services (regarding the implementation of the grant-in-aid program), to increase collaboration with advocacy groups and to ensure the success and viability of these initiatives.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 467, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 467, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 966 Ways and Means on S.B. No. 613

The purpose of this measure is to appropriate funds for the Interagency Council on Intermediate Sanctions to carry out its five-year strategic plan to reduce adult offender recidivism and institutionalize enhancements to the Hawaii criminal justice system.

Your Committee finds that funding is necessary to implement the five-year strategic plan of the Interagency Council on Intermediate Sanctions. This strategic plan is part of a collaborative effort among various State agencies with the goal of reducing Hawaii's adult offender recidivism rates in a cost-effective manner by utilizing an "evidence-based practice" approach.

Your Committee has amended this measure by changing the appropriations to unspecified amounts, and by making other 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. 613, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 613, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 967 (Majority) Ways and Means on S.B. No. 979

The purpose of this measure is to establish a court interpreter certification program in the Judiciary to prescribe standards and procedures for certifying court interpreters.

Furthermore, this bill:

- (1) Requires the use of a certified court interpreter in legal proceedings when a party or a witness is deemed to have a limited ability to understand and communicate in English;
- (2) Appropriates funds for the 2005-2007 fiscal biennium to the Administrative Office of the Courts so it may establish and operate a statewide court interpreter orientation, testing, and certification program; and
- (3) Takes effect on July 1, 2006.

Your Committee finds that certification of court interpreters will ensure the accuracy of statements attributed to parties and witnesses to a legal proceeding who communicate in a language other than English.

Your Committee has amended this bill by:

- (1) Adding section -4(e) to clarify that failure of a court to make reasonable good faith efforts to obtain the services of a certified interpreter may be grounds for reversal;
- (2) Clarifying that the appropriation shall take effect on July 1, 2005, rather than July 1, 2006; 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. 979, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 979, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Slom. Trimble). Excused, 1 (English).

SCRep. 968 Ways and Means on S.B. No. 1325

The purpose of this measure is to protect the integrity of Hawaii elections by enhancing the security of electronic voting.

Specifically, this measure:

- (1) Prohibits use of electronic voting systems unless a paper ballot trail is generated;
- (2) Establishes the conditions under which the chief election officer may rely on electronic tallies created by electronic voting systems; and
- (3) Expands the offense of election fraud to include alteration of any electronic voting system to cause an inaccurate vote tally.

Your Committee finds that requiring any electronic voting system to include a verifiable paper trail as a condition of use will restore voter confidence in the integrity of Hawaii elections, and assure voters that their vote is counted. Use of an electronic voting system that does not produce a paper ballot would make conducting a recount very difficult. A paper trail creates a method to verify results. Expanding election fraud to include tampering with electronic voting systems will also aid in accountability.

A technical nonsubstantive amendment to specify who retains the paper ballot generated by an electronic voting system has been made 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. 1325, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1325, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 969 Ways and Means on S.B. No. 1570

The purpose of this measure is to appropriate funds to support community-based reintegration programs for female offenders transitioning from incarceration back into the community.

Your Committee finds that there is a lack of adequate community-based programs for female offenders making the transition back into the community at the end of their term of incarceration. Community-based programs that are responsive to the emotional, psychological, educational, and employment needs of female offenders are critical to breaking the cycle of recidivism and ensuring the long-term success that would come from these women becoming productive and contributing members of society.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1570 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 15. Noes, none. Excused, none.

SCRep. 970 (Majority) Ways and Means on S.B. No. 1689

The purpose of this measure is to establish a comprehensive public funding program for state legislative candidates and candidates for the offices of Governor and Lieutenant Governor who agree to abide by campaign contribution and expenditure limits.

Your Committee finds that a number of states, such as Arizona and Maine, have enacted laws that allow for publicly funded campaigns for state elective office. Based upon the positive experiences of these states both in terms of increasing voter participation and allowing more people to participate as candidates for elective office, your Committee finds that Hawaii should also enact a similar comprehensive public funding program.

Your Committee has amended this measure by:

- (1) Including prosecuting attorney elections in this program;
- (2) Deleting the specific monetary amounts for the thresholds, contributions, and limits proposed to operate the program;
- (3) Deleting the appropriation that would have provided for additional staffing to the Campaign Spending Commission to operate the program;
- (4) Changing the effective date of the measure to July 1, 2050; and
- (5) 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. 1689, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1689, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, 1 (Slom). Excused, 1 (Kim).

SCRep. 971 Ways and Means on S.B. No. 61

The purpose of this measure is to allow employers to use "electronic pay stubs" upon written authorization from an employee.

Presently, employers are required to furnish each employee on every payday with a legible printed, typewritten, or handwritten record or pay stub that shows, among other things, the:

- (1) Employee's total gross compensation;
- (2) Amount and purpose of each payroll deduction;
- (3) Total net pay or compensation;
- (4) Date of the payment; and

(5) Pay period covered.

Employers are also required to maintain and preserve a “hard” or written copy of these records or its equivalent for a period of at least six years.

Your Committee finds that with advancements in technology, many employees enjoy the conveniences and benefits of direct electronic payroll deposits into an employee’s bank account. This method of electronic banking, however, must still be accompanied by a “hard copy” of the employee’s pay stub.

This bill will enable employers, upon written authorization from an employee, to provide an electronic pay stub in lieu of the hard copy pay stub that is presently required by law. Employees utilizing the electronic pay stub will still have the option of printing a hard copy of their pay stub should they so desire.

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. 61, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 61, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 972 (Majority) Ways and Means on S.B. No. 290

The purpose of this measure is to convert several subject matter areas currently excluded from public sector collective bargaining into permissible subjects of collective bargaining.

Specifically, this measure authorizes public employers to negotiate over matters relating to the merit principle, the principle of equal pay for equal work, work standards and examination contents, efficiency and productivity in government operations, methods and means of government operations, and emergency actions.

Your Committee finds that current law expressly prohibits negotiations over proposals that interfere with these several subject matter areas, collectively known as the employer’s management rights, under an older school of thought. Your Committee finds that reforms to traditional methods of management rights are needed in today’s increasingly complex and interdependent world of labor-management relations.

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. 290, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 290, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 4 (Fukunaga, Hemmings, Slom, Trimble). Excused, 1 (Kim).

SCRep. 973 Ways and Means on S.B. No. 1190

The purpose of this measure is to exempt the salaries of police officers represented by collective bargaining unit 12, from the state income tax.

Your Committee finds that the recruitment and retention of police officers statewide, continues to be a critical problem for the counties. Offers of better pay and benefits from mainland municipalities continue to deplete the ranks of county police departments. Unless the State provides assistance to the counties, the four county police departments will forever be below full strength and unable to fully serve the needs of their respective communities.

The tax exemption provided by this bill will provide the incentive to encourage police officers as well as police recruits to remain at home and provide the counties with a full contingency of police officers to better serve the State.

Your Committee has amended the bill by changing the effective date to July 1, 2050 to promote 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 S.B. No. 1190, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1190, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 974 (Majority) Ways and Means on S.B. No. 1888

The purpose of this measure is to increase the terms of the members of the Hawaii Labor Relations Board from six to ten years.

Additionally, this measure raises the salaries of the board members.

Your Committee finds that a lengthier term for board members will serve to minimize political interference in the board's decision making and allow members to cultivate greater expertise in labor-management issues.

Your Committee has amended this measure by deleting the proposed amendment to raise the salaries of the board members, as this issue is being adequately addressed in S.B. No. 807.

Your Committee has also amended this measure by changing the effective date to facilitate further discussion and by making technical nonsubstantive amendments for purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1888, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1888, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Kim).

SCRep. 975 Ways and Means on S.B. No. 788

The purpose of this measure is to clarify certain provisions of the voluntary response program law to protect against the release or potential release of hazardous substances, pollutants, or contaminants in the environment.

This measure clarifies the exemption from future liability to the Department of Health of a party that undertakes a voluntary response action under an agreement with the Department of Health. The measure further allows the Department of Health to reduce or waive a response fee for a public or nonprofit agency.

Your Committee has amended this measure by:

- (1) Adding a provision to section 128D-40, Hawaii Revised Statutes, specifying that the exemption from future liability to the Department of Health will not be effective if a prospective purchaser fails to comply with the terms and conditions specified in the letter of completion from the Department of Health;
- (2) Adding a conforming amendment to section 128D-39(c), Hawaii Revised Statutes;
- (3) Changing the effective date to facilitate further discussion on this matter; and
- (4) 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. 788, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 788, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (English, Kanno, Kokubun).

SCRep. 976 Ways and Means on S.B. No. 1114

The purpose of this measure is to provide a tax credit for the cost of energy storage systems installed for the storage of electricity, or another useful energy product created by electricity, to shift the electricity load to off-peak periods.

The tax credit is not to exceed thirty-five per cent of the total cost of the energy storage system or \$500,000, whichever is less, and applies to energy storage systems installed and placed in service after December 31, 2004. The tax credit is repealed on June 30, 2012.

Your Committee finds that an ice thermal storage system, a type of energy storage system, is an air conditioning system that shifts large electric loads from daytime to nighttime or off-peak hours. By using the "battery" effect of ice thermal storage, ice is made and stored at night when electricity generation costs are low and system efficiencies are high. The melting ice is then used for cooling purposes during the day, allowing local electric companies to use more efficient oil-fired generators at night to lower electricity costs.

Your Committee further finds that the energy savings that result from the use of this tax credit will further the State's energy policy, reduce energy expenses for participating taxpayers, and allow local electric companies to consume less fossil fuels to protect the environment.

Your Committee has amended the measure by changing the effective date for the purpose of furthering discussion and 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. 1114, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1114, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kanno, Sakamoto).

SCRep. 977 Ways and Means on S.B. No. 1687

The purpose of this measure is to clarify that reimbursements for salaries, wages, and benefits between related entities that have reorganized their business structures for the purpose of facilitating the establishment of employee stock ownership plans are exempt from the State's general excise tax.

In addition, the measure also expands the definitions contained in section 237-24.7, Hawaii Revised Statutes, relating to additional amounts not taxable, of "management company" and an "employee" of a management company to include business entities that provide medical services.

Your Committee finds that in Hawaii, the reorganization of a business structure to establish an employee stock ownership plan is often hampered due to the imposition of the general excise tax on the reimbursements for salaries, wages, and benefits between related entities. This measure removes an obstacle that otherwise makes it financially difficult to allow employees to take an ownership interest in a company.

Your Committee has amended the measure by:

- (1) Changing the effective date of the measure from July 1, 2005, to July 1, 2050; and
- (2) Making technical nonsubstantive amendments for the purposes of accurately reflecting the formatting of existing statutes, 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. 1687, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1687, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 978 (Majority) Ways and Means on S.B. No. 790

The purpose of this measure is to protect the safety and well being of our senior and disabled residents by providing for criminal history record checks for those who care for these individuals.

Specifically, the bill:

- (1) Establishes that applicants and operators of health facilities that care for senior or disabled adults shall be subject to criminal history record checks;
- (2) Authorizes the Department of Health to revoke, suspend, or deny a license or impose penalties or fines if individuals subject to criminal history record checks refuse to allow such a check;
- (3) Establishes that licensed adult day care center operators, purchase of service contractor and subcontractors providing adult and community care services, several senior programs, and home and community based service providers are subject to criminal history record checks;
- (4) Expands exemptions from prohibition against inquiry into and consideration of an individual's criminal convictions for employment suitability determinations to also exempt the Department of Health pursuant to section 321- ;
- (5) Expands criminal history record checks authorized to be conducted pursuant to section 846-2.7 to include the:
 - (A) Department of Health on applicants, operators, employees, and volunteers of certain licensed facilities that care for seniors or disabled individuals; and
 - (B) Department of Human Services on licensed adult day care center operators, employees, subcontracted service providers and their employees, and volunteers; service providers and employees servicing clients of adult and community care services; certain senior programs participants; providers and employees that provide home and community based services; and
- (6) Appropriates revenues to the Department of Health for the purpose of this measure.

Your Committee finds that the Legislature should take all reasonable efforts to promote the safety, health, and well being of our senior and disabled residents who receive health care and services from individuals licensed by the State. This population is very vulnerable to abuse and the background checks established by this measure will help to screen out individuals who should not be employed in close proximity to seniors or the disabled.

Your Committee has amended this measure to:

- (1) Add “expanded adult residential care home” to the definition of “health care facility”;
- (2) Change the title of proposed section 346- from “Background checks” to “Criminal history record checks”;
- (3) Delete certain consent, fingerprint, and use requirements and procedures relating to criminal history record checks as duplicative and unnecessary because those procedures or requirements currently are provided in chapter 846, Hawaii Revised Statutes;
- (4) Expand employers exempted from conditional inquiries into an individual’s conviction record in employment decisions to include the Department of Human Services, pursuant to proposed section 346- , and the Department of Health, pursuant to proposed section 321- ;
- (5) Authorize the Department of Human Services and the Department of Health to conduct criminal history record checks in accordance with section 846-2.7, Hawaii Revised Statutes; and
- (6) Make technical nonsubstantive amendments for 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. 790, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 790, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, 1 (English). Excused, 1 (Fukunaga).

SCRep. 979 (Majority) Ways and Means on S.B. No. 470

The purpose of this measure is to establish a statewide DNA database and databank identification program that will include the DNA of all convicted felons and be administered by the Honolulu Police Department.

Specifically, the bill:

- (1) Allocates responsibility for the collection, analysis, and storage of blood specimens, buccal swab samples, and fingerprint impressions;
- (2) Specifies which offenders must provide blood specimens, buccal swab samples, and fingerprint impressions, when they must be submitted, and penalties for failure to do so;
- (3) Establishes procedures for the collection and analysis of blood specimens, buccal swab samples, and fingerprint impressions from convicted felons and for the analysis and comparison of crime scene biological evidence;
- (4) Specifies procedures for the destruction of samples and the expungement of information from the DNA database;
- (5) Imposes requirement of confidentiality of information and specifies penalties for violation thereof;
- (6) Authorizes a court to order postconviction DNA testing and to take appropriate action thereafter according to the results;
- (7) Extends by ten years the statute of limitations in any felony case in which DNA evidence is recovered and tested prior to expiration of the standard limitation period for the class of felony;
- (8) Imposes an additional penalty of \$1 for every \$10 of any fine or penalty imposed and collected by the court for all criminal and traffic offenses, excluding parking, to help fund the DNA database and databank identification program; and
- (9) Appropriates funds to carry out the purposes of this measure, including reimbursement to the county police departments and the Department of Public Safety for costs incurred in implementing it.

Your Committee finds that mandating DNA testing for all convicted felons is an effective law enforcement tool that, when used in conjunction with a DNA database, will enable the State to collect and maintain profiles of convicted offenders for use in ongoing as well as “cold case” investigations. This measure will also facilitate the use of DNA to exclude innocent persons and to provide post-conviction relief to the wrongly convicted.

Your Committee has amended this measure by:

- (1) Deleting references to the Office of Youth Services and “adjudication” because the bill does not provide for the collection of DNA samples from juveniles;
- (2) Deleting all references to an “insanity” verdict because, as provided in chapter 704, Hawaii Revised Statutes, the correct reference is to “mental disease, disorder, or defect”;
- (3) Deleting the reference in the title of the proposed section -41, Hawaii Revised Statutes, to sex registrants and out-of-state transferees because the section does not relate to these individuals and because collection of samples from these individuals is addressed by proposed sections -31(b) and -38, Hawaii Revised Statutes;

- (4) Amending the language proposing to extend the statute of limitations by adding limiting factors that the DNA evidence recovered have come from the offender and that the identity of the offender is not otherwise known;
- (5) Changing the appropriations to unspecified amounts; and
- (6) Making 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 470, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 470, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (English).

SCRep. 980 (Majority) Ways and Means on S.B. No. 696

The purpose of this measure is to increase the fee that may be charged for a criminal history record check and also to make the same fee applicable for each criminal history record name inquiry.

In addition, the measure also:

- (1) Provides new definitions of “criminal history record check” and “criminal history record name inquiry”;
- (2) Clarifies when the fee for certified printouts for each criminal history record name inquiry should be applied;
- (3) Repeals the separate \$25 fee for each fingerprint based search of the automated fingerprint identification system or manual fingerprint files;
- (4) Expands the criminal history record check fee exemption to include criminal history record checks requested by nonprofit organizations that request these record checks on adult volunteers who have direct contact with the elderly and the disabled; and
- (5) Authorizes the Hawaii Criminal Justice Data Center to establish, by rules, reasonable fees for services provided.

Your Committee finds that the fees charged for criminal history record checks have remained unchanged since 1998. Making the same fee applicable to criminal history record checks whether conducted by name inquiry or fingerprint based may encourage an increase in fingerprint based checks. In addition, expanding the exemption to criminal history record checks fees to include volunteers of nonprofit charitable organizations who have direct contact with seniors or disabled individuals will provide financial relief to these organizations and will encourage more checks on volunteers to protect vulnerable populations.

Your Committee has amended this bill by making technical nonsubstantive amendments to conform with preferred drafting conventions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 696, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 696, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (English).

SCRep. 981 Ways and Means on S.B. No. 741

The purpose of this measure is to authorize the Board of Trustees of the Employees’ Retirement System to use the effect of the post retirement allowance as an actuarial assumption in determining the value of benefit options.

Your Committee finds that this measure is necessary to clarify the present law because the Attorney General has previously advised the system that the language of the statutes precludes the adoption of such an assumption.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 741 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 982 Ways and Means on S.B. No. 629

The purpose of this measure is to make an appropriation to permit legislative proceedings to be broadcast in streaming media format on the Internet.

Your Committee finds that citizen involvement and input into the legislative process is crucial to legislative decision making. The Legislature has demonstrated its commitment to the principle of public access to the legislative process by establishing programs like the public access room, the legislative broadcast project, and the legislative website.

Your Committee further finds that while televised coverage of legislative proceedings is an important component of public access, some proceedings are available only via cable television and only at certain times. By contrast, streaming media, or webcasting, permits those with access to a computer at home or in a public place such as a library, school, or community center to follow the proceedings when they could not otherwise do so. Webcasting of legislative proceedings will also permit those who wish to testify but are unable to spend extended periods at the State Capitol to follow the proceedings and go to the capitol only when it is time to testify.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to permit further consideration of the issues raised and 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. 629, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 629, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 15. Noes, none. Excused, none.

SCRep. 983 Ways and Means on S.B. No. 1698

The purpose of this measure is to provide a tax credit for contributions of money, goods, or in-kind services to establish or maintain technology laboratories in the public schools.

The bill also makes a grant-in-aid appropriation to the Economic Development Alliance of Hawaii (Alliance) to coordinate the marketing of Hawaii's technology companies and opportunities on the mainland. The bill also appropriates funds to the Alliance to expand its Project EAST program to four additional schools on two unspecified islands.

Your Committee finds that the Alliance is a nonprofit umbrella organization for the four county economic development boards. The Alliance estimates that the economic development boards miss as many as one hundred mainland exhibitions and conferences where the Hawaii technology story could be presented. Budget constraints, however, limit local participation at these exhibitions and conferences. This bill remedies this problem by providing the necessary funds to allow the Alliance to coordinate the marketing of Hawaii's technology companies at these exhibitions and conferences.

Your Committee also finds that training a competent technology workforce is critical to the continued success and growth of the local technology industry. This bill provides the funds to achieve this objective by expanding the Project EAST program to four additional schools on two unspecified islands, and by providing a tax credit to encourage private contributions to technology laboratories in public schools.

Your Committee has amended the bill by:

- (1) Authorizing, instead of requiring, the Department of Business, Economic Development, and Tourism to issue a certificate showing the amount of the contribution if the taxpayer has obtained a current and valid certificate signed by the director of taxation, showing that the taxpayer does not owe the state any delinquent taxes, penalties, or interest;
- (2) Clarifying that the appropriation is a grant, pursuant to chapter 42F, Hawaii Revised Statutes;
- (3) Changing the appropriations to unspecified amounts;
- (4) Changing the effective date to July 1, 2050 for purposes of discussion; and
- (5) Making technical nonsubstantive amendments for 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. 1698, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1698, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 984 Ways and Means on S.B. No. 763

The purpose of this measure is to authorize the payment of a flat fee to physicians who serve on external review panels to review health coverage disputes.

Your Committee finds that the payment of a flat fee to physicians who take time away from work to serve on external review panels will provide an incentive for physicians to serve on the panels. This will help increase the current small pool of physicians who are willing to participate in the important task of external review of health coverage disputes.

Your Committee has amended this bill by:

- (1) Providing for a \$100 flat fee;
- (2) Clarifying that the exemption from chapter 103D, Hawaii Revised Statutes (procurement law), relating to payment of the fee and review panel member selection, applies only to the physician member since the physician is the only member paid to serve on the panel; 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. 763, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 763, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (English, Kim).

SCRep. 985 Ways and Means on S.B. No. 1278

The purpose of this measure is to provide an income tax credit for improvements made to federally qualified health centers.

Specifically, the measure establishes an expenditure threshold for the tax credit at \$150,000, and specifies that the amount of the qualified improvement tax credit shall be equal to:

- (1) Twenty-five per cent of the qualified improvement costs incurred up to \$2,000,000;
- (2) Fifteen per cent of the qualified improvement costs incurred that total between \$2,000,000 and \$5,000,000; and
- (3) Ten per cent of the qualified improvement costs incurred that total \$5,000,000 or more.

The tax credit would be available for ten consecutive taxable years, beginning with taxable years beginning after December 31, 2004, and would be applicable to qualified improvement costs associated with the construction, alteration, or modifications to a federally qualified health center facility and the purchase of qualified equipment.

Your Committee finds that Hawaii's federally qualified health centers, which are all not-for-profit Hawaii corporations, are in various stages of developing and improving their health care facilities. Federally qualified health centers are "safety net" primary health service providers serving predominantly uninsured, poor, and indigent people of Hawaii, regardless of their ability to pay. A federally mandated medical prospective payment system that began in 2001 for federally qualified health centers has effectively eliminated a mechanism for these centers to recoup costs associated with future capital improvements, thus severely limiting their ability to serve the public. This measure will provide a mechanism to help defray federally qualified health center capital costs, without putting undue strain on the State's budget.

Your Committee has amended the measure by:

- (1) Clarifying that it is the taxpayer, not the federally qualified health center, that must comply with the requirements of the tax credit and that the taxpayer, not the federally qualified health center, shall receive the tax credit;
- (2) Deleting the cap on the total amount of tax credits available over the ten-year period for each federally qualified health center and leaving the amount unspecified;
- (3) Correcting the references to the taxable years during which the tax credit will be applicable, to coincide with the stated ten-year period duration of the tax credit;
- (4) Changing the effective date of the tax credit so that the tax credit applies to taxable years beginning after December 31, 2050, to promote 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. 1278, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1278, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (English, Kanno, Kokubun).

SCRep. 986 Ways and Means on S.B. No. 911

The purpose of this measure is to clarify what revenues derived from the public land trust constitute the Office of Hawaiian Affairs' pro rata share of public land trust revenues that are to be used for the betterment of conditions of native Hawaiians.

In addition, this measure clarifies the lands comprising the public lands under chapter 10, Hawaii Revised Statutes.

Your Committee finds that the Legislature passed enabling legislation to effectuate a portion of article XII, section 4, of the Hawaii Constitution addressing the public land trust. In 1980, the Legislature mandated that “[t]wenty per cent of all revenue derived from the public land trust shall be expended by the office [of Hawaiian affairs] for the betterment of native Hawaiians.” Act 273, Session Laws of Hawaii 1980, section 1, subsequently codified as section 10-13.5, Hawaii Revised Statutes.

Yet, for some time, the Office of Hawaiian Affairs did not receive from the State the funds required by section 10-13.5, Hawaii Revised Statutes. Following a lawsuit and settlement on this matter, Act 304, Session Laws of Hawaii 1990 (Act 304), was enacted in a legislative effort to effectuate the essence of the settlement agreement and to define exactly what constituted revenues derived from the public land trust. The definition of revenue provided under Act 304 enabled the State to more readily calculate exactly what amounts were owed to the Office of Hawaiian Affairs in fulfillment of its obligation to pay over twenty per cent of public land trust revenues.

Following a Hawaii Supreme Court decision on an appeal on the Office of Hawaiian Affairs lawsuit, Act 304 was effectively repealed. While the Hawaii Supreme Court acknowledged the State’s constitutional obligation to native Hawaiians, the court left it up to the Legislature for determination. This again left open the matter of to what revenues that the Office of Hawaiian Affairs public land trust was entitled.

Your Committee believes that with this measure, the State’s constitutional obligation will be furthered and that it will give effect to the right of native Hawaiians to benefit from the public land trust. In doing so, the State will finally take a significant step in effecting a lasting reconciliation with all Hawaiians.

Upon further review, your Committee amended this measure by:

- (1) Changing the use of the public land trust proceeds from “for purposes of this chapter” to “for the betterment of the conditions of native Hawaiians” to reflect the amendment made by Act 304, Session Laws of Hawaii 1990, to section 10-13.5, Hawaii Revised Statutes; and
- (2) Making technical nonsubstantive amendments for 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. 911, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 911, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Fukunaga, Sakamoto).

SCRep. 987 Ways and Means on S.B. No. 965

The purpose of this measure is to repeal the existing law on electronic eavesdropping, commonly referred to as the wiretapping law, and to replace it with a wiretapping and electronic surveillance law that is organized and more compatible with federal law on the same subject.

Specifically, this measure:

- (1) Prohibits interception or disclosure of wire, oral, or electronic communications, except when a law enforcement agency is authorized to do so for investigation of specified criminal activity pursuant to court order;
- (2) Prohibits the manufacture, distribution, possession, or advertising of wire, oral, or electronic communication interception devices;
- (3) Prohibits access to stored electronic communications, except when a law enforcement agency is authorized to do so pursuant to court order;
- (4) Provides civil and criminal remedies for violation of prohibitions set forth in the bill;
- (5) Establishes procedures for applications by law enforcement to intercept wire, oral, or electronic communications and for access to stored electronic communications;
- (6) Authorizes law enforcement agencies to use pen register, trap and trace, and mobile tracking devices with court authorization; and
- (7) Requires the Administrative Director of the Courts, the Attorney General, and the prosecuting attorneys to make periodic reports concerning the interception of wire, oral, or electronic communications and requires the Attorney General to make periodic reports regarding the use of pen registers and trap and trace devices.

Your Committee has amended this measure by:

- (1) Replacing references to “endeavor” and “procure” with “attempt” and “solicit” in proposed section 803-B, Hawaii Revised Statutes, for consistency with existing Hawaii law;

- (2) Inserting a reference to section 641-13, Hawaii Revised Statutes, into proposed section 803-J(h), Hawaii Revised Statutes, in order to avoid any conflict regarding the authority to appeal conferred by the two sections;
- (3) Conforming the language regarding the statute of limitations for civil actions pursuant to proposed section 803-T(f), Hawaii Revised Statutes, with that used in proposed section 803-L(e), Hawaii Revised Statutes;
- (4) Changing the effective date of the measure to July 1, 2050, to promote further discussion of the issues raised; and
- (5) Making technical nonsubstantive changes for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 965, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 965, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Kanno, Sakamoto).

SCRep. 988 (Majority) Ways and Means on S.B. No. 294

The purpose of this measure is to increase the minimum wage amount to \$7.00 beginning July 1, 2005, and provide for an annual automatic increase thereafter.

This measure also provides temporary unemployment insurance contribution relief to employers by lowering the threshold at which employers will not have to pay unemployment insurance contributions for calendar years 2005 through 2007.

Specifically, the measure increases the state minimum wage to \$7.00 per hour effective July 1, 2005, and beginning April 1, 2006, and on an annual basis thereafter, increases it by an adjustment issued by the Department of Labor and Industrial Relations on December 15 of each year, for the forthcoming year, using the percentage increase, if any, rounded to the nearest five cents, of the most recent gross state product deflator published annually by the Department of Business, Economic Development and Tourism; provided that the adjustment does not exceed fifty cents in any given year

In addition, the measure temporarily lowers the threshold at which employers will not have to pay unemployment insurance contributions from the existing average annual wage (\$32,300) to \$7,000, for calendar years 2005, 2006, and 2007.

Your Committee finds that although the minimum wage amount was recently increased effective in 2003, the increase has failed to keep pace with the escalating rate of inflation. As a result, a worker's purchasing power has continued to diminish over time. In Hawaii, the cost of living is higher than that of much of the rest of the nation, which compels many individuals to work two jobs just to make ends meet.

Your Committee also finds that although Hawaii is fortunate to enjoy one of the lowest unemployment rates in the country, unemployment insurance tax relief is needed in order to promote business growth and economic prosperity through the creation of new jobs, the expansion of benefits, and the provision of pay increases to employees.

Your Committee has amended the measure by:

- (1) Delaying the imposition of the State's minimum wage increase from July 1, 2005 to January 1, 2006;
- (2) Establishing that, after January 1, 2008, the state minimum wage will be \$8 per hour;
- (3) Deleting the provisions that establish the state minimum wage automatic increase mechanism;
- (4) Increasing the tip credit by 50 cents per hour effective January 1, 2006; 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. 294, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 294, S.D. 3.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (Espero, Sakamoto).

SCRep. 989 Ways and Means on S.B. No. 817

The purpose of this measure is to establish standards and procedures regarding the assessment of unemployment insurance contribution rates and the transfer of unemployment insurance experience when a change in employing unit occurs.

Your Committee finds that pursuant to the State Unemployment Tax Acts Dumping Prevention Act of 2004, P.L. 108-295 (Act), the Social Security Act was amended with respect to the administration of unemployment taxes and benefits. The Act requires, as a condition of state eligibility for grants for unemployment compensation administration, changes to state unemployment compensation laws to prevent state unemployment tax dumping. State unemployment tax dumping involves employers and financial advisors using

acquisitions or restructuring schemes, including shifting of workforce and payroll, in order to pay lower state unemployment taxes than their unemployment experience would normally allow. Therefore, in order to maintain federal certification and continue to receive the benefits of the Federal Unemployment Tax Act tax offset credit and federal administrative grants for the state unemployment insurance program, changes in the existing state unemployment insurance law must be made.

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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 817, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 817, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (English).

SCRep. 990 Ways and Means on S.B. No. 1250

The purpose of this measure is to establish and fund a salary classification and compensation plan for public school substitute teachers.

The bill requires the compensation plan to be approved by the board of education and contains provisions for per diem rates (for substitute teachers) above minimum levels. The criteria for the higher level per diem rates would be based generally on a substitute teacher's professional credentials, experience, and educational background and qualifications. The bill also provides an unspecified appropriation to settle two pending lawsuits filed by substitute teachers against the State.

Your Committee finds that the issue of public school substitute teacher salaries has been an on-going source of contention and controversy, with no apparent resolution in sight. Substitute teachers have taken their grievances to state court requesting substantial unpaid and retroactive wage compensation. But, with equal conviction and resolve, the State has maintained its position that no back pay for substitute teachers is warranted. Your Committee further finds that this litigation should be allowed to proceed through the judicial process without interference by the Legislature.

Your Committee is concerned that, if this dispute is not resolved quickly, it can negatively impact substitute teachers, the community-at-large, and especially the thousands of public school students who depend on substitute teachers on a daily basis. Therefore, your Committee has amended the bill as follows, by:

- (1) Removing the purpose clause and any language that refers to the pending litigation between the State and substitute teachers;
- (2) Requiring the Board of Education to prepare and approve a substitute teacher classification/compensation plan, no later than August 1, 2005;
- (3) Funding the possible compensation adjustments from January 25, 2005; and
- (4) Making technical 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. 1250, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1250, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (Kim).

SCRep. 991 Ways and Means on S.B. No. 845

The purpose of this measure is to conform various provisions of chapter 286, Hawaii Revised Statutes, to the requirements of the federal law governing commercial driver licensing.

The intent of this measure is to make revisions to certain sections of Act 103, Session Laws of Hawaii 2004, which takes effect September 30, 2005, to correct substantive deficiencies identified subsequent to the enactment of Act 103. This measure also makes additional amendments to conform with other provisions of federal law. The Federal Motor Carrier Safety Administration has reviewed Hawaii law to ensure consistency with federal law. This measure includes the changes recommended by the federal government.

Your Committee finds that failure to enact this measure may result in the loss of approximately \$4,900,000 or five per cent of federal-aid highway funds, based upon fiscal year 2004, for the first year of non-compliance, and \$9,800,000 or ten per cent per year thereafter. Motor Carrier Safety Assistance Program grants may also be at risk as a result of noncompliance.

Your Committee has amended this measure to:

- (1) Clarify that a commercial driver's license with a hazardous materials endorsement shall expire when the endorsement expires;

- (2) Change the effective date of the Act from October 1, 2005, to September 30, 2005, to ensure that the amendments to Act 103, Session Laws of Hawaii, take effect by the deadline for compliance with the Motor Carrier Safety Improvement Act of 1999; and
- (3) Make other 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. 845, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 845, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 992 Ways and Means on S.B. No. 1136

The purpose of this measure is to require competitive bidding on construction contracts for drilling and soil testing costing less than \$25,000.

Specifically, the measure requires that construction procurements of less than \$25,000 that contract for drilling work and soil testing be made by competitive sealed bid and that the bid on drilling and soil testing be a separate procurement from the engineering work on the same project.

The measure also requires the Department of Accounting and General Services to advertise the bid request on the Department's website.

Your Committee has amended the measure by making technical nonsubstantive amendments for the purpose of clarity and to preserve the consistent use of terms within chapter 103D, 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. 1136, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1136, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 993 (Majority) Ways and Means on S.B. No. 1808

The purpose of this measure is to invalidate workers' compensation rules adopted on or after January 1, 2005.

Furthermore, this measure provides clarification on workers' compensation issues relating to vocational rehabilitation procedures, procedures for hearings on claims, the scope of temporary total disability, approval of requests for attorneys' fees, the content of medical reports, reimbursement of fees in fraud cases, self insurance procedures, and the Insurance Commissioner's authority to prosecute fraud committed by the insurer or employer.

Your Committee finds that this measure makes balanced and reasonable changes to the current workers' compensation statutes. Your Committee finds that this measure codifies administrative rules that were in effect prior to January 1, 2005, which fairly and reasonably implemented the underlying statutes. Your Committee further finds that the rules adopted on or after January 1, 2005 are not consistent with those same statutes, and send conflicting directives to employers, employees, labor organizations, and insurers.

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. 1808, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1808, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

SCRep. 994 Ways and Means on S.B. No. 1081

The purpose of this measure is to provide funding to develop an education and job training program center for the Pouhala Marsh.

Your Committee finds that the center will:

- (1) Serve as the headquarters for the Hawaii Nature Center's wetland education program currently established in the marsh;
- (2) Provide safe access to the marsh for local high school students involved in wetland research projects;
- (3) Serve as the staging area for an ongoing volunteer work program run by the Hawaii Nature Center; and

- (4) Serve as a base of operations for interns and youth job-corps participants working on research and maintenance projects in the marsh.

Your Committee further finds that Hawaii is fortunate to have a plethora of unique and often rare or endangered natural resources. As stewards of the land, the people of Hawaii must preserve and sustain these resources to ensure that they exist and are available for future generations to appreciate. One such natural resource is the Pouhala Marsh, which spans seventy acres and is the largest remaining wetland habitat in Pearl Harbor.

The Marsh has been severely and significantly degraded through filling, urban development, water pollution, and alien plant invasion. Once an extensive system of wetlands, the Marsh has declined to a few remaining basins and mud flats. Your Committee believes that this measure to establish the education and job training center is a significant step toward ensuring the protection and preservation of the Marsh through education, awareness, and restoration projects.

Upon further review, your Committee amended this measure to change the effective date from July 1, 2005 to July 1, 2050. In addition, technical nonsubstantive amendments were made for 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. 1081, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1081, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Kim).

SCRep. 995 Ways and Means on S.B. No. 1643

The purpose of this measure is to clarify and strengthen the laws governing new century charter schools.

Specifically, this measure amends the charter school laws by:

- (1) Clarifying certain aspects of Hawaii's charter school laws and updating the definitions of "public schools" and "new century charter schools";
- (2) Creating a more rigorous standard for the chartering of new schools;
- (3) Allowing local school boards to participate in the Department of Education (Department) listings;
- (4) Ensuring that qualified personnel may move more freely between the Department schools and charter schools;
- (5) Enabling the charter schools to propose their own weighted student formula;
- (6) Requiring collective bargaining increases allocated by the department of budget and finance to the charter school administrative office;
- (7) Exempting the charter school administrative office from the state procurement code;
- (8) Clarifying that the charter school administrative office is attached to the Department;
- (9) Allowing the executive director to be hired through a multi-year contract;
- (10) Allowing nonprofit organizations to submit a letter of intent to the Board of Education (Board) to convert a Department school to a charter school;
- (11) Requiring the charter school administrative office to have the same relationship with a newly converted new century conversion charter school as with any local charter school board;
- (12) Prohibiting any chief executive officer, chief administrative officer, executive director, or otherwise from serving as an officer of the local school board; and
- (13) Convening a working group to review the state Auditor's recommendations regarding the charter schools' exemptions from state laws.

Your Committee finds that charter schools are relatively new to Hawaii. As the charter schools, Department, and other stakeholders involved learn to work with the existence of charter schools, appropriate changes in the charter school laws will be necessary to facilitate the operation of charter schools in a more efficient manner. Your Committee believes that this measure will clarify existing ambiguities and discrepancies in the charter school laws to ensure the sustainability and successful operations of charter schools.

Upon further review, your Committee has amended this measure by:

- (1) Organizing the bill into six parts to reflect the addition of the contents of three other measures as follows:
 - (A) Part I – purpose section;

- (B) Part II – accountability, personnel, and weighted student formula - containing the contents of S.B. No. 1643, S.D. 1;
 - (C) Part III – containing the contents of S.B. No. 1663, S.D. 1, which establishes and provides funding for a per pupil allocation funding mechanism based on the consolidated annual financial report and on known, quantifiable, supplemental requirements;
 - (D) Part IV - containing the contents of S.B. No. 1664, S.D. 1, which allows charter school employees to be covered by the State's workers' compensation system;
 - (E) Part V - containing the contents of S.B. No. 1659, S.D. 1, which enables Department of Education charter schools to receive federal grant moneys under the Individuals with Disabilities Education Act. This part was further amended to add an amendment to section 302A-443, Hawaii Revised Statutes, to clarify the administrative hearing procedures relating to the education of handicapped children; and
 - (F) Part VI - miscellaneous provisions;
- (2) Amending Part II to update the purpose in section 1 to reflect the contents of S.B. No. 1643, S.D. 1;
 - (3) Adding appropriations with unspecified amounts to parts II to IV for the respective purposes of those parts;
 - (4) Changing the effective date to July 1, 2005; and
 - (5) Making technical nonsubstantive amendments for 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. 1643, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1643, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Fukunaga).

SCRep. 996 (Majority) Ways and Means on S.B. No. 1620

The purpose of this measure is to provide treatment services for child victims of intrafamilial sexual abuse.

Specifically, this measure appropriates \$314,381 in fiscal year 2005-2006 and fiscal year 2006-2007 for these services, including psychological treatment and case management services for child victims and their families who are not covered under the Child Protective Services System of the Department of Human Services.

Your Committee has amended this measure to include the appropriations from the following measures, indicating whether each appropriation is made as a grant or purchase pursuant to chapters 42F or 103F, Hawaii Revised Statutes, respectively, and replacing all specifically appropriated amounts with unspecified amounts for purposes of further discussion:

- (1) S.B. No. 115: to the Department of Health, as a purchase of service pursuant to chapter 103F, Hawaii Revised Statutes, to provide resources to nonprofit, community-based health care providers for direct medical care to the uninsured, including primary, medical, dental, and behavioral care;
- (2) S.B. No. 861, S.D. 1: to the Department of Health, as a purchase of service pursuant to chapter 103F, Hawaii Revised Statutes, for sexual assault direct services throughout Hawaii;
- (3) S.B. No. 952: to the Department of Health, as a grant pursuant to chapter 42F, Hawaii Revised Statutes, for a full-time dentist for the mobile care vans of the Office of Social Ministry's Mobile Care Health Project;
- (4) S.B. No. 1227, S.D. 1: to the Department of Health, as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to provide critical food, housing, and transportation assistance to eligible HIV/AIDS patients who can no longer be supported by federal CARE Act funding and to ensure that related programs such as FoodBasket and Gregory House continue;
- (5) S.B. No. 1263, S.D. 1: to the Department of Health, as a grant pursuant to chapter 42F, Hawaii Revised Statutes, for emergency medical services at the Waianae Coast Comprehensive Health Center;
- (6) S.B. No. 1537, S.D. 1: to the Department of Health, as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to pay The Queen's Medical Center for the costs it incurs to compensate physicians to be on-call to provide trauma and emergency medical services; provided that The Queen's Medical Center accepts, immediately and on a continuing basis, patients from the neighbor islands needing trauma care and that the Department of Health obtains such assurances from The Queen's Medical Center for purposes of this section prior to and during the release of any funds;
- (7) S.B. No. 1737: to the Department of Health, as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to Na Lei Wili Area Health Education Center's Grow Our Own Healers Youth Program and Health Corps Hawaii to address workforce shortages through tiered mentoring, health care exploration, community health education, and community service;

- (8) S.B. NO. 1202: to the Department of Health, as grants pursuant to chapter 42F, Hawaii Revised Statutes, for:
- (A) Catholic Charities of the Diocese of Honolulu for the Lanakila Multi-Purpose Senior Center;
 - (B) The senior center program at the Moiliili Community Center; and
 - (C) The senior center program at the Waikiki Community Center; and
- (9) S.B. No. 1513: to the Department of Human Services to support and expand:
- (A) The Nursing Home Without Walls program so that this program can continue to provide high quality elder care-related services to Hawaii's elderly population; and
 - (B) The chore services program so that this program can continue to provide high quality elder care as well as disabled services to Hawaii's elderly and disabled populations.

Upon further consideration, your Committee has also amended this measure to include additional unspecified appropriations, as a grant or purchase pursuant to chapters 42F or 103F, Hawaii Revised Statutes, respectively, for the following health and human services:

- (1) The Hawaii Youth Services Network for its Transitional Living Program for Unserved Street Youth, to be expended by the Office of Youth Services, Department of Human Services;
- (2) The residential alternative community care program, to be expended by the Department of Human Services;
- (3) The Volunteer Legal Services Hawaii for its Na Keiki Law Center project focusing on protecting the legal rights of children, to be expended by the Office of Community Services, Department of Labor and Industrial Relations;
- (4) The Domestic Violence Clearinghouse and Legal Hotline for Maui program services, to be expended by the Judiciary, Circuit Court of the Second Circuit;
- (5) Costs related to homeless assistance, to be expended by the Housing and Community Development Corporation of Hawaii;
- (6) The Program for All Inclusive Care for the Elderly to expand to the neighbor islands, to be expended by the Hawaii Health Systems Corporation, Department of Health;
- (7) The St. Francis Medical Center for the operations of the bone marrow registry, to be expended by the Department of Health;
- (8) The Maui Economic Opportunity, Inc., for its night transportation service for dialysis treatment programs in Maui County, to be expended by the Office of Community Services, Department of Labor and Industrial Relations;
- (9) The Hawaii Seropositivity and Medical Management Program, to be expended by the Department of Health;
- (10) The Friends of Foster Kids to develop infrastructure to transition into a professional child welfare services agency, to be expended by the Department of Human Services;
- (11) 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, to be expended by the Housing and Community Development Corporation of Hawaii;
- (12) Parents and Children Together for programs on child development and parenting skills and other programs that foster positive environments between parents and their children, to be expended by the Department of Human Services;
- (13) The Boys and Girls Club of Hawaii in Papakolea to continue its youth services program, to be expended by the Office of Youth Services, Department of Human Services;
- (14) The Honolulu Community Action Program in Waianae to support the Hawaii Family Advocacy Program in assisting families in the Child Protective Services System, to be expended by the Office of Community Services, Department of Labor and Industrial Relations; and
- (15) Kokua Kalihi Valley Comprehensive Family Services, in collaboration with the Kalihi-Palama Health Center, to establish school-based or school-linked health services at the high school and middle schools in Kalihi, to be expended by the Department of Health.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1620, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1620, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

SCRep. 997 (Majority) Ways and Means on S.B. No. 1729

The purpose of this measure is to redistribute the transient accommodations tax to facilitate the Hawaii Tourism Authority with existing and expanded programs, and to clarify the administrative authority of the Hawaii Tourism Authority.

This bill also:

- (1) Adds the executive director of the State Foundation on Culture and the Arts to the Board of the Hawaii Tourism Authority;
- (2) Allows moneys in the convention center enterprise special fund to be placed in interest-bearing accounts and otherwise invested provided that statutory securities and investment guidelines are adhered to;
- (3) Requires that moneys in the tourism special fund are placed in interest-bearing accounts and otherwise invested; provided that statutory securities and investment guidelines are adhered to;
- (4) Clarifies the management duties of the Board of the Hawaii Tourism Authority for the tourism special fund;
- (5) Changes the distribution of revenues from the transient accommodations tax and repeals the transient accommodations tax trust fund; and
- (6) Earmarks a percentage of the Hawaii Tourism Authority's revenues for the safety and security program of the Authority.

Upon further consideration, your Committee has amended this bill by:

- (1) Changing the cap on the deposit into the convention center enterprise special fund to an unspecified amount on p. 19, lines 2 and 3;
- (2) Correcting the reference to "tourism" to "transient" on p. 3, line 10;
- (3) Correcting the reference to "34.4" to "35.4" on p. 20, line 3;
- (4) Correcting the reference to section 171-15, Hawaii Revised Statutes, to section 171-19 on p. 21, line 18;
- (5) Adding a new section 10 to clarify that upon repeal of the transient accommodations tax trust fund in section 9, any remaining moneys shall be transferred to the general fund, and renumbering the remaining sections of the bill appropriately;
- (6) Changing the effective date to July 1, 2009, for the purpose of promoting further discussion; and
- (7) 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. 1729, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1729, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (English).

SCRep. 998 Ways and Means on S.B. No. 708

The purpose of this measure is to protect the public by amending laws governing public access to registration information on certain sex offenders and offenders against children.

This measure:

- (1) Establishes separate registries for sex offenders and offenders against children;
- (2) Repeals hearing requirements to allow public access to registration information;
- (3) Establishes court procedures to terminate registration and public access for certain offenders; establishes automatic expiration of registration and public access for certain offenders, based upon offenses;
- (4) Establishes presumptions for use in civil proceedings to determine whether public access may be terminated;
- (5) Provides that time periods are tolled if a covered offender violates parole or probation;
- (6) Clarifies what registration information is subject to public access and how and when public access is available; and
- (7) Appropriates an unspecified amount for hiring of state and county staff to implement and administer registration and public access requirements for covered offenders.

Your Committee believes that this measure will fairly implement the recent amendment to the Constitution of the State of Hawaii that provides public access to certain registration information concerning convicted sex offenders and offenders against children. The constitutional amendment requires the Legislature to determine which offenses and what registration information are subject to public access and the manner of public access. The Legislature also is required to determine when and how public access may be terminated.

The measure strikes a balance between protecting Hawaii residents and the privacy rights of individuals. For example, registration information concerning individuals convicted of only one misdemeanor sexual offense or crime against children is not subject to public access. Your Committee finds that this measure allows Hawaii to join the majority of other states that already provide public access via the Internet to certain information regarding convicted sex offenders or offenders against children, while allowing convicted individuals who are no longer dangerous to the public to seek termination of public access and registration requirements.

Your Committee expressed concern regarding keeping track of convicted sex offenders and discussed various methods to establish a tracking system. For example, some states have special units to verify the place of residence and work of a sex offender. Your Committee will continue to explore various methods to verify information about each convicted and registered sex offender.

This measure has been amended to:

- (1) Eliminate provisions regarding any automatic termination of registration requirements and, instead, require a covered offender to file a petition in court to terminate registration after specified periods of time;
- (2) Expand applicability of presumption that registration and public access apply to include covered offenders who are sexually violent predators, aggravated sex offenders, or recidivist sex offenders;
- (3) Change the evidentiary standard in court proceedings seeking to terminate registration or public access from a preponderance of the evidence to require a finding of clear and convincing evidence;
- (4) Eliminate provisions relating to automatic termination of public access requirements and instead permit covered offender to file action seeking such termination after specified periods of time;
- (5) Reinstate current law's requirements to: initially register within three working days, instead of ten; and notify authorities of any change in registration information in writing within three working days, instead of thirty;
- (6) Delete the distinction between public information available through the Internet and at on-site access locations;
- (7) Change the effective date to July 1, 2050 for the purpose of furthering discussions; and
- (8) Make 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. 708, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 708, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Kanno, Sakamoto).

SCRep. 999 (Majority) Ways and Means on S.B. No. 1236

The purpose of this measure is to discourage smoking, especially in young people, by incrementally increasing the tax on cigarettes over the next three years and to allocate the revenues derived therefrom to the state general fund and tobacco prevention programs.

Specifically, the measure attempts to increase the excise tax per cigarette for the next three years as follows:

- (1) To 7 cents for every cigarette sold, used, or possessed by a wholesaler or dealer after September 30, 2005;
- (2) From 7 cents to 8 cents for every cigarette sold, used, or possessed by a wholesaler or dealer after June 30, 2006; and
- (3) From 8 cents to 8.50 cents for every cigarette sold, used, or possessed by a wholesaler or dealer after June 30, 2007.

The measure also allocates the tax revenues derived from the cigarette tax as follows:

- (1) Twenty-five per cent of the tax revenues derived to the state general fund;
- (2) Twenty-five per cent of the tax revenues derived to the Department of Health for health promotion and disease prevention programs; and
- (3) Fifty per cent of the tax revenues derived to be paid into the Hawaii tobacco prevention and control trust fund.

Your Committee has amended the measure by:

- (1) Reordering certain sections in the measure to reflect recommended drafting conventions;

- (2) Redrafting the proposed tax increases to avoid implementation conflicts;
- (3) Raising the proposed tax increases to 9, 11, and 13 cents after June 30, 2006, June 30, 2007, and June 30, 2008, respectively;
- (4) Moving the proposed language that allocates the tax revenues from section 245-3, Hawaii Revised Statutes, to section 245-15, Hawaii Revised Statutes, as those provisions are more appropriately placed in the disposition of tax revenue section of chapter 245, Hawaii Revised Statutes;
- (5) Clarifying that only the tax revenues that are realized over the initial 7 cents per cigarette are to be allocated in the percentages previously described to the state general fund, the Department of Health, and the Hawaii tobacco prevention and control trust fund; and
- (6) 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. 1236, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1236, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (English).

SCRep. 1000 (Majority) Ways and Means on S.B. No. 1366

The purpose of this measure is to authorize each county to levy a county general excise and use tax surcharge to fund public rail transit or other transportation improvements.

Your Committee finds that the counties require additional funding in order to carry out mass transit or public transit projects.

Your Committee has amended this bill by:

- (1) Deleting the provisions allowing the counties to levy a county general excise and use tax surcharge and replacing them with provisions to increase the rate of the state general excise tax and the state use tax from four to five per cent on January 1, 2007, but only on the condition that the city and county of Honolulu adopts a resolution no later than January 1, 2006, by super majority, stating that the city and county of Honolulu will begin the process of establishing a mass transit system;
- (2) Appropriating \$200,000,000 for the city and county of Honolulu, \$20,000,000 each for Hawaii and Maui county, and \$10,000,000 for Kauai county for transit projects for fiscal year 2006-2007, effective January 1, 2007;
- (3) Creating an excise/food tax credit;
- (4) Changing the amounts of the standard deduction for state income tax to unspecified amounts;
- (5) Changing the effective date to July 1, 2009, for the purpose of stimulating further discussion;
- (6) Separating the sections relating to the general excise and use tax and transit projects and appropriations into a part I of the bill, the sections relating to changes in the state tax code into a separate part II of the bill, and the Ramseyer and effective date sections into part III of the bill, and appropriately re-numbering the sections of the bill; and
- (7) 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. 1366, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1366, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

SCRep. 1001 (Majority) Ways and Means on S.B. No. 579

The purpose of this measure is to authorize public employee organizations to organize voluntary employees' beneficiary association trusts that offer health benefits to public employees during a three-year period.

Specifically, this measure creates a trust that is separate from and an alternative to the Hawaii employer-union health benefits trust fund. However, retirees are also allowed to participate, and section -6(b) of section 2 of this bill explicitly gives present retirees a one-time choice to participate.

Your Committee finds that the establishment of voluntary employees' beneficiary association trusts, as an alternative to the Hawaii employer-union health benefits trust fund, will enable the State to analyze the costs and benefits of the voluntary employees' beneficiary association trusts against those of the Hawaii employer-union health benefits trust fund. Such an analysis is needed because of the disappointing performance of the Hawaii employer-union health benefits trust fund.

Your Committee finds that the Hawaii employer-union health benefits trust fund was established in 2001 to replace the former Hawaii public employees health fund because of the spiraling health benefit costs of the Hawaii public employees health fund. However, three years later, the evidence indicates that public employees under the Hawaii employer-union health benefits trust fund receive fewer plan options and lower benefit levels than under the Hawaii public employees health fund. Furthermore, it is questionable whether the State has realized the cost savings anticipated by the replacement of the Hawaii public employees health fund with the Hawaii employer-union health benefits trust fund.

Your Committee has amended this measure by:

- (1) Providing an unspecified appropriation to the Hawaii employer-union health benefits trust fund to offset the loss of bargaining unit (5) members who transfer to a voluntary employees' beneficiary association trust;
- (2) Changing the effective date to July 1, 2050;
- (3) Clarifying provisions relating to the establishment of the trust, fiduciary duty, termination of the trust, enforcement for violations;
- (4) Adding a provision relating to the procurement of liability insurance and the immunity of the State and counties; and
- (5) 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. 579, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 579, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 4 (Kokubun, Nishihara, Slom, Trimble). Excused, 2 (Espero, Sakamoto).

SCRep. 1002 Ways and Means on S.B. No. 1778

The purpose of this measure is to require that the Department of Commerce and Consumer Affairs conduct investigations of unlicensed contractor activity within five working days following the receipt of the complaint.

Your Committee recognizes the importance of resolving complaints as quickly as possible, but still has concerns about the amount of resources required to initiate and complete investigations as required by this measure.

Your Committee has amended this measure by clarifying that, upon receipt of the complaint, the investigation must commence, rather than be conducted, within a certain period of time and by extending that period of time from five to seven working days. Your Committee has also added the requirement that the investigation be completed within a twenty working day period.

Furthermore, your Committee has included an unspecified appropriation from the compliance resolution fund to assist with the costs of investigations, and has changed the effective date of the bill 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. 1778, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1778, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Kanno, Sakamoto).

SCRep. 1003 Human Services on Gov. Msg. Nos. 173, 174, 175, 177, 178, 179 and 180

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON FATHERHOOD

G.M. No. 173 ANDRES A. BACLIG JR., for a term to expire 06-30-2005;

G.M. No. 174 SANANDA K. BAZ, for a term to expire 06-30-2005;

G.M. No. 175 BERNARD P. CARVALHO JR., for a term to expire 06-30-2005;

G.M. No. 177 MICHAEL KRAMER, for a term to expire 06-30-2005;

G.M. No. 178 STEVEN NAKAOKA, for a term to expire 06-30-2005;

G.M. No. 179 MARIKA RIPKE Ph.D., for a term to expire 06-30-2005; and

G.M. No. 180 SYLVIA H.L. YUEN Ph.D., for a term to expire 06-30-2005

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Commission on Fatherhood (Commission).

Your Committee received testimony in support of ANDRES A. BACLIG JR. from the Commission and the Hawaii Coalition for Dads. Mr. Baclig is the father of three children, and currently resides on the Big Island. He has been involved with various youth programs throughout his life, including Director of the Boys Club of Hilo, girls and boys basketball coach at Hilo High School, boys basketball coach at Ka'u High School, commissioner and coach of the Amateur Softball Association, and coordinator of various basketball, softball, and baseball tournaments on the Big Island. Mr. Baclig has shown a commitment to the community through his desire to better the lives of the young people of Hawaii. Mr. Baclig has served on the Commission in an interim capacity since July 28, 2004.

Your Committee received testimony in support of SANANDA K. BAZ from the Commission and the Hawaii Coalition for Dads. Mr. Baz currently works as the Deputy Director of Maui Economic Opportunity, Inc. He is active in his community through his participation as a Kahuhaieunalo (minister) and Youth Advisor at Kupaianaha Church, a member of Kahului Rotary International, and past Vice Chairperson of the Ka Aha Kauleo Kaiapuni Hawaii, Statewide Council on Education. Mr. Baz is Commissioner and Past Chairperson of the Commission on Naming Streets, Parks and Facilities, with a term expiring in March 2005. Mr. Baz has served on the Commission in an interim capacity since November 18, 2004.

Your Committee received testimony in support of BERNARD P. CARVALHO, JR. from the Commission, the Hawaii Coalition for Dads, and the Mayor of the County of Kauai. Mr. Carvalho served as the Recreation Program Development Coordinator from 1996-2002, and worked with recreational activities since 1985. In the role of Coordinator, he managed and coordinated the development of parks and recreational facilities and addressed guidelines under the Americans with Disabilities Act. He is the President of the Kamehameha Schools Parent Association of Kauai, and member of the Work Force Investment Youth Council, KaAnuenuue Connection/Coalition for a Drug Free Hawaii, Kapaa High School Foundation, and Kawaihau District Leadership Coalition. Mr. Carvalho received the "E Ola Pono Award for Community Service" in 2002. Mr. Carvalho has served on the Commission in an interim capacity since October 22, 2004.

Your Committee received testimony in support of MICHAEL KRAMER from the Commission and the Hawaii Coalition for Dads. Mr. Kramer graduated from Harvard University with a master's in Education. He currently works as a clinical manager for Healthy Start, Family Support Services of West Hawaii. He is active in his community through his participation as a mentor with the Learn and Serve Exchange, was an advocate with the New Mexico Youth Service Alliance, and was a founding member of the Santa Fe Youth Providers Coalition. Mr. Kramer has served on the Commission in an interim capacity since July 28, 2004.

Your Committee received testimony in support of STEVEN NAKAOKA from the Commission, the Hawaii Coalition for Dads, and one individual. Mr. Nakaoka currently is the President of Galaxy Home Improvement, Inc., and is a father of three. He is active in his community through his participation in his church as a lector, Pastoral Council member, and Eucharistic Minister. He also serves as a Boy Scout Assistant Scout Master and Mililani Community Baseball coach. Mr. Nakaoka has served on the Commission in an interim capacity since July 28, 2004.

Your Committee received testimony in support of MARIKA RIPKE, Ph.D. from the Commission, the Hawaii Coalition for Dads, and three individuals. Dr. Ripke is the Director of Hawaii's Kids Count, a national and state-by-state initiative that tracks the well-being of children and families on various health, economic, and educational concerns. She has worked extensively in the areas of poverty, social diversity, development, child care, and out-of-school activities. She also worked as a researcher and grant writer for the Father's Connection, an organization that works to foster relationships between non-custodial fathers and their children. Dr. Ripke has also received several fellowships and awards and authored several publications on childhood. Dr. Ripke has served on the Commission in an interim capacity since October 22, 2004.

Your Committee received testimony in support of SYLVIA H.L. YUEN Ph.D. from the Commission, the Hawaii Coalition for Dads, and four individuals. Dr. Yuen is the Director of the Center on the Family at the University of Hawaii. Her academic work focuses on development over the life span and family resiliency, with special attention to Hawaii's multicultural population. She serves on the boards of the Hawaii Community Foundation and the Institute for Human Services. Dr. Yuen also authors educational outreach materials that are used throughout the State, including "Dad Wanted: All Hours, Great Benefits!" Dr. Yuen has been an interim member of the Commission since July 28, 2004.

As affirmed by the record of votes of the members of your Committee on 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, 2 (Fukunaga, Kokubun).

SCRep. 1004 Media, Arts, Science and Technology on Gov. Msg. No. 283

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII TELEVISION AND FILM DEVELOPMENT BOARD

G.M. No. 283 HEATHER HAUNANI GIUGNI, for a term to expire 06-30-2008

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Hawaii Television and Film Development Board.

Your Committee received testimony in support of the nomination from the Department of Business, Economic Development, and Tourism.

HEATHER HAUNANI GIUGNI is a Kamehameha Schools graduate. She is an experienced producer and director of multimedia programming. Since 1986, Ms. Giugni has created numerous media projects from conception to completion. She has extensive experience in camera operation, direction, editing supervision, and has produced award-winning, thought-provoking projects that have received local and national recognition.

Your Committee finds that the nominee possesses a strong commitment to the growth of Hawaii's film industry in a manner that provides both artistic and economic benefits to the industry. Through her twenty-five years of local production experience — including twenty as an independent filmmaker — she is fully aware of the obstacles faced in creating opportunities for Hawaii artists. These obstacles range from financing for smaller niche projects to nurturing the belief within Hawaii's film community that local talent and skilled professionals are available in the islands, making it unnecessary to reach outside Hawaii when planning productions.

Ms. Giugni has an equally strong commitment to encouraging indigenous filmmakers as a means of building the local industry. It is through their voices that she believes Hawaii's stories will be heard and noticed worldwide.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, 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, Ihara).

SCRep. 1005 Health on S.C.R. No. 29

The purpose of this measure is to request the Auditor to assess the social and financial effect of requiring health insurers to offer coverage for the early detection of prostate cancer in accordance with the prostate cancer early detection guidelines of the National Comprehensive Cancer Network.

The American Cancer Society submitted testimony in support of this measure. Kaiser Permanente submitted testimony in opposition.

Your Committee finds that prostate cancer is the most common form of cancer, other than skin cancer, among men in the United States. In Hawaii, approximately seven hundred cases of invasive prostate cancer are diagnosed each year and another one hundred men die from the disease annually. Before any legislative measure can mandate health insurance coverage for specific health services, specific diseases, or certain providers of health care services as part of individual group health insurance policies, the Auditor must prepare and submit a report assessing the social and financial effects of the proposed mandated coverage to the Legislature.

There is apparently a lack of agreement among several credible health care organizations and governmental agencies about prostate cancer screening guidelines. Your Committee notes that the importance of this measure is screening, early detection and treatment for prostate cancer, and not hard and fast recognition of any particular guideline.

Upon further consideration, your Committee has amended this measure by deleting the specific reference to the National Comprehensive Cancer Network and referring generally to guidelines of other health care organizations including, but not limited to, the National Comprehensive Cancer Network, the American Cancer Society, the Centers for Disease Control and the U.S. Preventive Services Task Force.

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. 29, 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. 29, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1006 (Joint) Human Services and Health on S.C.R. No. 16

The purpose of this measure is to request that the Governor study the role of gestational environments, gentle birthing practices, domestic harmony awareness, and appropriate and sufficient touch and their connection to public policy concerns that include substance abuse, alcoholism, and domestic violence.

An individual submitted testimony in support of this measure.

Your Committees find that the role of gestational environments, gentle birthing practices, domestic harmony awareness, and appropriate and sufficient touch and their connection to reducing abuse of controlled substances, alcoholism, and domestic violence is worthy of study. Your Committees believe that domestic abuse, or a lack of harmony in a child's domestic situation may correlate to a propensity for that child to domestically abuse in the future.

Your Committees amended this measure to replace the Governor with the Department of Health, Maternal and Child Health Branch, as the agency to study the role of gestational environments, gentle birthing practices, domestic harmony awareness, and appropriate and sufficient touch and their connection to public policy concerns.

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. 16, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 16, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Ihara, Kokubun, Whalen).

SCRep. 1007 Health on S.B. No. 1467

The purpose of this measure is to require mandatory coverage for annual prostate cancer screening for men age forty and older by insurers, mutual benefit societies, and health maintenance organizations.

The National Prostate Cancer Coalition and one individual submitted testimony in support of this measure. Hawaii Association of Health Plans and Kaiser Permanente submitted testimony in opposition. Hawaii Medical Service Association and the American Cancer Society submitted comments.

Your Committee finds that prostate cancer is the most common form of cancer, other than skin cancer, among men in the United States. In Hawaii, approximately seven hundred cases of invasive prostate cancer are diagnosed each year and another one hundred men die from the disease annually. Screening and early treatment can reduce this mortality rate.

There is apparently a lack of agreement among several credible health care organizations and governmental agencies about prostate screening guidelines. Your Committee notes that the importance of this measure is screening, early detection, and treatment for prostate cancer, and not hard and fast recognition of any particular guideline.

Before any legislative measure can mandate health insurance coverage for specific health services, specific diseases, or certain providers of health care services as part of individual group health insurance policies, the Auditor must prepare and submit a report assessing the social and financial effects of the proposed mandated coverage to the Legislature. Senate Concurrent Resolution No. 29 requests the Auditor to use this bill as the basis for its mandatory assessment.

Upon further consideration, your Committee has amended this measure by deleting the specific reference to the National Comprehensive Cancer Network and referring generally to guidelines of other health care organizations including, but not limited to, the National Comprehensive Cancer Network, the American Cancer Society, the Centers for Disease Control, and the U.S. Preventive Services Task Force.

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. 1467, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1467, S.D. 1, and be recommitted to the Committee on Health, for further consideration.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1008 (Joint) Tourism and Business and Economic Development on S.C.R. No. 40

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism and the Hawaii Tourism Authority to conduct a carrying capacity study.

Testimony in support of this measure was received from one individual. Testimony in opposition to this measure was received from the Hawaii Tourism Authority. Comments on this measure were received from the Department of Business, Economic Development, and Tourism.

Your Committees find that it is essential to discern the volume of visitors the State can sustain given its ability to provide lodging and accommodations, as well as the limits on the use of its natural resources and infrastructure. While the Legislature recognizes the positive attributes and economic benefits of the tourist industry, the significant growth of that industry has caused residents of communities throughout the State to express frustration over the increased burden on local infrastructure and their neighborhoods. As such, your Committees request that the Department of Business, Economic Development, and Tourism and the Hawaii Tourism Authority conduct a carrying capacity study to determine a concrete number for current and projected carrying capacity for the State.

Your Committees further find that this same request has been legislated in the past. Section 3 of Act 160, Session Laws of Hawaii 1990, amended the state planning law to require a maximum annual visitor carrying capacity study for the State to be conducted by region, county, and island at appropriate intervals, but not less than once every five years. In 2001, \$1,200,000 was allocated for economic planning and research to study the carrying capacity of Hawaii for tourism in Act 259, Session Laws of Hawaii 2001, section 74, and a progress report was to be submitted to the Legislature prior to the convening of the 2002 and 2003 Regular Sessions. This mandate was not completed as a carrying capacity study, but instead was changed into a sustainability study that is being conducted presently.

Your Committees have amended this measure by:

- (1) Naming the Department of Business, Economic Development, and Tourism as the body designated to carry out the capacity study with the support of the Hawaii Tourism Authority;
- (2) Noting that the legislature has requested the Department to conduct a carrying capacity in the past and requesting it to fulfill its past obligation to conduct such a study;
- (3) Altering the carrying capacity study from the twenty-five individual State Senatorial Districts to East Oahu including Waikiki, West Oahu, North Shore, Windward Oahu including Kaneohe and Kailua, and each of the neighbor islands;
- (4) Noting that the carrying capacity study will help determine the appropriate allocation of funding for numerous tourism-related legislation that is introduced every session; and
- (5) Directing the Department of Business, Economic Development, and Tourism to take into consideration the most recent sustainability study conducted by the Department and any other necessary information to produce a carrying capacity number.

As affirmed by the records of votes of the members of your Committees on Tourism and Business and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 40, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 40, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Menor, Sakamoto, Tsutsui).

SCRep. 1009 (Joint) Tourism and Business and Economic Development on S.R. No. 15

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism and the Hawaii Tourism Authority to conduct a carrying capacity study.

Testimony in support of this measure was received from one individual. Testimony in opposition to this measure was received from the Hawaii Tourism Authority. Comments on this measure were received from the Department of Business, Economic Development, and Tourism.

Your Committees find that it is essential to discern the volume of visitors the State can sustain given its ability to provide lodging and accommodations, as well as the limits on the use of its natural resources and infrastructure. While the Legislature recognizes the positive attributes and economic benefits of the tourist industry, the significant growth of that industry has caused residents of communities throughout the State to express frustration over the increased burden on local infrastructure and their neighborhoods. As such, your Committees request that the Department of Business, Economic Development, and Tourism and the Hawaii Tourism Authority conduct a carrying capacity study to determine a concrete number for current and projected carrying capacity for the State.

Your Committees further find that this same request has been legislated in the past. Section 3 of Act 160, Session Laws of Hawaii 1990, amended the state planning law to require a maximum annual visitor carrying capacity study for the State to be conducted by region, county, and island at appropriate intervals, but not less than once every five years. In 2001, \$1,200,000 was allocated for economic planning and research to study the carrying capacity of Hawaii for tourism in Act 259, Session Laws of Hawaii 2001, section 74, and a progress report was to be submitted to the Legislature prior to the convening of the 2002 and 2003 Regular Sessions. This mandate was not completed as a carrying capacity study, but instead was changed into a sustainability study that is being conducted presently.

Your Committees have amended this measure by:

- (1) Naming the Department of Business, Economic Development, and Tourism as the body designated to carry out the capacity study with the support of the Hawaii Tourism Authority;
- (2) Noting that the legislature has requested the Department to conduct a carrying capacity in the past and requesting it to fulfill its past obligation to conduct such a study;
- (3) Altering the carrying capacity study from the twenty-five individual State Senatorial Districts to East Oahu including Waikiki, West Oahu, North Shore, Windward Oahu including Kaneohe and Kailua, and each of the neighbor islands;
- (4) Noting that the carrying capacity study will help determine the appropriate allocation of funding for numerous tourism-related legislation that is introduced every session; and
- (5) Directing the Department of Business, Economic Development, and Tourism to take into consideration the most recent sustainability study conducted by the Department and any other necessary information to produce a carrying capacity number.

As affirmed by the records of votes of the members of your Committees on Tourism and Business and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 15, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 15, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Menor, Sakamoto, Tsutsui).

SCRep. 1010 (Joint) Tourism and Business and Economic Development on S.C.R. No. 40

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism and the Hawaii Tourism Authority to conduct a carrying capacity study.

Testimony in support of this measure was received from one individual. Testimony in opposition to this measure was received from the Hawaii Tourism Authority. Comments on this measure were received from the Department of Business, Economic Development, and Tourism.

Your Committees find that it is essential to discern the volume of visitors the State can sustain given its ability to provide lodging and accommodations, as well as the limits on the use of its natural resources and infrastructure. While the Legislature recognizes the positive attributes and economic benefits of the tourist industry, the significant growth of that industry has caused residents of communities throughout the State to express frustration over the increased burden on local infrastructure and their neighborhoods. As such, your Committees request that the Department of Business, Economic Development, and Tourism and the Hawaii Tourism Authority conduct a carrying capacity study to determine a concrete number for current and projected carrying capacity for the State.

Your Committees further find that this same request has been legislated in the past. Section 3 of Act 160, Session Laws of Hawaii 1990, amended the state planning law to require a maximum annual visitor carrying capacity study for the State to be conducted by region, county, and island at appropriate intervals, but not less than once every five years. In 2001, \$1,200,000 was allocated for economic planning and research to study the carrying capacity of Hawaii for tourism in Act 259, Session Laws of Hawaii 2001, section 74, and a progress report was to be submitted to the Legislature prior to the convening of the 2002 and 2003 Regular Sessions. This mandate was not completed as a carrying capacity study, but instead was changed into a sustainability study that is being conducted presently.

Your Committees have amended this measure by:

- (1) Naming the Department of Business, Economic Development, and Tourism as the body designated to carry out the capacity study with the support of the Hawaii Tourism Authority;
- (2) Noting that the legislature has requested the Department to conduct a carrying capacity in the past and requesting it to fulfill its past obligation to conduct such a study;
- (3) Altering the carrying capacity study from the twenty-five individual State Senatorial Districts to East Oahu including Waikiki, West Oahu, North Shore, Windward Oahu including Kaneohe and Kailua, and each of the neighbor islands;
- (4) Noting that the carrying capacity study will help determine the appropriate allocation of funding for numerous tourism-related legislation that is introduced every session; and
- (5) Directing the Department of Business, Economic Development, and Tourism to take into consideration the most recent sustainability study conducted by the Department and any other necessary information to produce a carrying capacity number.

As affirmed by the records of votes of the members of your Committees on Tourism and Business and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 40, as amended herein, and recommend referral to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Menor, Sakamoto, Tsutsui).

SCRep. 1011 Health on Gov. Msg. No. 208

Recommending that the Senate advise and consent to the nomination of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, HAWAII SERVICE AREA BOARD

G.M. No. 208 ALEX B. WALTER, Ph.D, for a term to expire 06-30-2008

Your Committee has reviewed the personal history, resume, 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 ALEX B. WALTER, Ph.D. from the Department of Health, including the Service Area Administrator for Hawaii and Kauai Counties Adult Mental Health Division of the Department of Health, and Mental Health Kokua. Dr. Walter is a licensed psychologist who is employed with the Department of Education at Kealahou High School in Kailua-Kona. Dr. Walter has over forty years of experience as a psychologist and substance abuse counselor. She has a doctorate in clinical psychology, and a master's degree in both philosophy and clinical and industrial psychology. Dr. Walter is also a licensed chemical dependency counselor, a nationally certified counselor, and a board certified forensic examiner. She serves as a member of the Advisory Council at Kona Hospital.

Your Committee finds that Dr. Walter has served on the Mental Health and Substance Abuse Hawaii Service Area Board since January 2000. Dr. Walter has served as Board Co-Chair for several years and thus is very familiar with the mandates of the board. Her years of experience in the mental health field and her knowledge of mental health issues make her a valuable presence on the board.

As affirmed by the record of votes of the members of your Committee on 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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1012 Health on Gov. Msg. Nos. 209, 210 and 211

Recommending that the Senate advise and consent to the nominations of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, KAUAI SERVICE AREA BOARD

G.M. No. 209 ROY A. ASHER, for a term to expire 06-30-2007;

G.M. No. 210 CANDACE M. SANDAL, for a term to expire 06-30-2008; and

G.M. No. 211 BRENDA K. VIADO, for a term to expire 06-30-2006

Your Committee reviewed the personal histories, resumes, 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 ROY A. ASHER from the Department of Health and the Kauai Police Department. Lieutenant Asher has resided in Hawaii for forty-two years and has been a valued employee of the Kauai Police Department since 1987. He is currently the officer in charge of the Adult Section of the Investigative Service Bureau, and as such has knowledge of the substance abuse and mental health related issues affecting the community. As a former Vice Narcotics officer, he is well aware of the adverse impact of illicit drugs. He is also a graduate of the Federal Bureau of Investigation National Academy and is the Second Vice-President of its local Hawaii chapter. Lieutenant Asher will provide valuable knowledge and experience and law enforcement perspective to the board.

Your Committee received testimony in support of CANDACE M. SANDAL from the Department of Health. Ms. Sandal has served on the Kauai Service Area Board as an interim member since September 2004. She has lived with her family on the island of Kauai for nearly thirty-five years. She was an active member of Friendship House, a psycho-social rehabilitation program offered by the Adult Mental Health Division for seven years. In that capacity, she attended numerous conferences and training, and assisted with the Western Regional Clubhouse Conference. Ms. Sandal has been a consumer of the Kauai Adult Mental Health Division for the last seven years. As such, she brings valuable insight into the needs and rights of consumers. Ms. Sandal intends to use this position to assist the board in meeting high standards required by the federal government.

Your Committee received testimony in support of BRENDA K. VIADO from Senator Gary L. Hooser, the Department of Health, the vice-principal of the Kauai Community School for Adults, and the Chairman of the Kauai Workforce Investment Board. Ms. Viado was born and raised on Kauai. She received a B.A. degree in education from Wayne State College and an M.A. degree in arts and sociology from the University of Hawaii. Ms. Viado has worked for the past thirty years in the State's Vocational Rehabilitation and Services to the Blind Division, Kauai branch and is currently the branch administrator. Prior to that she was employed as a social worker with what is now known as the Department of Health's Developmental Disabilities Division. Ms. Viado intends to bring compassion to the issues facing people with substance abuse and mental health challenges. She has first-hand experience coping with the upheavals caused by drug-related problems as she has family members who are personally dealing with those issues.

As affirmed by the record of votes of the members of your Committee on 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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1013 (Joint/Majority) Human Services and Intergovernmental Affairs on S.C.R. No. 21

The purpose of this measure is to request Congress to provide federal housing assistance for grandparent-headed and relative-headed households.

Testimony in support of this measure was submitted by the Kokua Council, Na Tutu, Grandparents Raising Children Coalition, and one individual.

Your Committees find that there are 4,500,000 children under the age of eighteen living in grandparent-headed households, and another 1,500,000 children under eighteen living in other relative-headed households. In Hawaii, there are 38,051 children living in grandparent-headed households (12.9 percent of all the children in the State), and another 9,920 children living in households headed by other relatives (3.4 percent of all the children in the State). These numbers provide evidence of Hawaii's historical utilization of intergenerational family units. Many grandparents and other relatives who take care of these children often live in too small or inadequate housing.

Your Committees believe that Congress should continue to address the issue of affordable intergenerational housing and consider additional legislation that promotes the unification and preservation of family units.

As affirmed by the records of votes of the members of your Committees on Human Services and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 21 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, 1 (Trimble). Excused, 5 (English, Ihara, Kim, Kokubun, Slom).

SCRep. 1014 (Joint) Human Services and Intergovernmental Affairs on S.C.R. No. 23

The purpose of this measure is to request the counties, the family courts in all circuits, and the Office of Youth Services to collaborate on the development of an action plan that assesses the needs of their at-risk youth, identifies programs, services, and strategies to address their needs, and provides safe alternatives to incarceration for youth on each island.

Testimony in support of this measure was submitted by the Office of Youth Services, the Hawaii Juvenile Justice State Advisory Council, Hawaii Disability Rights Center, Hawaii Juvenile Justice Project, Hawaii Youth Services Network, the Mayor of the County of Hawaii, and one individual.

Your Committees find that delinquent youth with mental health, substance abuse, and behavioral problems are often incarcerated because there are a limited number of programs in the community to treat them. These youth end up in highly secure and expensive settings for low-risk behavior that could be more efficiently treated with good community-based care. More active involvement of communities and local governments in assessing the needs of their at-risk youth and families is necessary to ensure the development of programs, services, and strategies to address these concerns.

Your Committees believe that the development of an action plan that provides safe alternatives to incarceration for youth on each island will lead to removing barriers and developing safe alternatives to incarceration for youth on each island.

Your Committees have amended this measure by:

- (1) Designating the Office of Youth Services as the agency to take the lead in the collaboration; and
- (2) Adding the Department of Health's Mental Services Division, the Department of Education, the Department of Human Services, the Hawaii Youth Services Network, and the Hawaii Juvenile Justice Project to the list of participants who will create the action plan.

As affirmed by the records of votes of the members of your Committees on Human Services and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 23, 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. 23, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (English, Ihara, Kim, Kokubun, Slom).

SCRep. 1015 (Joint) Human Services and Intergovernmental Affairs on S.C.R. No. 31

The purpose of this measure is to urge counties to make a concerted effort to develop a Senior Tax Work-Off Program to help senior citizens pay real property taxes.

Comments in regard to this measure were submitted by the Executive Office on Aging, the County of Hawaii Office on Aging, and the Senior Executive Assistant to the Mayor of Maui.

Your Committees find that due to the high cost of living and expenses of owning a home, a Senior Tax Work-Off Program in Hawaii would offer seniors an opportunity to earn money toward their real property taxes by performing a variety of tasks at county offices including custodial, clerical, paraprofessional, and food services. A Senior Tax Work-Off Program would provide seniors with a supportive service in an effort to maintain and improve their quality of life and in turn, they would contribute their services and experience to the workforce while earning credits toward the payment of their property taxes.

As affirmed by the records of votes of the members of your Committees on Human Services and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 31 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, 5 (English, Ihara, Kim, Kokubun, Slom).

SCRep. 1016 Judiciary and Hawaiian Affairs on Gov. Msg. No. 376

Recommending that the Senate consent to the nomination of the following:

CIRCUIT COURT OF THE FIRST CIRCUIT, TWELFTH DIVISION

RANDAL K.O. LEE, for a term of ten years

Your Committee finds that the nominee received a B.A. degree from the University of Hawaii and a J.D. from Southwestern University School of Law. The nominee has been licensed to practice law in Hawaii since 1981. The nominee worked in the Office of the Public Defender and currently serves as a Deputy Prosecuting Attorney for the Department of the Prosecuting Attorney for the City and County of Honolulu handling complex white collar and public corruption cases.

Testimony in support of the nominee was submitted by the Hawaii State Bar Association, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Office of the Prosecuting Attorney for the County of Kauai, the Prosecuting Attorney for the County of Hawaii, the State of Hawaii Organization of Police Officers, the Attorney General for the State of Hawaii, the Executive Director of the State Campaign Spending Commission, a Florida judge, thirty-eight attorneys, and twenty-three individuals. One person testified in opposition to the nominee. One person offered comments on the nominee.

The Board of Directors of the Hawaii State Bar Association (HSBA) rated the nominee to be highly qualified. As part of the HSBA Board's procedure 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 has reviewed the personal history, resume, and statements submitted by the nominee and finds the nominee to have the necessary qualifications and legal experience to be appointed to the position of the 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 advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (English, Ihara).

SCRep. 1017 Health on Gov. Msg. No. 150

Recommending that the Senate advise and consent to the nomination of the following:

STATE COUNCIL ON DEVELOPMENTAL DISABILITIES

G.M. No. 150 LIZ ANN K. IHU, for a term to expire 06-30-2008

Your Committee received testimony in support of the nominee from the State Council on Developmental Disabilities and one individual. The nominee received a Bachelor's degree in elementary education, specializing in special education, from the University of Hawaii in 1992. She has been the Executive Director of Ho'oheno, Inc. since 2000. She is a member of the Hawaii Waiver Provider's Association.

Ms. Ihu assists her parents with caring for two younger brothers with autism. She has spent her lifetime working with individuals with 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, 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 (Hanabusa, Whalen).

SCRep. 1018 Health on Gov. Msg. No. 151

Recommending that the Senate advise and consent to the nomination of the following:

DISABILITY AND COMMUNICATION ACCESS BOARD

G.M. No. 151 BRIAN KAJIYAMA, for a term to expire 06-30-2006

Your Committee received testimony in support of the nominee from Disability and Communication Access Board, KOKUA Program of the University of Hawaii, and eight individuals. The nominee received a Bachelor of Arts degree in liberal studies, focusing on advocacy for the disabled (vocational rehabilitation), at the University of Hawaii (UH). The nominee is presently pursuing a Masters in Education degree in educational counseling and guidance at the UH.

Mr. Kajiyama is presently employed as a graduate assistant for special education for a professor at the UH. Your Committee notes that Mr. Kajiyama focused his undergraduate study on advocacy for persons with disabilities. Although challenged physically, he has achieved far more in his life than many people with his active and intelligent mind. As a graduate student, he is studying the utilization of all types of communication devices for the disabled, including accessing and utilizing augmentative communication.

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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1019 Judiciary and Hawaiian Affairs on Gov. Msg. No. 119

Recommending that the Senate advise and consent to the nomination of the following:

STATE COUNCIL FOR INTERSTATE ADULT OFFENDER SUPERVISION

G.M. No. 119 RONALD T. HAJIME, for a term to expire on June 30, 2009

Your Committee received testimony in support of RONALD T. HAJIME from the Judiciary of the State of Hawaii, the Hawaii Paroling Authority, and two individuals. Mr. Hajime currently works as the Compact Administrator for Hawaii and is also employed as the Administrator for the Adult Client Services Branch for the First Judicial Circuit. He is a member of the National Association of Probation Executives, the United States Department of Justice's Urban Chiefs Network, National Institute of Corrections and Bureau of Prisons, and the American Probation and Parole Association. He also holds the title of Commissioner for the State of Hawaii Corrections Population Management Commissions. He was formerly a member of the United States Army Reserves and served in the military during the Vietnam War.

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, 2 (Hee, Ihara).

SCRep. 1020 Judiciary and Hawaiian Affairs on Gov. Msg. No. 143

Recommending that the Senate advise and consent to the nomination of the following:

CORRECTIONAL INDUSTRIES ADVISORY COMMITTEE

G.M. No. 143 DENISE J. JOHNSTON, for a term to expire 06-30-2006

Your Committee received testimony in support of the nominee from three individuals.

DENISE J. JOHNSTON earned a Bachelor's Degree in Natural Science from Clayton College of Natural Medicine. In addition, Lieutenant Johnston has taken classes at the Honolulu Community College in fields of criminal justice and human services.

Lt. Johnston has twenty years of experience in the field of adult corrections. She is currently a lieutenant with the Department of Public Safety. Lt. Johnston has worked as an Adult Corrections Officer at the Oahu Community Correctional Center (OCCC) since 1984. Lt. Johnston has been assigned to various supervisory roles and conducted investigations and mediations relating to inmate grievances, supervised the Housing Units and Community Services section within OCCC, and acted as the contact person with the Federal Detention Center and other state detention facilities to coordinate inmate transfers. In addition, Lt. Johnston has taken an active role in training and instructing prison staff in proper procedures for releasing individuals in custody at a detention facility or court and was part of a team that formulated policies, procedures, and post orders for the Women's Community Correctional Center.

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, 4. Noes, none. Excused, 2 (Hee, Ihara).

SCRep. 1021 Judiciary and Hawaiian Affairs on Gov. Msg. No. 251

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGISTRATION OF THE ISLAND OF HAWAII

G.M. No. 251 ROBERT ARTHURS, for a term to expire 06-30-2008

Your Committee received testimony in support of ROBERT ARTHURS from three individuals. He is an active check pilot for the Civil Air Patrol, a commercial flight instructor, and manages his own properties. Mr. Arthurs is a member of the Elks, the Shrine Club, Veterans of Foreign Wars, National Active and Retired Federal Employees Chapter, and the County Coordinator for the American Association of Retired Persons. He also volunteers actively in the community. He was formerly a member of the United States Army Reserve, in which he obtained a Bronze Star and an Air Medal.

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, 2 (Hee, Ihara).

SCRep. 1022 Judiciary and Hawaiian Affairs on Gov. Msg. Nos. 252 and 253

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF REGISTRATION OF THE ISLAND OF KAUAI AND NIIHAU

G.M. No. 252 PATRICK J. CHILDS, for a term to expire 06-30-2007; and

G.M. No. 253 CAROLYN S. POMPILIO, for a term to expire 06-30-2008

Your Committee received testimony in support of PATRICK J. CHILDS from the Mayor of the County of Kauai. The nominee is an attorney and has his own law office on Kauai. He is a member of the Board of Directors for Hawaii Public Radio, Board of Directors of the Lihue Cemetery, Kauai Chamber of Commerce, the Hawaii and Kauai Bar Associations, the Republican Party of Kauai, the Kaiola Canoe Club, and the Kauai Jaycees. He also is an Honorary Co-Chair for the National Business Advisory Council, a charter member of Hawaii Family Support Council Hawaii, the President of the Board of Members for the Kauai YWCA, the Director of the Kauai Historical Society, and a coach for the AYSO Kauai. He was formerly a chairman of the County of Kauai Police Commission, Legal Council for Kauai Jaycees and Kauai Interfaith Council, and the president and director of the Kaiola Canoe Club.

Your Committee received testimony in support of CAROLYN S. POMPILIO from the Mayor of the County of Kauai and three individuals. The nominee is semi-retired and assists her husband with his home-based business. She is a member of Republican Women's Club (second Vice President for publicity), American Association of Retired Persons (first Vice President), a computer consultant, and belongs to the Toastmasters Kauai. She also volunteers for the Kauai Historical Society, National Botanical Gardens and various other projects.

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, 4. Noes, none. Excused, 2 (Hee, Ihara).

SCRep. 1023 Judiciary and Hawaiian Affairs on Gov. Msg. Nos. 254 and 255

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF REGISTRATION OF THE ISLANDS OF MAUI, MOLOKAI, LANAI, AND KAHOO LAWE

G.M. No. 254 THOMAS A. HUGHES III, for a term to expire 06-30-2008; and

G.M. No. 255 STEVE PFISTER, for a term to expire 06-30-2008

THOMAS A. HUGHES, III is currently self-employed as the President of TA Hughes Inc., and Hughes Petroleum Corporation, and also is employed as a crossing guard for Kamalii School. He is a member of the Board of Directors of the Kihei Community Center. He was formerly the President of the Kihei-Wailea Rotary Club and the President of Dealer Affairs Council for Chevron USA, Inc.

STEVE PFISTER is currently a qualified voter registrar certified by the Maui County Clerk's office and has served on the Maui Board of Registration for approximately four years. He was formerly a member of the United States Navy.

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, 4. Noes, none. Excused, 2 (Hee, Ihara).

SCRep. 1024 Transportation and Government Operations on H.B. No. 1206

The purpose of this measure is to appropriate funds to revise current tsunami inundation maps from a one-dimensional format to a clearer two-dimensional format.

Your Committee received testimony in support of this measure from the State Department of Defense and Hawaiian Electric Company, Inc.

The State is vulnerable to a tsunami disaster. Your Committee recognizes the importance of remaining vigilant to protect residents and visitors from this disaster. Because tsunami threats pose the potential to cause great devastation to Hawaii, it is vitally important to ensure the State is adequately prepared to deal with this disaster. While the State and related private agencies continually strive towards becoming better able to handle a tsunami disaster, more resources are needed to upgrade tsunami inundation maps.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1206, 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 (Hee, Kanno, Menor).

SCRep. 1025 Transportation and Government Operations on H.B. No. 465

The purpose of this measure is to transfer the administrative placement of the boards of registration from the Office of the Lieutenant Governor to the Department of Accounting and General Services (DAGS).

Your Committee received testimony in support of this measure from the Office of Elections.

There is a three member Board of Registration in each county for the purpose of hearing voter registration appeals. Act 117, Session Laws of Hawaii 2003, transferred the Office of Elections from the Office of the Lieutenant Governor to DAGS but inadvertently left attached the boards of registration to the Office of the Lieutenant Governor. Your Committee finds that this measure rectifies that oversight.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 465, 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 (Hee, Kanno, Menor).

SCRep. 1026 Transportation and Government Operations on H.B. No. 1387

The purpose of this measure is to make an appropriation to add staffing to assist the State Civil Defense Division in reorganizing its operations and re-constituting an around the clock, year round emergency operating center.

Your Committee received testimony in support of this measure from the State Department of Defense, Honolulu Police Department, and Hawaiian Electric Company, Inc.

Your Committee finds that Hawaii is at risk to every conceivable natural and man-made disaster, many of which may strike at any moment with little or no advance warning. With the ongoing war on terrorism, our nation also faces the risk of terrorist attacks.

Your Committee further finds that there is a need to continually assess potentially dangerous situations and coordinate warnings and actions to protect lives and property. In order to strengthen Hawaii's emergency management system, the expansion of Hawaii's emergency operations is essential, including providing an around the clock, year round emergency operating center. A 24/7 operation provides the watch capability to monitor threat information and disseminate that information, and provides early warning for natural and man-made hazards.

Currently, by agreement, the Honolulu Police Department Communications Division has provided the State since 1975 an early warning system (State Warning Point) through the 911 call center and radio dispatching. Your Committee finds that this function should rightfully belong to the State.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1387, 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 (Hee, Kanno, Menor).

SCRep. 1027 Transportation and Government Operations on Gov. Msg. Nos. 247 and 248

Recommending that the Senate advise and consent to the nominations of the following:

PROCUREMENT POLICY BOARD

G.M. No. 247 GREG KING, for a term to expire 06-30-2008; and

G.M. No. 248 RICHARD G. TOTTON, for a term to expire 06-30-2008

Your Committee received testimony in support of GREG KING from the State Procurement Office and Maui Department of Finance. The nominee received a Bachelor of Business Administration degree from Kansas State University and a Master of Business

Administration degree from the University of Houston. He has been employed by the County of Maui since 1992, working as a purchasing specialist and a purchasing agent. Your Committee notes that he practices in government purchasing as his regular employment which is an asset to the Procurement Policy Board. Mr. King is being reappointed to the Board.

Your Committee received testimony in support of RICHARD G. TOTTE from the U.S. Army Corps of Engineers (Pacific Division), U.S. Army Legal Services Agency, U.S. Army Judge Advocate General, the Magistrate Judge of the U.S. District Court for the District of New Mexico, and the Clerk of the U.S. Supreme Court. The nominee received a Bachelor of Science degree in Business from the University of Connecticut, a J.D. degree from The Southern Methodist University, an LL.M. degree from the United States Army Judge Advocate General's School, and an LL.M. in Procurement Law degree from The George Washington University. Since January 2003, the nominee has been the Deputy District Counsel, Honolulu District, United States Corps of Engineers in Honolulu. As the senior staff attorney, he is responsible for all federal procurement matters for the district. Your Committee finds that Mr. Totten would be an asset to the Procurement Policy Board.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations 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 (Hee, Kanno, Menor).

SCRep. 1028 Judiciary and Hawaiian Affairs on Gov. Msg. Nos. 294, 296, 297, 298, 299, 300, 301 and 302

Recommending that the Senate advise and consent to the nominations of the following:

WIRELESS ENHANCED 911 BOARD

- G.M. No. 294 PAUL K. FERREIRA, for a term to expire 06-30-2008;
- G.M. No. 296 ROY K. IREI, for a term to expire 06-30-2006;
- G.M. No. 297 JOHN PETER JAEGER, for a term to expire 12-31-2005;
- G.M. No. 298 JOEL K. MATSUNAGA, for a term to expire 06-30-2008;
- G.M. No. 299 MILTON M. MATSUOKA, for a term to expire 06-30-2008;
- G.M. No. 300 RICHIE NAKASHIMA, for a term to expire 06-30-2007;
- G.M. No. 301 DEXTER TAKASHIMA, for a term to expire 06-30-2008; and
- G.M. No. 302 JEFF YAMANE, for a term to expire 12-31-2005

Your Committee received testimony in support of PAUL K. FERREIRA from the Corporation Counsel for the County of Hawaii and the Fire Chief for the County of Hawaii.

Major Ferreira is a twenty-three year veteran of the Hawaii Police Department. Major Ferreira supervises the Human Resources Section of the Hawaii Police Department, which includes the Personnel, Training, Community Relations/Research, and Development and Safety units. Major Ferreira ensures that all classifications, transactions, recruitment, and personnel programs conform to civil service law. Major Ferreira also plans, directs, and coordinates all departmental training programs. In light of his extensive law enforcement background, Major Ferreira is intimately familiar with the emergency 911 system and responding to calls for assistance.

Your Committee received testimony in support of ROY K. IREI from one individual.

Mr. Irei earned a B.B.A. in accounting from the University of Hawaii in 1981. Mr. Irei has served as the Site Development Manager for T-Mobile USA since 2000 and is responsible for managing and supervising the Leasing, Zoning, and Construction departments for T-Mobile USA's Hawaii office. In addition to his management duties, Mr. Irei is also knowledgeable in the installation of duplexors, combiners, edge radios, and cabling. Mr. Irei is also experienced with operational call routing. Mr. Irei will bring important technical knowledge and expertise to Wireless Enhanced 911 Board.

Your Committee received testimony in support of JOHN PETER JAEGER from Nextel Partners, Inc, and the Yamamoto Law Group.

Mr. Jaeger earned a B.S. degree from Southern Illinois University in Radio and Television. Mr. Jaeger is a Certified Technician from the National Association of Business and Education Radio and also has a FCC General Class license. Mr. Jaeger has twenty years of experience in the telecommunications industry and since 2001 has worked as the Technical Operations Manager for Nextel Hawaii where he is responsible for the development and deployment of Nextel Partners' wireless communication network, including the deployment of 911 services, in Hawaii. Mr. Jaeger's experience and familiarity with wireless communication networks will provide important technical and practical knowledge to the operations of the Wireless Enhanced 911 Board.

Your Committee received testimony in support of JOEL K. MATSUNAGA from the Chamber of Commerce of Hawaii, Goodwill Industries of Hawaii, Enterprise Honolulu, and one individual.

Mr. Matsunaga earned a Bachelor and Masters Degree in Business Administration from the University of Hawaii. Since 1979, Mr. Matsunaga worked for then GTE and now Verizon Hawaii in various capacities and gained valuable experience and understanding with respect to the policies and operations of the wireless enhanced 911 services. In addition, Mr. Matsunaga served on the Wireless Enhanced 911 Working Group that was responsible for the establishment of the Wireless Enhanced 911 Board. Mr. Matsunaga's background with Hawaii's largest telecommunication provider will bring a unique perspective and knowledge to the operations of the Wireless Enhanced 911 Board.

Captain MILTON M. MATSUOKA has served in the Maui Police Department for twenty-three years. Captain Matsuoka is presently the commander of the Molokai District, which includes the Molokai Communication Center. Captain Matsuoka is familiar and experienced with emergency service communication systems, the global positioning system, and training personnel in the use and implementation of emergency telecommunications related technologies. Captain Matsuoka's law enforcement background and experience with emergency service communication systems on the outer islands makes him qualified to serve on the Wireless Enhanced 911 Board.

Assistant Chief RICHIE NAKASHIMA is a twenty-nine year veteran of the Maui Police Department and currently oversees the Support Services Bureau that includes the Plans and Training, Communication, Community Relations, Technical Services, and Information Technology sections. The Communication section is responsible for dispatching and coordinating the activities of Maui Police Department, the Maui Fire Department, Emergency Medical Service, and personnel assigned to the Department of Land and Natural Resources, Haleakala National Park, and State Harbors. Assistant Chief Nakashima's experience and leadership with respect to overseeing Maui County's emergency communication system makes him qualified to serve on the Wireless Enhanced 911 Board.

Your Committee received testimony in support of DEXTER TAKASHIMA from the Mayor of Kauai and two individuals.

Mr. Takashima has thirty-one years of experience in the telecommunications and defense electronics industries. Mr. Takashima earned a B.S. degree in Business and Economics from Pacific University. Presently, Mr. Takashima is the Public Safety Telecommunications Administrator for the Kauai Police Department and performs both administrative and professional technical work in planning, programming, directing, coordinating, maintaining, and overseeing the operations of Kauai's island-wide telecommunication systems. Mr. Takashima also evaluates operational needs and directs the design, installation, and implementation of various telecommunication systems for state and county agencies. Mr. Takashima has also developed training programs to keep pace with ongoing advancements in telecommunication technology to effectively integrate these technologies into existing systems.

Your Committee received testimony in support of JEFF YAMANE from two individuals.

Mr. Yamane earned an Electronics Engineering degree from the Electronics Institute and currently works as the Director of Network Services for Cingular Wireless. Mr. Yamane is responsible for the technical operations, including the implementation of the E911 services, for Cingular Wireless. Mr. Yamane's experience in technical operations and planning will provide a wireless industry perspective to the Wireless Enhanced 911 Board with respect to operational issues facing wireless carriers.

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, 4. Noes, none. Excused, 2 (Hee, Ihara).

SCRep. 1029 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 124 and 125

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF PUBLIC ACCOUNTANCY

G.M. No. 124 HOWARD KONG KAM, JR., for a term to expire 06-30-2008; and

G.M. No. 125 RANDALL T. KAYA, for a term to expire 06-30-2008

The Department of Commerce and Consumer Affairs testified in support of both nominations. Additionally, testimony in support of nominee Howard Kong Kam, Jr., was received from Palama Settlement, Hawaii Hotel and Lodging Association, Hawaii Society of Certified Public Accountants, Seibu, Inc., and nine individuals.

HOWARD KONG KAM, JR., is a graduate of the University of Hawaii at Manoa with a bachelor of business administration degree in accounting and has undertaken additional coursework in taxation at George Washington University and New York University. In 1983, he founded Horwath Kam and Company, An Accountancy Corporation, one of the twenty largest certified public accounting firms in the State, and currently serves as its managing director. Mr. Kam is a licensed certified public accountant in Hawaii, Georgia, Oregon, and the Territory of Guam. The nominee is a member of the American Institute of Certified Public Accountants, Hawaii Society of Certified Public Accountants, and a founding member of the International Society of Certified Public Accountants. Mr. Kam has served as an interim member of the Board of Public Accountancy (Board) since July 2004.

RANDALL T. KAYA, nominated as a public member of the Board, is a graduate of the University of Southern California with a bachelor of arts degree in economics. As a financial adviser for an investment firm for the last eleven years, Mr. Kaya has had extensive experience working with public accountants and certified public accountants. The nominee has served as an interim member of the Board since July 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, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees 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, 2 (Espero, Ige).

SCRep. 1030 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 126 and 127

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF ACUPUNCTURE

G.M. No. 126 KWANG CHAI, for a term to expire 06-30-2008; and

G.M. No. 127 ANDREW L. PEPPER, for a term to expire 06-30-2008

The Department of Commerce and Consumer Affairs testified in support of both nominations and an individual testified in support of the nomination of Andrew L. Pepper.

KWANG CHAI holds a license in good standing to practice acupuncture in Hawaii and has served as an interim appointee to the Board since July 2004. Dr. Chai earned degrees from Han Kook University of Foreign Study, Hong Kong China Acupuncture College, Oriental Medical Institution, and British Homeopathy Institution. The nominee previously served as president of the Hong Kong Acupuncture Clinic and is currently president of Chai Health Center.

ANDREW L. PEPPER, nominated as a public member of the Board, is an attorney at law. His community service experience includes membership on the boards of several nonprofit organizations and participation in volunteer events in the community. Mr. Pepper has served as an interim appointee to the Board since July 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, 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 (Espero, Ige).

SCRep. 1031 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 134 and 135

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF BARBERING AND COSMETOLOGY

G.M. No. 134 HEIDI M.K. FOWLER, for a term to expire 06-30-2008; and

G.M. No. 135 CARLA M. MORIOKA, for a term to expire 06-30-2008

The Department of Commerce and Consumer Affairs testified in support of both nominations and two individuals testified in support of nominee Carla M. Morioka.

HEIDI M.K. FOWLER, nominated as a public member of the Board, studied at Kapiolani and Leeward Community Colleges and is a professional make-up artist. Ms. Fowler's community service experience includes working with inner city youths at risk and domestic violence victims. The nominee has served as an interim member of the Board since July 2004.

CARLA M. MORIOKA studied at Crel Beauty College and is a licensed cosmetologist. Ms. Morioka taught at Trendsetters Beauty College, is a past member of the Hawaii Cosmetologist Association, and owned and operated a beauty salon for thirteen years. Since July 2004, the nominee has served as an interim member of the Board representing the cosmetology profession.

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, 4. Noes, none. Excused, 2 (Espero, Ige).

SCRep. 1032 Commerce, Consumer Protection and Housing on Gov. Msg. No. 136

Recommending that the Senate advise and consent to the nomination of the following:

CABLE ADVISORY COMMITTEE

G.M. No. 136 GAY PORTER, for a term to expire 06-30-2007

The Department of Commerce and Consumer Affairs, Hilo Broadcasting, LLC, and an individual testified in support of the nomination.

MS. GAY PORTER, nominated to represent the County of Hawaii, currently serves as an interim member of the Committee. Ms. Porter graduated with a B.A. degree in sociology from the University of Hawaii at Hilo, has more than twenty-five years of employment experience in the County, and is currently employed as an independent insurance agent and the Hilo Branch manager for Business Insurance Services, Inc. Additionally, the nominee is a member of the Hawaii Island Chamber of Commerce and Rotary Club of Hilo.

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, 2 (Espero, Ige).

SCRep. 1033 Commerce, Consumer Protection and Housing on Gov. Msg. No. 137

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF CHIROPRACTIC EXAMINERS

G.M. No. 137 NICHOLAS G. OPIE, D.C., for a term to expire 06-30-2008

Testimony in support of the nomination was received from the Department of Commerce and Consumer Affairs, Hawaii State Chiropractic Association, National Board of Chiropractic Examiners, and two individuals.

DR. NICHOLAS G. OPIE, D.C., is an interim member of the State Board of Chiropractic Examiners and previously served on the Board from 1999 to 2003. The nominee graduated with a doctor of chiropractic degree from the Western State Chiropractic College, and is a licensed chiropractor in the states of Hawaii, Oregon, and Washington. Dr. Opie has twenty-five years of experience in the practice of chiropractic medicine, is a board certified fellow in the American Academy of Applied Spinal Biomechanical Engineering, and is a member of the International Chiropractors Association.

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, 2 (Espero, Ige).

SCRep. 1034 Health on Gov. Msg. Nos. 152, 153, 154, 155, 156, 157, 158, 159 and 160

Recommending that the Senate advise and consent to the nominations of the following:

POLICY ADVISORY BOARD FOR ELDER AFFAIRS

G.M. No. 152 BERNADETTE GRUZINSKY, for a term to expire 06-30-2007;

G.M. No. 153 JOHN R. HOFF, for a term to expire 06-30-2008;

G.M. No. 154 JULIE JOW, for a term to expire 06-30-2008;

G.M. No. 155 HAROLD K. KOZUMA, for a term to expire 06-30-2008;

G.M. No. 156 DONALD K. MATSUI, for a term to expire 06-30-2006;

G.M. No. 157 SANDRA S. RONGITSCH, for a term to expire 06-30-2008;

G.M. No. 158 RUTH S. STEPULIS, for a term to expire 06-30-2008;

G.M. No. 159 DIANE M. STOWELL, for a term to expire 06-30-2008; and

G.M. No. 160 KEN TAKEUCHI, for a term to expire 06-30-2008

Your Committee has reviewed the personal histories, resumes, 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.

Testimony in support of BERNADETTE GRUZINSKY was submitted by the Executive Office on Aging and an individual. Mrs. Gruzinsky is a volunteer with Project DANA, Hospice Hawaii, and Ho'o Pono of Hawaii and is an active member of Hawaii Pacific Gerontological Society. Currently, she is a student at Kapiolani Community College working towards her occupational therapy degree with a geriatric specialty. Her work experience includes employment with the Palolo Chinese Home.

Testimony in support of JOHN R. HOFF was submitted by the Executive Office on Aging. Mr. Hoff is a licensed general and landscaping contractor and had also served as a certified substitute teacher for the Department of Education on Kauai. His community skills include serving as a two term President of the AARP Lihue Chapter and volunteering his free time to organizations such as the American Red Cross, Kauai Senior Centers, and other community advocacy groups. He is the founder and chairman of "A Grip on Life", a program designed to make homes safe for seniors by installing safety bars for seniors to hold on to in hazardous areas for their homes.

Testimony in support of JULIE JOW was submitted by the Executive Office on Aging, Hawaii Society of Certified Public Accountants (HSPCA), and ten individuals. Ms. Jow is an independent certified public accountant with Linsco/Private Ledger and specializes in small business retirement planning. She serves as treasurer for the Hawaii chapter of the Financial Planning Association and currently chairs the HSPCA Financial Planning Committee. Her diverse financial background fulfills an important role on this board.

Testimony in support of HAROLD K. KOZUMA was submitted by the Executive Office on Aging and the County of Hawaii Office on Aging. Mr. Kozuma is a retired and distinguished educator from the University of Hawaii at Hilo. He has been a strong advocate for both aging and education issues concerning the Big Island community and holds a bachelor's, master's, and doctorate degree in psychology.

Testimony in support of DONALD K. MATSUI was submitted by the Executive Office of Aging. Mr. Matsui has a degree in education and was employed as a full time teacher for the Department of Education for more than thirty years. Currently, he remains a substitute teacher for Lanai School. In his retirement, Mr. Matsui has also been active in the community as a member of the Lanai Senior Organization and Council on Aging Commission.

Testimony in support of SANDRA S. RONGITSCH was submitted by the Executive Office of Aging, Hale Makua Home Health Care Agency, and three individuals. Ms. Rongitsch received her bachelor's in psychology and master's in social work from the University of Hawaii. She has over twenty years of experience as a social worker and is currently employed in long term care and elder care settings with Hale Makua Home Health. Furthermore, she is a strong advocate for quality elder care by volunteering her time with the Council on Aging and Alzheimer Association Advisory Committee.

Testimony in support of RUTH S. STEPULIS was submitted by the Executive Office of Aging, Department of Community Services, Arcadia, and an individual. Mrs. Stepulis has been a registered nurse since 1960 and is certified in gerontological nursing. She is a recent retiree from a lifelong career in nursing and volunteers her free time in various church and community endeavors. Mrs. Stepulis' professional credentials and employment will provide a valuable asset in the work of the committee.

Testimony in support of DIANE M. STOWELL was submitted by the Executive Office of Aging. Mrs. Stowell is a retired marriage and family therapist who volunteers as a mediator and board member for Mediation Center of the Pacific. Her interest in care for the elderly stems from her experience caring for her mother as she suffered from Alzheimer's disease. Currently, she continues to counsel part time and works with a partner on cases for Restorative Justice.

Testimony in support of KEN TAKEUCHI was submitted by the Executive Office of Aging, Hawaii Health Systems Corporation, Department of Community Services, and the Department of Human Services. Mr. Takeuchi obtained his bachelor of arts and master's in social work from the University of Hawaii and is a licensed social worker. He is the director of hospital clinical operations for Leahi Hospital and has held a managerial position with St. Francis Medical Center. As a participant in the community he has volunteered his time with Lanakila Senior Center Policy Advisory Board, Maluhia Home Health Advisory Board, Honolulu Committee on Aging, and Senior Companion Respite Advisory Board.

Your Committee members diligently questioned the present nominees on their vision and priorities regarding identifying issues and alternative approaches to solutions, developing position statements and papers, advising the director on legislative advocacy and actions, and offering advice on program development and operations for elderly care. The nominees demonstrated a commitment to proactively protect and improve the Policy Advisory Board for Elder Affairs. 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 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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1035 Transportation and Government Operations on Gov. Msg. No. 203

Recommending that the Senate advise and consent to the nomination of the following:

MEDICAL ADVISORY BOARD

G.M. No. 203 ROBERT L. SIMMONS, MD, for a term to expire 06-30-2008

Your Committee received testimony in support of the nominee from the Department of Transportation. The nominee received a BS degree from Georgetown University and a MD degree from Georgetown University School of Medicine. He has been in private practice specializing in orthopedic surgery since 1970, and is certified by the American Board of Orthopedic Surgery. He is active in community volunteer work, including the Hawaiian Humane Society and various non-profit boards and committees. The nominee's expertise and experience as an orthopedic surgeon is an asset to the Medical Advisory Board which advises the Director of Transportation on matters concerning physical and mental conditions that might impair driving ability.

As affirmed by the record of votes of the members of your Committee on Committee on Transportation 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, 6. Noes, none. Excused, 1 (Baker).

SCRep. 1036 Transportation and Government Operations on Gov. Msg. Nos. 286, 287 and 288

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON TRANSPORTATION

G.M. No. 286 WILLIAM LINDEMANN, for a term to expire 06-30-2008;

G.M. No. 287 KUUHAKU PARK, for a term to expire 06-30-2008; and

G.M. No. 288 GAIL YUH, for a term to expire 06-30-2008

Your Committee received testimony in support of WILLIAM LINDEMANN from Department of Transportation and the General Contractors Association. The nominee received a Bachelor of Science degree in civil engineering and a Master of Business Administration degree from the University of Hawaii. The nominee is the President of Lindemann Construction, Inc., a local general contractor specializing in commercial projects and design-build development. His previous experience has been with numerous construction firms, including Charles Pankow Associates and Pacific Construction Co. Mr. Lindemann has over thirty years of construction experience in Hawaii and on the mainland. As an engineer, he can use his unique perspective to help the Commission on Transportation to arrive at possible solutions to mitigate potential problems brought about by construction activity. Your Committee notes his testimony that he feels the Commission on Transportation could improve by adopting ideas from other states that he has witnessed in his business travels.

Your Committee received testimony in support of KUUHAKU PARK from the Department of Transportation, Maritime Consultants of the Pacific, Noguchi & Associates, Inc., Young Brothers, Limited, KL Enterprises, Henderson Gallagher & Kane, and four individuals. The nominee received a Bachelor of Arts degree from Lewis and Clark College and is presently employed as the Government and Public Affairs Manager for CSX Lines, Inc. He has fourteen years experience in the ocean transportation industry. He is keenly aware of the challenges facing the state harbors.

Your Committee received testimony in support of GAIL YUH from the Department of Transportation, Business Insurance Services, Inc., and two individuals. The nominee received a degree from Hawaii Pacific University and is currently the Director of Sales for U.S.A. Tour, Corp., where she has been employed since 1985. Her community service includes the Korean American Women Club. The nominee brings a travel industry background to the Commission on Transportation.

As affirmed by the record of votes of the members of your Committee on Committee on Transportation and Government Operations 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 William Lindemann:
Ayes, 6. Noes, none. Excused, 1 (Baker).

Signed by the Chair on behalf of the Committee.
Record of votes for Kuuhaku Park:
Ayes, 5. Noes, none. Excused, 2 (Menor, Whalen).

Signed by the Chair on behalf of the Committee.
Record of votes for Gail Yuh:

Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Menor).

SCRep. 1037 Health on Gov. Msg. Nos. 161, 162, 163, 164 and 165

Recommending that the Senate advise and consent to the nominations of the following:

EMERGENCY MEDICAL SERVICES ADVISORY COMMITTEE

G.M. No. 161 DIANE M. IRONS, for a term to expire 06-30-2008;

G.M. No. 162 STUART DAVID LERNER, M.D., for a term to expire 06-30-2008;

G.M. No. 163 IAN T. SANTEE, for a term to expire 06-30-2008;

G.M. No. 164 WILLIAM T. WATKINS JR., for a term to expire 06-30-2008; and

G.M. No. 165 MILLICENT WELLINGTON, for a term to expire 06-30-2007

Your Committee has reviewed the personal histories, resumes, 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 DIANE M. IRONS from the Department of Health and three individuals. Ms. Irons is presently the executive director of the Lanai Youth Center. In this capacity she has experience with budget administration, managing contracts, and fiscal reporting. Prior to this, Ms. Irons was responsible for opening two retail stores that involved procurement of product, merchandising, and store layout. She also has experience managing the disposition of distressed inventory and supervising employees. According to Ms. Irons, she has personal experience involving the medical transport of a family member and is aware of the issues facing the provision of emergency medical services in her community. Your Committee finds that Ms. Irons provides a consumer perspective and possesses the experience and commitment necessary to serve on the Emergency Medical Services Advisory Committee.

Your Committee has received testimony in support of STUART DAVID LERNER, M.D. from the Department of Health. Dr. Lerner received his medical degree from the State University of New York at Buffalo, School of Medicine, and completed a family practice residency at Southside Hospital in Bay Shore, New York. He has been an emergency medical physician in Hawaii for fourteen years. Dr. Lerner is presently an emergency physician at St. Francis Medical Center. Prior to that, he served as an emergency physician at Castle Medical Center. According to Dr. Lerner, he has had a good working relationship with the emergency medical staff at both the state and local levels. Dr. Lerner received an advanced certification in EKG interpretation from the American College of Cardiology in 2001, and was awarded "Resident of the Year" for his academic achievement, teaching, and leadership in 1989. Your Committee finds that Dr. Lerner possesses the knowledge and desire necessary to serve on the Emergency Medical Services Advisory Committee.

Your Committee has received testimony in support of IAN T. SANTEE from the Department of Health, the Director of Operations of American Medical Response, and one individual. Mr. Santee was born and raised in Hawaii. He received an associate of science degree in mobile intensive care technician from Kapiolani Community College. He also received a BA degree in sociology and an MA degree in public administration from the University of Hawaii at Manoa. Mr. Santee is a national and state certified paramedic. He is presently employed with the City and County of Honolulu as a mobile intensive care technician. Prior to that he worked as an emergency medical technician and emergency medical dispatcher. Mr. Santee is an emergency medical technician basic instructor, professional first responder instructor, and CPR/First aid instructor with Kapiolani Community College's Emergency Medical Services Program. He also teaches Heartsaver FACTS/AED for the American Heart Association and is the primary instructor responsible for the medical training of the beach lifeguards on Oahu. Your Committee finds that Mr. Santee's field experience in and dedication to emergency medical services will bring a needed perspective to the Emergency Medical Services Advisory Committee.

Your Committee has received testimony in support of WILLIAM T. WATKINS, JR. from the Department of Health, the facilitator of the Maui County Emergency Medical Services Advisory Committee, the Director of Operations of American Medical Response, and the Maui County American Medical Response Operations Manager. Mr. Watkins has been involved in emergency medical services in Hawaii since 1981. For the past seventeen years, Mr. Watkins worked as an emergency medical technician/paramedic in Maui County and received the AAA Star of Life Award and recognition for Team Leader April 2003. Mr. Watkins is currently a Level II Helicopter Emergency Medical Services provider and Quality Improvement Coordinator for American Medical Response in Maui County. He took the lead in the implementation and staffing of the Maui emergency medical helicopter service. Mr. Watkins previously served as chairperson and secretary of the Emergency Medical Services Advisory Committee under the Board of Medical Examiners. In that capacity he was instrumental in drafting administrative rules for emergency medical services licensing and legislation. He has also held the offices of vice president, treasurer, and executive assistant in the Maui County Paramedics Association.

Your Committee has received testimony in support of MILLICENT WELLINGTON from the Department of Health, the Mayor of Kauai County, and three individuals. Ms. Wellington received a BA degree in education from the University of Puget Sound. She taught for twenty-six years, primarily at Koloa School, where she helped develop the gifted and talented program, as well as Kalaheo School. Ms. Wellington served for four years as Kauai County Public Information Officer. She has years of public service experience having served on numerous boards and committees over the years. Ms. Wellington presently serves on the Young Brothers Advisory Board, Ambassadors of Aloha Board, and the Hawaii Community Foundation Kauai Leadership Council. In past years she served as Kauai Historical Society Trustee, and as a member of the Board of Directors of Island School and the Hawaii Public Broadcasting Authority Board. Ms. Wellington was a member of the board that created the Kauai International Film Festival and assisted with the

creation of The Ambassadors of Aloha, a program that honors talented young people of Kauai. As the Department of Health noted, her experience in public relations and marketing will be instrumental in educating communities about emergency medical services and illness and injury prevention.

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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1038 Health on Gov. Msg. Nos. 181, 182 and 183

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF HEALTH

G.M. No. 181 MAILE BURKE, MPA, for a term to expire 06-30-2008;

G.M. No. 182 JASON E. MADDOCK, Ph.D., for a term to expire 06-30-2008; and

G.M. No. 183 ROGER B. McKEAGUE, for a term to expire 06-30-2009

Your Committee has reviewed the personal history, resume, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Board of Health.

Your Committee has received testimony in support of MAILE BURKE, MPA from the Administrator of the Department of Health Institutional Review Board, a senior planner in the Office of Planning, Policy and Program Development at the Department of Health, a member of the Department of Health Institutional Review Board, and one individual.

Ms. Burke received a BA degree in psychology from the University of Hawaii at Manoa, and an MPA in budgeting and finance from The George Washington University. She is presently the sole proprietor of a professional services business titled Pacific Partners. Ms. Burke has extensive experience in public policy at both a national and state level, having worked for Patricia Saiki in the U.S. Senate and on former Governor Waihee's Blue Ribbon Panel for health care reform. She has also worked for Kapiolani Medical Center for Women and Children, as well as the Department of Health's Office of Planning, Policy & Program Development. She served as a technical writer for the National Association of State Mental Health Program Directors Medical Directors' Council report on "Prevention Approaches for State Mental Health Authorities" and for an Adult Mental Health Division coordinate working group legislative report in response to a resolution regarding possible changes to expedite mental health treatment to persons committed to state-operated or state-contracted facilities. Ms. Burke has served as a board member and legislative chair of the Hawaii Public Health Association. Your Committee finds that Ms. Burke possesses the experience and commitment necessary to serve on the Board of Health.

Your Committee has received testimony in support of JASON E. MADDOCK, Ph.D. from the Deputy Director of Health.

Dr. Maddock received a BA degree in psychology and sociology from Syracuse University, New York, an MA degree in psychology from the University of Rhode Island, and a Ph.D. in psychology from the University of Rhode Island. He participated as a research fellow for the 2001 postgraduate course on Research Direction and Strategies in Physical Activity and Public Health. Dr. Maddock has participated in numerous tobacco prevention coalition activities and has published widely on health related topics, such as the college alcohol problems scale and the relationship between obesity and the prevalence of fast food restaurants. Dr. Maddock is presently an assistant professor in the Department of Public Health Sciences & Epidemiology at the University of Hawaii John A. Burns School of Medicine. Dr. Maddock has concrete ideas regarding a new model for systems of public health and a vision for the future of the Board of Health. Your Committee finds that Dr. Maddock has knowledge and experience related to a diverse array of health issues and would be a valuable contributor to the Board of Health.

ROGER B. McKEAGUE received a BA in Asian history and English, with honors, from the University of Hawaii at Manoa, and a JD, with honors, from Lewis and Clark, Northwestern School of Law. He is presently special assistant to the Director of Health. Mr. McKeague previously was an advisor for the Chief of Staff and the Governor whereby he worked collaboratively with department directors and staff to develop plans to improve efficiency and reviewed and researched department requests for the Governor. While an attorney at Dawson International, Inc., Mr. McKeague administered prepaid legal and dental plans, market services, and negotiated plans for unions and other member groups. He also participated in a medical mission to Nepal in 2000.

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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1039 Health on Gov. Msg. Nos. 184, 185, 186, 187, 188 and 189

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. 184 ROSANNE C. HARRIGAN, Ed.D., for a term to expire 06-30-2007;

G.M. No. 185 SAMUEL DWIGHT LYONS, MD, for a term to expire 06-30-2008;

G.M. No. 186 CAROL MYRIANTHIS, RPT, PsyD, for a term to expire 06-30-2008;

G.M. No. 187 BRIAN K. NAKASHIMA, for a term to expire 06-30-2008;

G.M. No. 188 TYLER SMITH, for a term to expire 06-30-2008; and

G.M. No. 189 ROBERT VALENCIA SR., for a term to expire 06-30-2008

Your Committee has reviewed the personal histories, resumes, 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 Hawaii Health Systems Corporation (HHSC).

Your Committee has received testimony in support of ROSANNE C. HARRIGAN, Ed.D. from the President and Chief Executive Officer of HHSC, the Chief Executive Officer of the Oahu Region of HHSC, the HHSC Executive Management Advisory Committee, the HHSC Physicians Advisory Group, and the HHSC Oahu Region Management Advisory Committee.

Professor Harrigan received an MSN degree from Indiana University School of Nursing, a PNP degree in nursing from Indiana University School of Nursing, and an Ed.D. in adult education/nursing from Indiana University. She is presently the Matsuda Chair in Women's Health at the School of Nursing & Dental Hygiene, University of Hawaii, as well as Chair of the Department of Complementary and Alternative Medicine, and Associate Dean at the John A. Burns School of Medicine, University of Hawaii. Professor Harrigan is a former Dean and was a professor at the School of Nursing & Dental Hygiene, University of Hawaii. She serves on the editorial board of the Journal of Perinatal Neonatal, the Journal of Perinatology, and Women's Health (Jacob's Institute for Women's Health). She is also Chair of the Advisory Board for the Women's Health Initiative Hawaii and a member of the Coordinating Committee for Medically Fragile and Technology Dependent Children. She has published extensively on prenatal, neonatal, and other health related topics and participated in several research projects over the years as principal or co-investigator. Professor Harrigan was recognized as a distinguished leader in neonatal nursing by the Board of Directors of the National Association of Neonatal Nurses. Your Committee finds that Professor Harrigan will contribute a wealth of experience and knowledge to the Board of HHSC.

Your Committee has received testimony in support of SAMUEL DWIGHT LYONS, M.D., from the President and Chief Executive Officer of the HHSC, the Chief Executive Officer of the Maui Region of HHSC, the HHSC Executive Management Advisory Committee, the HHSC Physicians Advisory Committee, and the HHSC Maui Region Management Advisory Committee.

Dr. Lyons graduated cum laude with a BA degree in biology from Harvard College and received his medical degree from Stanford University School of Medicine. Dr. Lyons completed an internship at Johns Hopkins Hospital. He performed his surgical residency at Johns Hopkins Hospital, as well as at Wayne State University where he was later chief resident of the Department of Surgery. He later returned to Johns Hopkins for three years for a fellowship in general surgery. Dr. Lyons is currently employed with Maui Medical Group, Inc. and was appointed Chief of Staff at Maui Memorial Hospital in 1997. He was assistant clinical professor of surgery at the University of Hawaii, John A. Burns School of Medicine for over a decade, during which time he was recognized as a California Physicians' Scholar and received the Ed and Auriel Flavell Maui Memorial Foundation Award for Breast Cancer Management. Dr. Lyons is board certified in general surgery and presently serves as a member of the HMSA Physician Advisory Committee. In 1997, Dr. Lyons was the Maui representative to the HHSC Physician's Advisory Group. Dr. Lyons currently serves as Chair of the Board of Directors of the HHSC and has proven to be a tremendous asset in that capacity.

Your Committee has received testimony in support of CAROL MYRIANTHIS, RPT, PsyD. from the President and Chief Executive Officer of HHSC, the Chief Executive Officer of the East Hawaii Region of HHSC, the HHSC Executive Management Advisory Committee, the HHSC Physician Advisory Group, the HHSC East Hawaii Region Management Advisory Committee, and one individual.

Dr. Myrianthis received a BS degree in physical therapy from McGill University in Montreal, an MS degree in behavioral science from California Coast University, and a doctoral degree in psychology from California Coast University. She is presently co-owner of Kinesis Hawaii, a physical therapy/rehabilitation clinic in Pahoehoe, as well as the Rural Physical Therapy Clinic in Ka'u. Dr. Myrianthis has over twenty-eight years of experience in the physical therapy field. Over the years, she has served as staff therapist for several facilities, including the Easter Seal Society in Maui and as staff therapist and Director of Physical Therapy at HMC. From 1994 to 1996, she provided physical therapy services to LifeCare Center in Hilo, where she established the Physical Therapy Department. She was also recruited as Rehabilitation Manager of LifeCare Center and Hale Anuenue in 1998. Dr. Myrianthis' professional affiliations include the Canadian Physiotherapy Association, the American Physical Therapy Association, and Reality Therapy Association. She has served on the Board of Directors of the Bay Clinic, Hospice of Hilo, Arthritis Foundation, the East Hawaii Cultural Center, and presently chairs the Home Health Advisor Committee. Dr. Myrianthis is a former President of the Hawaiian Physical Therapy Association, Independent Physical Therapy Network of Hawaii, and Business and Professional Women. Her detailed clinical-business focus and experience as a registered physical therapist will be an asset to the Board of HHSC.

Your Committee has received testimony in support of BRIAN K. NAKASHIMA from the President and Chief Executive Officer of HHSC, the Chief Executive Officer of the Oahu Region of the HHSC, the HHSC Executive Management Advisory Committee, the HHSC Physicians Advisory Group, and the HHSC Oahu Region Management Advisory Committee.

Mr. Nakashima received a Bachelor's degree and a Master's degree in business administration from the University of Hawaii at Manoa. He is a certified financial planner and certified investment management analyst. At present, Mr. Nakashima is the owner of Leadership Training and Consulting Services, which provides executive leadership training and coaching services for business entities and individuals. He is a former Vice-President and was a resident manager of Prudential Financial where he earned a position on the Branch Management Advisory Council. The Council is exclusive to the top ten percent of Prudential Financial Managers in the nation, as measured by production revenue and leadership skills. Mr. Nakashima serves as a board member and Committee Chair of Big Brothers Big Sisters of Honolulu, Inc., and participates in Leadership Academy, Educational Task Force of the Hawaii Business Roundtable.

Your Committee has received testimony in support of TYLER SMITH from the President and Chief Executive Officer of HHSC, the Chief Executive Officer of the West Hawaii Region HHSC, the HHSC Executive Management Advisory Committee, the HHSC Physicians Advisory Group, and the HHSC West Hawaii Region Management Advisory Committee.

Mr. Smith has lived in Hawaii for over twenty years and has over thirty-five years of experience in business development. He started in 1967 with the establishment of the first natural foods concept restaurant with Japanese cuisine influence in downtown Boston in which he was responsible for all aspects of the business. Over the years, he participated in such ventures as Kona Coffee Roasters, in which he set up a small roasting and retailing location in conjunction with the planting fields and helped develop a brand name to be marketed in Hawaii and Japan. In the late 1980s, he was Vice-President of Operations of Emjoi Corporation in Los Angeles. Mr. Smith is presently the owner and operator of Opelo Corner, Inc. which consists of a gas station, upscale grocery store, and restaurant. He is also the Chief Financial Officer/Treasurer of Nanea Golf Club/Kekaha Venture for the development and operation of a private golf club facility for Charles Schwab and George Roberts, and Vice-President, Shareholder, and Director of FGL Management Inc., which is involved in office leasing. In the past, he has managed the financial activities of Keauhou Construction LP, Keauhou Kona Construction Corporation, and Keauhou Land Corporation, and served as Chairman of the State Finance Committee. Mr. Smith has served as an interim member of the HHSC Board of Directors since July 2004.

Your Committee has received testimony in support of ROBERT VALENCIA, SR. from the President and Chief Executive Officer of HHSC, the Chief Executive Officer of the Kauai Region HHSC, the HHSC Executive Management Advisory Committee, the HHSC Physicians Advisory Group, and the HHSC Kauai Region Management Advisory Committee.

Mr. Valencia received an AA degree from Kauai Community College and a CEC from West Oahu College in business and public administration. Mr. Valencia retired after forty-two years of federal experience working for the Department of Defense. His last civilian federal employment was at the Pacific Missile Range Facility where he was the Range Operations Manager for various divisions including range and safety control; ordnance storage, handling, and launching; program management and operations conduction; radar and telemetry; and computers and technical computing systems. Prior to that he was an electronics technician at the Naval Missile Center in Point Mugu, California. While there, he worked on auto pilots for radio controlled aircraft missile targets. He also worked on guidance systems for the Bullpup guided missile and flew radio-controlled drones for Navy guided missile intercept testing. Mr. Valencia has been a member of the HHSC Advisory Committee, Kauai region, since 1997. He is also past Chair of the Kauai Veterans Memorial Hospital Community Advisory Board and the County of Kauai Cost Control Commission. Mr. Smith was also a member of the West Kauai Community Development Corporation and the Pastoral Council of the Diocese 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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1040 Transportation and Government Operations on H.B. No. 555

The purpose of this measure is to make an emergency appropriation of \$3,000,000 for electricity payments statewide.

Testimony in support of this measure was received from the Department of Accounting and General Services (DAGS).

This measure is prompted by the steady rise in world oil prices, resulting directly in a budgetary shortfall. Without this measure, the State cannot make timely payments to utility companies, which would result in late payment fees and negatively impact cash flow of these companies.

Your Committee finds that all of the DAGS facilities have been retrofitted with energy-efficient lighting and DAGS has shortened air-conditioning hours, thus helping to minimize the shortfall.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 555, 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 (Hee, Kanno, Menor).

SCRep. 1041 Judiciary and Hawaiian Affairs on Gov. Msg. No. 377

Recommending that the Senate consent to the nomination of the following:

CIRCUIT COURT OF THE FIFTH CIRCUIT

KATHLEEN N.A. WATANABE, for a term of ten years

Your Committee finds that the nominee received a B.A. degree from the University of Puget Sound and a J.D. from the William S. Richardson School of Law. The nominee has been licensed to practice law in Hawaii since 1982. The nominee has served as a Deputy County Attorney and the County Attorney for Kauai County. The nominee also served as a per diem judge in the Fifth Circuit for four years where the nominee presided over traffic, criminal, civil, juvenile, and family court cases. The nominee also served as a Supervising Deputy Attorney General for the Individual Claims and Employment Law divisions within the Department of the Attorney General. Presently, the nominee is the Director of Human Resources Development for the State of Hawaii.

Testimony in support of the nominee was submitted by the Hawaii State Bar Association, a former Governor of the State of Hawaii, the Attorney General for the State of Hawaii, the Director of Finance, the Deputy Director of Finance, the State Chief Negotiator, the Chairperson of the Board of Agriculture, the Adjutant General of the State Department of Defense, the Office of the Prosecuting Attorney for Kauai County, a Kauai County Councilmember, the Hawaii Personnel Council, the Hawaii Fire Fighters Association, Hawaii Health Systems Corporation, the Hawaii State Teachers Association, twenty-four attorneys, and forty-six individuals.

The Board of Directors of the Hawaii State Bar Association (HSBA) rated the nominee to be qualified. As part of the HSBA Board's procedure 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 has reviewed the personal history, resume, and statements submitted by the nominee and finds the nominee to have the necessary qualifications and legal experience to be appointed to the position of the 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 advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (English, Ihara).

SCRep. 1042 (Joint) Education and Military Affairs and Human Services on H.B. No. 222

The purpose of this measure is to appropriate funds for the Preschool Open Doors Program.

Testimony in support of the measure was submitted by Good Beginnings Alliance, American Academy of Pediatrics-Hawaii Chapter, Office of Hawaiian Affairs, Hawaii Business Roundtable, Institute for Native Pacific Education and Culture, Home Instruction for Parents of Preschool Youngsters, and twenty individuals. Comments were received from the Department of Human Services.

Your Committees find that the Preschool Open Doors Program has proven to be a valuable early education tool as research has shown that the early years of a child are the most crucial in a child's development. Improving the quality of education is an increasing priority for young children in order to be prepared for school. Currently, only fifty-two percent of children under the age of five in Hawaii attend preschool. While low-income families are unable to afford quality preschool education, this measure would assist in providing this much-needed service.

Upon further consideration, your Committees have amended this measure by amending the amount of the appropriation to \$6,000,000.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 222, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 222, 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 (Ihara, Kokubun, Tsutsui).

SCRep. 1043 Transportation and Government Operations on H.B. No. 88

The purpose of this measure is to create a new traffic offense to prohibit the use of a mobile telephone while operating a moving vehicle unless the phone can be operated hands-free.

Your Committee received comments on this measure from the Honolulu Prosecuting Attorney, T-Mobile USA, and Cingular Wireless. Testimony in opposition was received from Sprint and Hawaii Association of Realtors.

Your Committee finds that there is ample and mounting evidence that the use of cellular phones while driving creates a distraction that contributes to an increasing number of traffic accidents. Although "multi-tasking" may be useful in office work, it definitely has

no place while driving and using a cellular phone. When using a cellular phone, only one hand is on the steering wheel and the driver's mind is usually elsewhere than on driving. The situation is worse if the driver dials the number while driving, in which case the driver's eyes are on the phone.

Your Committee has amended this measure by:

- (1) Adding the word "used" to "equipped", to read "equipped and used with a hands-free accessory"; and
- (2) Deleting the exemption for medical or safety emergency because the affirmative defense language provides the same exemption.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 88, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 88, 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, 6. Noes, none. Excused, 1 (Baker).

SCRep. 1044 Transportation and Government Operations on H.B. No. 150

The purpose of this measure is to establish a three-stage driver's licensing program for persons under the age of eighteen.

Your Committee received testimony in support of this measure from the Department of Transportation, Department of Health, Department of Education, Honolulu County Department of Customer Services, Honolulu Prosecuting Attorney, Honolulu Police Department, American Academy of Pediatrics, Keiki Injury Prevention Coalition, Hawaii Insurers Council, Mothers Against Drunk Driving, and four individuals. Testimony in opposition was received from the Office of the Public Defender and two individuals.

Your Committee finds that teenage drivers are disproportionately involved in crashes, including fatal crashes. There are several reasons for this. They are inexperienced new drivers, and are more likely to engage in risky behaviors such as speeding and racing, particularly in the company of their peers. They are also more likely to become distracted and inattentive while driving.

Your Committee believes that provisional licenses will help to reduce crashes and the resulting injuries and deaths. Teen drivers will be given more driving supervision and driving practice before becoming fully licensed. According to testimony of the Keiki Injury Prevention Coalition, states with a graduated licensing system have reported a significant reduction in fatalities and driving convictions. States that have night time driving restrictions as part of graduated licensing have had reductions in fatalities of up to fifty-three percent (Wisconsin) and in all crashes involving teen drivers of up to twenty-five percent (North Carolina).

The National Highway Traffic Safety Administration encourages states to implement a graduated driver licensing system. Easing young drivers onto the roadways by controlling their exposure to progressively more difficult driving experiences can reduce the incidence of traffic crashes involving young drivers.

Your Committee has amended this measure by deleting language pertaining to the passenger being restricted to one who is unrelated to the provisional licensee. As amended, only one passenger is allowed, whether related or not to the provisional licensee. In this manner, the amended measure restricts the number of passengers in the vehicle, which is critically important to reducing traffic injuries and death.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 150, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 150, 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, 6. Noes, none. Excused, 1 (Baker).

SCRep. 1045 Transportation and Government Operations on S.C.R. No. 27

The purpose of this measure is to request the Department of Transportation to study and evaluate existing traffic conditions in the South Kona area of Hawaii and prepare a traffic solution plan to minimize existing and future traffic problems.

Your Committee received testimony in support of this measure from the Department of Transportation.

Motor vehicle traffic accidents involving multi-vehicle collisions are becoming more commonplace in the South Kona area of the Big Island, often resulting in fatalities and serious bodily injury. Fatal multi-vehicle accidents cause a tie-up in traffic flow while traffic investigators meticulously investigate the scene of the accident, and other agencies such as ambulances, police, and firefighters do their work at the scene. Traffic commonly can become backlogged and tied up for hours.

With its growing population and development of nearby areas, South Kona area traffic congestion will only increase. The logical and prudent course of action to alleviate this existing and future problem is to study and evaluate existing traffic conditions in the area, compare the data with current and projected population data, and develop a traffic solution plan that will accommodate the needs of the South Kona community for now and the future.

Your Committee has amended this measure on the recommendation of the Department of Transportation by extending the reporting date to twenty days prior to the convening of the Regular Session of 2007, because work cannot begin until 2006 when demographic and traffic forecasting models will be completed as a prerequisite to initiating this study.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 27, 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. 27, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Baker).

SCRep. 1046 Transportation and Government Operations on S.C.R. No. 48

The purpose of this measure is to request the Oahu Metropolitan Planning Organization (OMPO) to study the feasibility of an alternate route of ingress and egress from Mililani Mauka.

Your Committee received testimony in support of this measure from the Department of Transportation. Comments on this measure were received from the OMPO.

Mililani Mauka is served by a single route of ingress and egress, which results in traffic congestion during peak hours that will only worsen as its population grows. The single route of ingress and egress leaves residents without an alternate route in times of emergency. Residents of the area are increasingly confronted with problems of speeding, unsafe driving, and threats to pedestrian safety. The possibility of constructing an alternate route has not been addressed by the OMPO and, therefore, has not been included within the Oahu Regional Transportation Plan. Your Committee finds that it is appropriate to have the OMPO study these issues as they relate to Mililani Mauka.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 48 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Baker).

SCRep. 1047 Health on H.B. No. 683

The purpose of this measure is to authorize an emergency appropriation for fiscal year 2004-2005 from the general fund to the Department of Health, and to increase the authorized expenditure limit for the mental health and substance abuse special fund expenditure ceiling by an additional \$2,500,000.

The Department of Health, the Oahu Chapter of the National Alliance for the Mentally Ill, the Mental Health Association in Hawaii, and one individual submitted testimony in support of this measure.

Your Committee finds that although funds were appropriated to the Department of Health for adult mental health services for the fiscal year 2004-2005, the Department is unable to meet its fiscal obligation to provide services to certain adults with severe mental illness. This is primarily due to a dramatic increase in the number of individuals served in response to the requirements of the settlement agreement and subsequent orders in *United States v. State of Hawaii, et al.*, Civil Number 91-00137.

Upon further consideration, your Committee has amended this measure by appropriating \$5,359,886 for fiscal year 2004-2005 based on the Department of Health's testimony regarding a revised projected deficit.

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. 683, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 683, 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 (Hanabusa, Whalen).

SCRep. 1048 Health on H.B. No. 1118

The purpose of this measure is to clarify the law that authorizes prescriptive authority to qualified advanced practice registered nurses by broadening the language regarding the relationship between qualified advanced practice registered nurses granted prescriptive authority and a licensed physician from "collegial" to "appropriate".

The Board of Nursing, the Hawaii Nurses Association, and the Hawaii Association of Pediatric Nurse Practitioners submitted testimony in support of this measure.

Your Committee agrees with the Board of Nursing that such an amendment will "lessen the need to amend this section whenever new types of working relationships between the two practitioners evolve or old working relationships become obsolete or unnecessary."

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. 1118, 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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1049 Health on H.B. No. 332

The purpose of this measure is to require labeling of frozen and previously thawed food.

The Hawaii State Teachers Association and the ILWU Local 142 submitted testimony in support of this measure. The Department of Health and the Hawaii Food Industry Association submitted comments.

Your Committee finds that there is a concern among the testifiers that certain vendors are selling previously frozen cooked baked goods without informing consumers of that fact. This negatively impacts consumers who are unaware that the cooked bakery goods were previously frozen and expect that the products were fresh baked because the products are visually similar. According to one testifier, the quality of the previously frozen product is not as good as if the bakery goods were never frozen.

Upon further consideration, your Committee has amended this measure by limiting the amendment to the labeling of previously frozen, cooked breads that are sold as thawed food.

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. 332, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 332, 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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1050 Health on H.B. No. 1459

The purpose of this measure is to authorize the issuance of \$30,000,000 in special purpose revenue bonds to assist Hawaii Pacific Health in financing, refinancing, and reimbursing costs related to construction of health care facilities, development of information technology and software, and other related projects.

The bill also amends the definition of "project agreement" under the special purpose revenue bond law relating to health care facilities to include lease financing.

The Department of Budget and Finance, the Healthcare Association of Hawaii, and Hawaii Pacific Health submitted testimony in support of this measure.

Your Committee agrees with Healthcare Association of Hawaii that the field of health care is dynamic and advances occur frequently in virtually every specialty area. Hawaii Pacific Health testified that this issuance of special purpose revenue bonds will enable it to "implement a comprehensive electronic medical record system, including integrated pharmacy, ambulatory, radiology and hospital records to meet federal requirements and the service needs of ... patients." This measure also specifies that leases are included within the definition of a "project agreement" as pertains to special purpose revenue bonds. This provides certainty to the capital markets.

Upon further consideration, your Committee has amended this measure by blending it with S.B. No. 459, S.D. 2, as follows:

- (1) Deleting the duplicative reference to "costs related to the acquisition or construction of health care facilities" from page 2, lines 13-14;
- (2) Changing the lapse date from June 30, 2010 to April 30, 2010;
- (3) Making the measure effective upon its approval; and
- (4) Making technical, non-substantive amendments for 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. 1459, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1459, 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 (Hanabusa, Whalen).

SCRep. 1051 Media, Arts, Science and Technology on H.B. No. 1657

The purpose of this measure is to authorize the issuance of special purpose revenue bonds in the amount of \$10,000,000 to assist Hoku Scientific with facility infrastructure and equipment for the company's core products.

Your Committee received testimony in support of this measure from Hoku Scientific. Your Committee also received comments on this measure from the Department of Budget and Finance.

In response to questions posed by your Committee, Hoku Scientific testified that:

- (1) If the measure is approved, the company will use the special purpose revenue bonds for design and construction costs and to purchase land upon which to build production facilities for its core products; and
- (2) Hoku Scientific also is seeking other methods of financing the project.

Your Committee finds that Hoku Scientific is committed to developing technologies that provide alternate sources of clean and efficient energy that will diversify the local economy and provide highly skilled labor positions. Your Committee further finds that Hoku Scientific's fuel cell membrane technology, including a new membrane for use in Proton Exchange Membrane fuel cells, requires a specialized production facility and related equipment.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1657, 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, 1 (Ihara).

SCRep. 1052 Media, Arts, Science and Technology on S.R. No. 25

The purpose of this measure is to congratulate Maui County on the centennial year of its birth as a county.

Your Committee received testimony in support of this measure from the Senators from the fourth, fifth, and sixth senatorial districts and from one individual.

Your Committee finds that the County of Maui was created by Territorial Act 39 in April 1905. The County of Maui will celebrate its centennial this year with a variety of events on Maui, Lanai, and Molokai that will recognize and celebrate the County's accomplishments, history, legacy, and multi-cultural heritage.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 25 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 1053 Transportation and Government Operations on H.B. No. 1152

The purpose of this measure is to:

- (1) Require the Department of Transportation to perform a review of recent traffic studies of the Central Oahu corridor, consider alternative methods of improving regional connectivity and reducing travel time, and develop a comprehensive set of recommendations for improving traffic flow in the area; and
- (2) Make an appropriation for a review of Central Oahu traffic studies and alternatives for improving traffic flow in the Central Oahu corridor.

Your Committee received testimony in support of this measure from the Department of Transportation and Mililani Neighborhood Board No. 25. Comments were received from Life of the Land.

It is critical that Hawaii's highways and roads accommodate traffic flows efficiently, safely, and quickly. Motorists from Wahiawa, Mililani, Waipahu, and other leeward communities depend on and use the H-2 freeway and Kamehameha highway in their daily commutes to and from work and for other purposes. These highways are critical roads that serve as ingress and egress for a multitude of communities bridging Central Oahu and urban Honolulu.

It is only logical to determine whether a set of recommendations may be developed through a review of past traffic studies and consideration of alternatives for improving regional connectivity and reducing travel time, including the possibility of extending the "zipper" contra-flow lane from the H-1/H-2 interchange to Mililani.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1152, 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 (Baker).

SCRep. 1054 Transportation and Government Operations on H.B. No. 89

The purpose of this measure is to make an appropriation for the Department of Transportation to customize a harbor security system for the specific requirements of the port of Honolulu, in conjunction with the United States Coast Guard, Hawaii state civil defense, and the respective county police departments, contingent upon receipt of federal funds of \$8,000,000.

Your Committee received testimony in support of this measure from the Department of Transportation, State Department of Defense, The Chamber of Commerce of Hawaii, and one individual. Comments were received from the ILWU.

The security of harbors and waterways in Hawaii is an area of great concern, especially after the terrorist attacks of September 11, 2001. The many harbors and waterways of the State are crucial to our islands' well-being and vital to the support structure of the commercial health of the State, the United States Navy, other branches of the military, and commercial importers and exporters. Hawaii's cruise ship industry has been revived and has contributed to the State's economic recovery. Thus, the security of Hawaii's ports is crucial to ensure the safety of visitors.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 89, 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 (Baker).

SCRep. 1055 Transportation and Government Operations on H.B. No. 925

The purpose of this measure is to make an appropriation to study the feasibility of building a motor vehicle and railway tunnel under Honolulu Harbor.

Your Committee received testimony in support of this measure from the Department of Transportation, a State House Representative, and four individuals. Comments were received from Life of the Land.

Traffic continues to be one of the most pressing problems confronting our State. Although the size of our population and the number of cars, trucks, and other vehicles continue to grow, the space available to accommodate their movement remains unchanged. As a result, a renewed effort must be made to identify means of improving traffic flow and other methods of moving people and goods. The demands placed on our transportation infrastructure have only increased, and the need for an alternative such as a tunnel has grown as well. This measure is a preliminary step in that direction.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 925, 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, 6. Noes, none. Excused, 1 (Baker).

SCRep. 1056 Commerce, Consumer Protection and Housing on H.B. No. 390

The purpose of this measure is to repeal the increase in the rental motor vehicle surcharge tax effective between September 1, 1999 and August 31, 2007.

Catrala-Hawaii testified in support of the measure. The Departments of Transportation and Taxation opposed the measure and the Tax Foundation of Hawaii presented comments.

Act 263, Session Laws of Hawaii 1991, enacted a \$2 per day surcharge on rental motor vehicles to support the state highway fund. Act 223, Session Laws of Hawaii 1999, increased the surcharge to \$3 effective September 1, 1999 to August 31, 2007, but authorized an exemption from the surcharge for the rental of a vehicle to replace a vehicle under repair. This measure repeals the temporary increase and makes the exemption permanent.

Your Committee finds that the accumulation of surcharge tax revenues has enabled more than \$155 million to be transferred out of the state highway fund over the last eight years to support the general fund budget; therefore, it would appear that a repeal of the surcharge increase may be appropriate. However, your Committee further finds that there are concerns that the potential revenue loss of more than \$11 million annually would adversely affect the DOT's ability to maintain the state highway system and further, that the measure may require a retroactive reduction of fees. In light of these unresolved issues, your Committee has amended this measure by inserting an effective date of July 1, 2050 to ensure continued review and 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 H.B. No. 390, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 390, 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 (Ige, Sakamoto).

SCRep. 1057 (Joint) Transportation and Government Operations and Water, Land, and Agriculture on H.B. No. 1556

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for PLK Air Services Group, LLC, to plan, design, construct, and equip a Kona coffee and macadamia nut manufacturing facility and air cargo logistics and fulfillment center at Kona International Airport.

Your Committees received testimony in support of this measure from PLK Air Services Group, LLC. Comments were received from the Department of Budget and Finance.

Your Committees heard testimony that this project is a much needed facility to enable Kona coffee and macadamia nut farmers on the Big Island to get their crops to market on other islands and the mainland. The proposed facility would include a roasting plant and a refrigeration facility. The plan is to purchase coffee and nuts from farmers and process the items for market. For this purpose, the facility would be conveniently located near the airport on state land. PLK Air Services Group, LLC, is currently in lease negotiations with the State for a ten or more year renewable lease. The proposed project could be used to process other crops, and your Committees urge PLK Air Services to do so in the interests of promoting agriculture on the Big Island in exchange for state-assisted financing.

As affirmed by the records of votes of the members of your Committees on Transportation 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. 1556, 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, 9. Noes, none. Excused, 3 (Baker, English, Hemmings).

SCRep. 1058 Water, Land, and Agriculture on H.B. No. 165

The purpose of this measure is to appropriate funds for the operation and maintenance of the East Kauai irrigation system.

Testimony in support of this measure was submitted by the Agribusiness Development Corporation, Office of Hawaiian Affairs, Big Island Farm Bureau, East Kauai Water Users' Cooperative, Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, Kauai County Farm Bureau, and Saiva Siddhanta Church.

Your Committee finds that in 2002, the East Kauai Water Users' Cooperative took over operations of the East Kauai irrigation system. However, income from users is insufficient to pay for the day-to-day operation and maintenance expenses of the system. This measure appropriates funds to supplement the Cooperative's income for the operation and maintenance of the East Kauai irrigation system and help facilitate the development of diversified agriculture in Kapaa, Kauai.

Your Committee has amended this measure by:

- (1) Appropriating \$50,000 in both the 2005-2006 fiscal year and 2006-2007 fiscal year; and
- (2) Inserting an effective date of July 1, 2050 to facilitate further discussion on this 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 H.B. No. 165, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 165, 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, 1 (Fukunaga).

SCRep. 1059 Water, Land, and Agriculture on H.B. No. 168

The purpose of this measure is to appropriate funds to the Hawaii Farm Bureau Federation for agricultural research and market development.

The Department of Agriculture, the University of Hawaii College of Tropical Agriculture and Human Resources, Big Island Farm Bureau, Gay and Robinson, Inc., Hawaii Agriculture Research Center, Hawaii Aquaculture Association, Hawaiian Commercial Sugar Company, Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, Kauai Coffee, Kauai County Farm Bureau, Maui County Farm Bureau, Meadow Gold Dairies, and Pineapple Growers Association of Hawaii submitted testimony in support of this measure.

Your Committee finds that a revived and revitalized state agricultural industry would help to diversify Hawaii's economy, sustain and stabilize Hawaii's food supply, and protect the open space and lifestyle that Hawaii residents and visitors value. This measure provides funding for the Hawaii Farm Bureau Federation to conduct agricultural research and market development to revitalize the agricultural industry.

Your Committee has amended this measure by:

- (1) Deleting the dollar amount of the appropriation and has left it blank for determination by the Committee on Ways and Means; and
- (2) Inserting an effective date of July 1, 2050 to facilitate further discussion on this 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 H.B. No. 168, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 168, 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, 1 (Fukunaga).

SCRep. 1060 Water, Land, and Agriculture on H.B. No. 353

The purpose of this measure is to appropriate funds to provide Waianae Organic Agriculture Center with half of its operational expenses.

The Department of Agriculture, the University of Hawaii Leeward Community College and College of Tropical Agriculture and Human Resources, Big Island Farm Bureau, Hawaii Farm Bureau, Respiratory and Environmental Disabilities Association of Hawaii, and ten individuals submitted testimony in support of this measure.

Your Committee finds that the Waianae region of Oahu suffers from poor food security, making the availability of nutritionally adequate and safe foods limited or uncertain. Thus, this measure will promote and support the improvement of the Waianae community's food security by linking higher education, applied research, and organic food production together for a more secure future.

Your Committee has amended this measure by:

- (1) Deleting the amount of the appropriation and has left it blank for determination by the Committee on Ways and Means; and
- (2) Inserting an effective date of July 1, 2050 to facilitate further discussion on this 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 H.B. No. 353, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 353, 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, 1 (Fukunaga).

SCRep. 1061 Water, Land, and Agriculture on H.B. No. 955

The purpose of this measure is to promote the construction of drought mitigating facilities.

Testimony in support of this measure was submitted by the Department of Agriculture, Department of Taxation, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, Maui County Farm Bureau, and Pineapple Growers Association of Hawaii. Comments were also submitted by the Department of Land and Natural Resources and the Tax Foundation of Hawaii.

Your Committee finds that farmers and ranchers suffer great losses to their crops and livestock during periods of drought. These losses often take farmers and ranchers years to recover. However, these losses can be minimized by the construction of water storage facilities to alleviate water problems during times of drought. Thus, this measure promotes the construction of water storage facilities by:

- (1) Increasing the tax credit amount to an unspecified percentage; and
- (2) Repealing the date after which the tax credit is no longer available; and
- (3) Including the cost of new equipment related to the construction or repair of ancillary structures as a cost that qualifies for the tax credit.

Your Committee has amended this measure by:

- (1) Inserting a tax credit percentage of twenty percent;
- (2) Extending, rather than repealing, the cut off date for the tax credit;
- (3) Including a definition for "ancillary structures"; and
- (4) Making technical, nonsubstantive changes for style and consistency.

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. 955, H.D. 1, as amended herein, and recommends that it

pass Second Reading in the form attached hereto as H.B. No. 955, 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, 1 (Fukunaga).

SCRep. 1062 Water, Land, and Agriculture on H.B. No. 1154

The purpose of this measure is to exempt home-based agricultural producers of honey who sell limited amounts of honey to consumers from food processing and permit requirements.

The Department of Agriculture, the Department of Health, the Hawaii Farm Bureau Federation, and the Hawaii Beekeepers' Association submitted testimony in support of this measure.

Your Committee finds that honey is a relatively safe product, and allowing honey producers to sell fifty gallons or less per year should not pose a health risk. This measure provides an exemption from food processing and permit requirements to home-based agricultural producers of honey if the producer:

- (1) Sells less than fifty gallons of honey a year;
- (2) Sells the honey directly to consumers; and
- (3) Complies with specific labeling requirements.

Your Committee noted testimony from both the Department of Agriculture and the Department of Health suggesting that the provisions in this measure be placed under the jurisdiction of the Department of Health. Your Committee adopted the departments' revision and amended this measure by creating a new part within chapter 328, Hawaii Revised Statutes.

Your Committee has further amended this measure by making technical, nonsubstantive changes for style, consistency, and clarity.

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. 1154, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1154, 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, 1 (Fukunaga).

SCRep. 1063 (Joint) Media, Arts, Science and Technology and Water, Land, and Agriculture on H.B. No. 712

The purpose of this measure is to establish criminal penalties for violations against state historic sites and aviation artifacts.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and the Office of Hawaiian Affairs.

Previously, your Committees heard S.B. No. 821, the Senate companion to this measure, and found that the State has a strong interest in preserving and protecting Hawaii's historic sites and aviation artifacts. At present, the Department of Land and Natural Resources' only recourse against violators of chapter 6E, Hawaii Revised Statutes, is to pursue civil penalties where historic properties were knowingly destroyed. Your Committees find that this remedy is inadequate and does not deter future violations. Your Committees believe that this measure will strengthen the department's authority and enforcement mechanisms by providing criminal penalties in addition to existing civil and administrative penalties.

Your Committees have amended this measure by making technical amendments for consistency and style.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology 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. 712, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 712, H.D. 2, 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, 2 (Hooser, Ihara).

SCRep. 1064 (Joint) Media, Arts, Science and Technology and Transportation and Government Operations on H.B. No. 906

The purpose of this measure is to enhance public access to the legislative process by funding the transmission of legislative sessions and hearings via streaming media from the House and Senate chambers, House and Senate conference rooms, and the capitol auditorium.

Your Committees received testimony in support of this measure from the League of Women Voters of Hawaii and one individual. Your Committees also received comments from the Disability and Communication Access Board.

Your Committees find that broadcasting legislative proceedings via the internet will enable interested and concerned citizens throughout the State to view legislative floor sessions and committee hearings when it is convenient for them. Streaming media, or webcasting, permits those with access to a computer at home or in a public place such as a library, school, or community center to follow the proceedings when they could not otherwise do so. Your Committees further find that this measure will encourage public discussion of important issues and provide insight into the lawmaking process.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 906, 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, 10. Noes, none. Excused, 2 (Baker, Ihara).

SCRep. 1065 (Joint) Media, Arts, Science and Technology and Water, Land, and Agriculture on H.B. No. 1476

The purpose of this measure is to direct the Department of Land and Natural Resources to renew its efforts to acquire, through land exchange, lands adjacent to the Kohala Historical Sites State Monument.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs, Kamehameha Schools, and Mo'okini Luakini, Inc. Your Committees received comments from the Department of Land and Natural Resources.

Your Committees support the acquisition of the lands adjacent to the monument as necessary to provide public access to the Kohala Historical Sites State Monument and to protect the site. Despite the State's prior efforts, it has been unsuccessful in acquiring the described parcels. Your Committees find that this measure is critical in ensuring that the Department of Land and Natural Resources renews its efforts to acquire, through land exchange, the lands necessary to protect and preserve the Kohala Historical Sites State Monument.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology 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. 1476, 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, 6. Noes, none. Excused, 2 (Hooser, Ihara).

SCRep. 1066 (Joint) Transportation and Government Operations, Intergovernmental Affairs and Media, Arts, Science and Technology on H.B. No. 515

The purpose of this measure is to authorize the creation, use, and storage of government records in electronic format, as well as the conversion of existing paper and microfilm documents to electronic format.

Your Committees received testimony in support of this measure from the Department of Accounting and General Services, the Department of Defense, the Department of Human Resources Development, the Office of Information Practices, the Attorney General, and the University of Hawaii.

Previously, your Committees heard S.B. No. 666, the Senate companion to this measure, and amended S.B. No. 666 to exempt public officers of the Legislature from the Comptroller's authority regarding disposition of government records. This is an exemption already provided to the Judiciary, with the disposition of judiciary records contained in section 602-5.5, Hawaii Revised Statutes.

In subsequent hearings, the Comptroller expressed concerns that exempting the Legislature would lead to duplication of services and would be counterproductive to the development of uniform standards.

It is not your Committees' intent to create a separate records system. However, as a separate branch of government, it is appropriate for the Legislature to establish its own policies relating to the disposal of legislative records. To that end your Committees have amended this measure to:

- (1) Exempt the legislative branch from the Comptroller's records disposition authority; and
- (2) Authorize the Comptroller to provide assistance to the legislative branch and its agencies in establishing policies related to the disposal of public records.

Your Committees believe this is a practical alternative that will preserve the Legislature's authority over its own records, while ensuring that appropriate policies and procedures can be developed with the assistance of the Comptroller.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 515, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 515, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Ayes, 14. Noes, none. Excused, 1 (Ihara).

SCRep. 1067 Labor on H.B. No. 250

The purpose of this measure is to fund, for fiscal biennium 2005-2007, 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, for the fiscal biennium 2005-2007, the salary increases and other cost adjustments authorized under chapter 89C, Hawaii Revised Statutes, for employees who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Office of Collective Bargaining and Managed Competition, the Judiciary, the Hawaii Government Employees Association, and the United Public Workers.

Although no sums have been appropriated or authorized from the sources of funding indicated in the 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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 250, 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, 1 (Ihara).

SCRep. 1068 Labor on H.B. No. 251

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.

This measure also 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 Judiciary, the Office of Collective Bargaining and Managed Competition, and 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, 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 (2) 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. 251, 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, 1 (Ihara).

SCRep. 1069 Labor on H.B. No. 252

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.

This measure also 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 Judiciary, the Office of Collective Bargaining and Managed Competition, and 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, 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 (3) 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. 252, 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, 1 (Ihara).

SCRep. 1070 Labor on H.B. No. 253

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.

This measure also 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 Judiciary, the Office of Collective Bargaining and Managed Competition, and 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.

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. 253, 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, 1 (Ihara).

SCRep. 1071 Labor on H.B. No. 254

The purpose of this measure is to fund, for fiscal biennium 2005-2007, 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 twenty hours a week who are equal to one-half of a full-time equivalent.

This measure also funds, for fiscal biennium 2005-2007, the salary increases and other cost adjustments authorized under chapter 89C, Hawaii Revised Statutes, for employees who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Office of Collective Bargaining and Managed Competition and the Hawaii State Teachers Association.

Although no sums have been appropriated or authorized from the sources of funding indicated in the 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 H.B. No. 254, 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, 1 (Ihara).

SCRep. 1072 Labor on H.B. No. 255

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.

This measure also 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 Managed Competition and 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, 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 (6) 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. 255, 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, 1 (Ihara).

SCRep. 1073 Labor on H.B. No. 256

The purpose of this measure is to fund, for fiscal biennium 2005-2007, 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.

Additionally, this measure also funds, for fiscal biennium 2005-2007, the salary increases and other cost adjustments authorized under chapter 89C, Hawaii Revised Statutes, for employees who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Office of Collective Bargaining and Managed Competition.

Although no sums have been appropriated or authorized from the sources of funding indicated in the measure, this vehicle is necessary for funding these collective bargaining cost items, salary increases, and other cost adjustments.

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. 256, 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, 1 (Ihara).

SCRep. 1074 Labor on H.B. No. 257

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 Managed Competition 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 (8) 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. 257, 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, 1 (Ihara).

SCRep. 1075 Labor on H.B. No. 258

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.

This measure also 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 Managed Competition and 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.

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. 258, 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, 1 (Ihara).

SCRep. 1076 Labor on H.B. No. 259

The purpose of this measure is to fund, for fiscal biennium 2005-2007, all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (10), institutional, health, and correctional workers.

Additionally, this measure also funds, for fiscal biennium 2005-2007, the salary increases and other cost adjustments authorized under chapter 89C, Hawaii Revised Statutes, for employees who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Judiciary, the Office of Collective Bargaining and Managed Competition, the Hawaii Government Employees Association Managerial and Confidential Employees Chapter, and the United Public Workers.

Although no sums have been appropriated or authorized from the sources of funding indicated in the 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 (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. 259, 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, 1 (Ihara).

SCRep. 1077 Labor on H.B. No. 260

The purpose of this measure is to fund, for fiscal biennium 2005-2007, all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (11), firefighters.

This measure also funds, for the fiscal biennium 2005-2007, the salary increases and other cost adjustments authorized under chapter 89C, Hawaii Revised Statutes, for employees who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Office of Collective Bargaining and Managed Competition and the Hawaii Government Employees Association Managerial and Confidential Employees Chapter.

Although no sums have been appropriated or authorized from the sources of funding indicated in the 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 H.B. No. 260, 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, 1 (Ihara).

SCRep. 1078 Labor on H.B. No. 261

The purpose of this measure is to fund, for the fiscal biennium 2005-2007, all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (12), police officers.

This measure also funds, for the fiscal biennium 2005-2007, the salary increases and other cost adjustments authorized under chapter 89C, Hawaii Revised Statutes, for employees who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Judiciary, the Office of Collective Bargaining and Managed Competition, and the Hawaii Government Employees Association Managerial and Confidential Employees Chapter.

Although no sums have been appropriated or authorized from the sources of funding indicated in the 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 (12) 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. 261, 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, 1 (Ihara).

SCRep. 1079 Labor on H.B. No. 262

The purpose of this measure is to fund for the fiscal biennium 2005-2007 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 of the other bargaining units, who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Judiciary, the Office of Collective Bargaining and Managed Competition, the Hawaii Government Employees Association, and the Hawaii Government Employees Association Managerial and Confidential Employees Chapter.

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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 262, 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, 1 (Ihara).

SCRep. 1080 Labor on H.B. No. 263

The purpose of this measure is to fund collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining units (2), (3), (4), (6), (8), (9), and (13) and their excluded counterparts.

This measure also funds all salary increases and other cost adjustments authorized under chapter 89C, Hawaii Revised Statutes, for employees who are excluded from collective bargaining.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association and the Office of Collective Bargaining and Managed Competition, the Hawaii Government Employees Association Managerial and Confidential Employees Chapter.

Although no sums have been appropriated or authorized from the source of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for units (2), (3), (4), (6), (8), (9), and (13) 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. 263, 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, 1 (Ihara).

SCRep. 1081 (Joint) Labor and Transportation and Government Operations on H.B. No. 1528

The purpose of this measure is to adjust the salaries for state positions that are not established by the Executive Salary Commission.

Specifically, this measure adjusts the salary levels for positions within the following:

- (1) Office of Elections;
- (2) Office of the Auditor;
- (3) Legislative Reference Bureau;
- (4) Hawaii Labor Relations Board;
- (5) Office of the Ombudsman;
- (6) State Procurement Office;
- (7) Stadium Authority;
- (8) Civil Defense Agency;

- (9) Commission on Water Resource Management;
- (10) Housing and Community Development Corporation of Hawaii;
- (11) Public Utilities Commission;
- (12) Office of Solid Waste Management;
- (13) Hawaii Paroling Authority;
- (14) Labor and Industrial Relations Appeals Board;
- (15) Division of Financial Institutions;
- (16) Office of the Public Defender;
- (17) Executive Office on Aging;
- (18) Office of Veterans' Services; and
- (19) Office of Community Services.

Testimony in support of this measure was submitted by the Department of Human Resources Development, the Department of Health, the Department of Defense, the Department of the Attorney General, the Office of the Auditor, the Office of the Ombudsman, the Labor and Industrial Relations Appeals Board, the Hawaii Paroling Authority, the Legislative Reference Bureau, two Commissioners of the Public Utilities Commission, and two individuals. Testimony in opposition to this measure was submitted by the Housing and Community Development Corporation of Hawaii.

Your Committees find that in 2004, the Executive Salary Commission adjusted the salary levels for deputy directors within the State. However, the salary levels for the positions listed in items (1) through (19) above are currently established by statute and are beyond the review of the Executive Salary Commission. Additionally, the salary ranges for many of these positions have remained unchanged for over a decade. Based upon the current law, it appears that several of these positions were intended by the Legislature to be compensated within the same salary range as deputy directors or assistants, while others require adjustment by the proper authority, as appropriate. Therefore, your Committees determine 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.

Furthermore, your Committees recognize that concerns regarding salary parity may still exist under this measure and seek to address those concerns, including providing for an adjustment to the salary of the Executive Director of the State Ethics Commission.

Accordingly, your Committees have amended this measure by:

- (1) Changing the salary of the Chief Election Officer to a salary set by the election commission in accordance with the individual's qualifications and experience;
- (2) Changing the salary of the Auditor to be the same as that of a district court judge;
- (3) Changing the salary of the first assistant or deputy assistant within the Office of the Auditor to be not more than ninety-two percent of the Auditor's salary;
- (4) Changing the salary of the director of the Legislative Reference Bureau to the same as that of a district court judge;
- (5) Changing the salary of the first assistant to the Director of the Legislative Reference Bureau to not more than ninety-two percent of the Director;
- (6) Changing the salary of the chairperson of the Hawaii Labor Relations Board to be set at the maximum salary payable to the deputy director of the Department of Budget and Finance;
- (7) Changing the salary of the Ombudsman to the same as that of a district court judge;
- (8) Changing the salary of the first assistant to the Ombudsman to not more than ninety-two percent of the Ombudsman's salary;
- (9) Changing the salary for the state procurement office administrator to be a salary set by the Governor in accordance with the individual's qualifications and experience;
- (10) Changing the salary of the manager of the stadium authority to be a salary set by the stadium authority in accordance with the individual's qualifications and experience;
- (11) Changing the salary of the deputy manager of the stadium authority to be equal to eighty-five percent of the manager's salary;

- (12) Changing the salary of the Vice-Director of civil defense to a salary set by the Director of civil defense;
- (13) Changing the salary of the executive director of the Housing and Community Development Corporation of Hawaii (HCDCH) to a salary set by the HCDCH board;
- (14) Changing the salary of the executive assistant of the HCDCH to a salary set by the HCDCH board;
- (15) Changing the salary of the chairperson of the Public Utilities Commission to be set at the maximum salary payable to the deputy director of the Department of Budget and Finance;
- (16) Changing the salary of the recycling coordinator to be a salary set by the Director of Health;
- (17) Changing the salary of the director of the Executive Office on Aging to be a salary set by the Director of Health;
- (18) Changing the salary of the chair of the Hawaii Paroling Authority to be set at the maximum salary payable to a deputy director of the Department of Public Safety;
- (19) Changing the salary of the director of the Office of Veterans' Services to be a salary set by the Governor;
- (20) Changing the salary of the chairperson of the Labor and Industrial Relations Appeals Board to be set at the maximum salary payable to the deputy director of the Department of Budget and Finance;
- (21) Including an amendment to the salary of the Executive Director of the Hawaii State Ethics Commission to be set by the Ethics Commission at an amount that does not exceed the salary of the first assistant or first deputy auditor;
- (22) Changing the effective date of the Act from July 1, 2010 to be effective on July 1, 2005; and
- (23) 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 and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1528, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1528, 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, 1 (Whalen).

SCRep. 1082 Labor on H.B. No. 1594

The purpose of this measure is to fund collective bargaining cost items relating to contributions to the employer-union health benefits trust fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (1), nonsupervisory employees in blue collar positions and their excluded counterparts.

Testimony in support of this measure was submitted by the Office of Collective Bargaining and Managed Competition and the Hawaii Government Employees Association Managerial and Confidential Employees Chapter.

Although no sums have been appropriated or authorized from the source of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items 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. 1594, 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, 1 (Ihara).

SCRep. 1083 Labor on H.B. No. 1595

The purpose of this measure is to fund collective bargaining cost items relating to contributions to the employer-union health benefits trust fund 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 twenty hours a week who are equal to one-half of a full-time equivalent, and their excluded counterparts.

Testimony in support of this measure was submitted by the Office of Collective Bargaining and Managed Competition and the Hawaii State Teachers Association.

Although no sums have been appropriated or authorized from the source of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items 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. 1595, 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, 1 (Ihara).

SCRep. 1084 Labor on H.B. No. 1596

The purpose of this measure is to fund collective bargaining cost items relating to contributions to the employer-union health benefits trust fund 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 and their excluded counterparts.

Testimony in support of this measure was submitted by the Office of Collective Bargaining and Managed Competition.

Although no sums have been appropriated or authorized from the source of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items 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. 1596, 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, 1 (Ihara).

SCRep. 1085 Labor on H.B. No. 1597

The purpose of this measure is to fund collective bargaining cost items relating to contributions to the employer-union health benefits trust fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (9), registered professional nurses and their excluded counterparts.

Testimony in support of this measure was submitted by the Office of Collective Bargaining and Managed Competition and the Hawaii Government Employees Association.

Although no sums have been appropriated or authorized from the source of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items 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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1597, 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, 1 (Ihara).

SCRep. 1086 Labor on H.B. No. 1598

The purpose of this measure is to fund collective bargaining cost items relating to contributions to the employer-union health benefits trust fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (10), institutional, health, and correctional workers and their excluded counterparts.

Testimony in support of this measure was submitted by the Office of Collective Bargaining and Managed Competition and the Hawaii Government Employees Association Managerial and Confidential Employees Chapter.

Although no sums have been appropriated or authorized from the source of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items 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. 1598, 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, 1 (Ihara).

SCRep. 1087 Labor on H.B. No. 1599

The purpose of this measure is to fund collective bargaining cost items relating to contributions to the employer-union health benefits trust fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining units (2), (3), (4), (6), (8), and (13) and their excluded counterparts.

Testimony in support of this measure was submitted by Office of Collective Bargaining and Managed Competition and the Hawaii Government Employees Association.

Although no sums have been appropriated or authorized from the source of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items 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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1599, 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, 1 (Ihara).

SCRep. 1088 (Joint) Health and Intergovernmental Affairs on H.B. No. 1734

The purpose of this measure is to return traditional zoning regulatory authority in residential zones back to the counties and to allow the Department of Health to license all special treatment facilities and therapeutic living programs.

The Office of the Lieutenant Governor, the Department of Health, the Honolulu Department of Planning and Permitting, the Honolulu Police Department, the Hawaii Association of Realtors, the Kailua Neighborhood Board, and two individuals submitted testimony in support of this measure. Oxford House, Inc., Tradition House, and three individuals submitted testimony in opposition.

Your Committees find a need to ensure the availability of appropriate settings for persons recovering from substance abuse and find it appropriate to establish a continuum of these settings within the community that would be consistent with current law. Further, your Committees recognize the communities' need to have input into the establishment of these homes in their neighborhoods.

Upon further consideration, your Committees have amended this measure by blending it with S.B. No. 791 S.D.2 as follows:

- (1) Replacing the H.B. findings section with the S.B. findings section;
- (2) Adding "and that provide a structured environment of clean and sober living conditions to sustain recovery" to the definition of clean and sober homes;
- (3) Amending chapter 334, HRS, instead of chapter 321, HRS, to authorize the Department of Health to license special treatment facilities and therapeutic living programs;
- (4) Amending subsection 46-4(e), HRS, to include a drug rehabilitation home and defining that term;
- (5) Adding a section to ensure that this measure shall not apply to a drug rehabilitation home, special treatment facility, or therapeutic living program in existence prior to its effective date; and
- (6) Making the measure effective upon its approval.

As affirmed by the records of votes of the members of your Committees on Health and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1734, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1734, 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, 6. Noes, none. Excused, 5 (English, Hanabusa, Inouye, Kim, Whalen).

SCRep. 1089 Transportation and Government Operations on H.B. No. 81

The purpose of this measure is to require the markings of motor carrier vehicles to be readily legible during daylight hours from a distance of fifty feet while the motor carrier is stationary.

Testimony in support of this measure was received from the Department of Transportation (DOT) and Hawaii Transportation Association.

According to testimony of the DOT, this measure would more closely conform Hawaii law to the Federal Motor Carrier Safety Regulations, which is more widely considered to be the uniform standard throughout the United States. Your Committee finds this change to be appropriate.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 81, 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, 2 (Kanno, Whalen).

SCRep. 1090 Transportation and Government Operations on H.B. No. 85

The purpose of this measure is to exclude Piers 1 and 2 from the Kakaako Community Development District.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii, ILWU Local 142, Aloha Cargo Transport, Young Brothers, Limited, Matson Navigation Company, Hawaii Ship Agents Association, Hawaii Stevedores, Inc., and three individuals. Testimony in opposition was received from the Hawaii Community Development Authority. Comments were received from the Department of Transportation (DOT).

Your Committee notes the difference of opinion as to whether Honolulu's main waterfront should be a part of the comprehensive development plan for the Kakaako area or be under the jurisdiction of the DOT. There are currently two significant and perhaps irreconcilable approaches to planning for Honolulu Harbor. One approach would emphasize cargo shipping, container space, and related parking. The other approach would emphasize holistic planning to meld the waterfront with the surrounding community development. The latter approach would plan for cruise ships and terminals. Both uses are of utmost importance. As an island state, Hawaii depends upon moving cargo and people in a constant stream of economic flow. The main artery of this flow is Pier 1 and Pier 2. The root of the problem is a lack of space.

Your Committee urges the DOT to plan prudently for Hawaii's future by ensuring there are sufficient cargo ship and container facilities, if not at Honolulu Harbor then at Barbers Point and Kalaeloa. Your Committee is passing out this measure on the basis that Hawaii must maintain the flow of shipping into and out of the State. Shipping is the lifeline of our citizens.

Your Committee has amended this measure by making a technical, nonsubstantive amendment and changing the effective date to upon approval.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 85, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 85, 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 (Kanno, Menor, Whalen).

SCRep. 1091 Transportation and Government Operations on H.B. No. 437

The purpose of this measure is to clarify that when the mandatory forty-eight hour term of imprisonment for operating a vehicle under the influence of an intoxicant is added to the mandatory term of imprisonment for the first, second, or third offense, the total time of imprisonment may not exceed the maximum terms of imprisonment allowed by the statutory penalty for the offense.

Your Committee received testimony in support of this measure from the Honolulu Prosecuting Attorney and the Honolulu Police Department.

Current law specifies a mandatory term of imprisonment of forty-eight hours for persons eighteen years of age or older who are convicted of the offense of operating a vehicle under the influence of an intoxicant, if the driver had a passenger who was under fifteen years of age. Current law further specifies a term of imprisonment for conviction of the underlying offense and that the forty-eight hours when added to any imprisonment for the underlying conviction shall not exceed thirty days. According to testimony, the trial court judges have had difficulty interpreting the ambiguous language of the statute when imposing sentences. This measure clarifies the ambiguous language by amending the cross-references.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 437, 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. 1092 Transportation and Government Operations on H.B. No. 438

The purpose of this measure is to delete the penalties provided in sections 291C-13 (leaving the scene of an accident involving property damage), and 291C-18 (making false reports), Hawaii Revised Statutes, since penalties for these sections are duplicative of the chapter's penalty section.

Your Committee received testimony in support of this measure from the Department of Transportation, Honolulu Prosecuting Attorney, and Honolulu Police Department.

This measure makes a housekeeping change in order to clear up duplication of provisions within the same chapter. The intent is to avoid needless confusion.

Your Committee has amended this measure by clarifying the law on pedestrians' right of way in crosswalks, based upon the law of Washington State. As amended, the measure requires a driver to stop for a pedestrian crossing a crosswalk if the pedestrian is in the

same lane as the driver or if the pedestrian is within one lane of the driver. The amendment is intended to protect pedestrians crossing in a crosswalk where there is no signal light. Current law is vague and ambiguous, making it practically unenforceable.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 438, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 438, 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 (Kanno, Whalen).

SCRep. 1093 Transportation and Government Operations on H.B. No. 502

The purpose of this measure is to impose enhanced penalties for repeat offenders for the traffic violations of child passenger restraint systems, motor vehicle alarm systems, and motor vehicle lights equipment.

Your Committee received testimony in support of this measure from the Judiciary and the Department of Transportation (DOT).

This measure arises at the behest of the Judiciary with regard to the problems of keeping records of convictions indefinitely in order to ascertain the date of a previous offense for sentencing purposes for a subsequent offense. Judges also experience problems in sentencing a subsequent offense that is supposed to be enhanced if there is a prior offense when a statute is silent on the time limit for that prior offense. Your Committee believes that record keeping should be subordinated to the interests of the administration of justice. Your Committee further believes that judges should interpret the statute as written rather than speculating on legislative intent.

Your Committee has amended this measure on the recommendation of the DOT by deleting the reference to a three-year time period for a second offense for the child restraint system law and deleting the reference to a one year subsequent offense period for the motor vehicle lights law.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 502, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 502, 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 (Kanno, Whalen).

SCRep. 1094 Transportation and Government Operations on H.B. No. 862

The purpose of this measure is to create the criminal offense of excessive speeding.

Your Committee received testimony in support of this measure from the Department of Transportation, Honolulu Police Department, Honolulu Prosecuting Attorney, Holy Trinity School, Kuli'ou'ou/Kalani Iki Neighborhood Board #2, and Mothers Against Drunk Driving Hawaii. Testimony in opposition was received from the Office of the Public Defender.

According to the National Highway Traffic Safety Administration, speeding is one of the most prevalent factors that contribute to traffic crashes. Speeding reduces a driver's ability to safely steer through curves and around objects on the roadway, extends the distance necessary to safely stop a vehicle, and increases the distance a vehicle travels while the driver reacts to a dangerous situation.

In Hawaii, speeding was a factor in fifty-three fatal collisions during 2003, seventy-nine per cent of all fatal collisions for that year. During 2004, forty fatal collisions occurred in which speeding was a factor, which was sixty-one per cent of that year's traffic fatalities.

Your Committee has amended this measure by:

- (1) Lowering the speed limit parameters by substituting twenty-five for thirty miles per hour and substituting eighty for ninety miles per hour; and
- (2) Making this measure effective upon its approval.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 862, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 862, 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, 5. Noes, none. Excused, 2 (Kanno, Whalen).

SCRep. 1095 Transportation and Government Operations on H.B. No. 919

The purpose of this measure is to provide an enhanced penalty of vehicle forfeiture for a driver convicted of operating a vehicle under the influence of an intoxicant within five years of two prior convictions for the same offense, or for the offense of habitually operating a vehicle while under the influence.

Your Committee received testimony in support of this measure from the Department of Transportation, Mothers Against Drunk Driving Hawaii (MADD), and Catrala-Hawaii. Testimony in opposition was received from the Office of the Public Defender and the Honolulu Police Department.

According to testimony of MADD, alcohol and drug impaired driving remains the most frequently committed violent crime in America. Vehicle forfeiture is a means of reducing the incidence of crashes and fatalities. Repeat offenders are typically addicted to intoxicants and criminal penalties are typically an insufficient deterrent. Vehicle forfeiture is a necessary weapon in the arsenal of criminal penalties.

Your Committee is cognizant of the concerns raised by the Honolulu Police Department that Honolulu does not have the facility to store the forfeited vehicles. This is a budget and resource concern, which has been raised in the past by Honolulu. Notwithstanding this concern, your Committee believes that deterrence of this deadly crime and the saving of lives are of utmost priority and urges the City and County of Honolulu and the Department of Transportation to collaborate on a solution.

Your Committee has amended this measure by:

- (1) Clarifying that the vehicle must be owned and operated by the driver in order to be subject to forfeiture;
- (2) Changing the effective date to upon approval; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 919, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 919, 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 (Kanno, Whalen).

SCRep. 1096 (Joint/Majority) Transportation and Government Operations and Intergovernmental Affairs on H.B. No. 1309

The purpose of this measure is to allow the counties to establish a county surcharge on the state excise and use taxes to fund public transportation in the counties.

Your Committees received testimony in support of this measure from Congressman Neil Abercrombie, Department of Transportation, Honolulu Department of Transportation Services, Honolulu Transportation Commission, two Honolulu City Council members, Catrala-Hawaii, Hawaii Automobile Dealers Association, Committee For Balanced Transportation, Hawaii Building and Construction Trades Council (AFL-CIO), Leeward Oahu Transportation Management Association, WESLIN Consulting Services, The Hawaii Business League, and twelve individuals. Testimony in opposition was received from the Department of Taxation (to the collection of the tax), Hawaii Association of Realtors, SuperStar Hawaii Transit Service, National Federation of Independent Business, Retail Merchants of Hawaii, Grassroots Institute of Hawaii, The Chamber of Commerce of Hawaii, Paradise Cruise, Ltd., Royal Princess Cruises, Inc., Charley's Taxi, Institute of Real Estate Management, and twelve individuals. Comments were received from the Tax Foundation of Hawaii.

The Honorable Neil Abercrombie, United States Representative for urban Honolulu, urged your Committees to pass a "local funding initiative" to have a "funding mechanism in place" to demonstrate to the Federal Transit Administration that Hawaii is serious about constructing a rail mass transit system. Hawaii is competing with the other states to secure federal monies to subsidize the costs of construction of a mass transit system.

The capital costs for a fixed rail system with an initial trunk line extending from Kapolei in West Oahu to Iwilei in the central business district was estimated in 2004 to be in excess of \$2 billion by the Department of Transportation. A portion of the costs is anticipated to be paid with federal funds. Your Committees find that a fixed rail mass transit system is not possible without additional dedicated funding from a county mass transit surcharge.

Your Committees further find that the apparent haphazard development of mass transit development and financing plans over the years is due to the fact that a solution to transportation problems on all islands has eluded the State for many years. Every attempt has fallen short, despite the best efforts of many informed and knowledgeable people, including a multitude of experts. Bigger highways, more buses, and ferries are inadequate over the long term to serve transportation needs, and are unsuitable for many areas of the largest county. In contrast, a fixed light rail system has possibilities but the costs are prohibitive without a heavy investment of revenues. Nevertheless, light rail is not suitable for every county.

Your Committees are reluctant to, in effect, provide for a raise in taxes. However, your Committees believe that there is no alternative if mass transit is to become a reality. The costs are simply prohibitive. The time is now, following fifteen years in the making, to decide to implement light rail or not.

The intent of your Committees is to provide the counties with assistance in mass transit design and planning, and with construction financing ability. The Department of Transportation as well as the Honolulu Department of Transportation Services have assured your Committees that in fact they are working collaboratively to that end.

Your Committees have amended this measure by:

- (1) Adding a purpose section to provide a historic record of the legislative efforts in enacting a county mass transit tax, so that future generations will have information and a perspective of what transpired in passing this landmark legislation;
- (2) Clarifying that the surcharge proceeds may be expended upon fixed rail rapid transit;
- (3) Allowing rental car dealers to pass on the surcharge to lessees; and
- (4) Changing the effective date to July 1, 2020.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1309, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1309, 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, 2 (Slom, Whalen). Excused, 3 (English, Kanno, Nishihara).

SCRep. 1097 Transportation and Government Operations on H.B. No. 1469

The purpose of this measure is to exempt small purchases from the verification requirements relating to tax clearance, Department of Commerce and Consumer Affairs certificates, and Department of Labor and Industrial Relations certificates.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services (DAGS), Department of Budget and Finance, Department of Education, State Procurement Office, Mayor of Hawaii County, Hawaii County Finance Department, and Maui County Finance Department.

This measure is intended to reduce the burden on state and county agencies by eliminating the need to verify vendor and contractor compliance with all applicable Hawaii laws for purchases of less than \$25,000. This process also causes undue delay. For example, the County of Kauai currently processes approximately 700 purchase orders per month, with an estimated turn around time of two to three working days. The process is typically extended to as much as 10 to 15 working days if the contractor needs to gather the clearances and certifications.

Your Committee finds that there is a significant burden on small businesses that must gather the necessary paper work when submitting bids. Your Committee views this measure as an encouraging development of small businesses by making it easier for them to be awarded government contracts. Many small businesses rely heavily upon government contracts. This measure will facilitate achieving that end.

Your Committee has amended this measure upon the recommendation of DAGS by amending the public procurement code regarding the responsibility of offerors in section 103D-310(c), Hawaii Revised Statutes, by repealing statutory material relating to requirements of incorporation or organization under the laws of Hawaii, and registration to do business in Hawaii as a separate branch or division that is capable of fully performing the contract. Your Committee finds that these statutory provisions are unnecessary if the conditions of section 103D-310(c) are met.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1469, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1469, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Hee, Kanno, Menor).

SCRep. 1098 Transportation and Government Operations on H.B. No. 1472

The purpose of this measure is to require the Department of Transportation (DOT) to perform a definitive study to determine the feasibility of implementing a permanent contraflow traffic scheme for the Pali highway during peak traffic hours.

Your Committee received comments on this measure from the DOT.

The Pali highway is a critical road that serves as ingress and egress for a multitude of communities bridging windward and leeward Oahu. Motorists from Waimanalo, Kailua, Kaneohe, and other windward communities depend on and use the Pali highway in their daily commutes to and from work and for other purposes. It has become apparent over the years that during peak traffic hours in the mornings and afternoons, traffic backs up for miles in every direction as vehicles approach the Pali highway. It has also become equally obvious that windward-bound traffic during peak hours is invariably sparse. Given these conditions, it is only logical to determine whether some sort of contraflow traffic scheme can be implemented.

The DOT recognizes the problem and works continually to monitor and improve the traffic flow, including use of contraflow lanes. However, there have been no definitive published traffic studies concerning the feasibility and advisability of initiating a contraflow lane.

Your Committee has amended this measure to add to the study Kahekili highway, which is also subject to severe traffic congestion during peak traffic times.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1472, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1472, 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, Whalen).

SCRep. 1099 (Joint/Majority) Transportation and Government Operations and Intergovernmental Affairs on H.B. No. 1645

The purpose of this measure is to create a mass transit planning account to hold a portion of the fuel taxes to fund the development of a mass transit work plan including a fixed guideway mass transit system.

Your Committees received testimony in support of this measure from the Environmental Center of the University of Hawaii and Leeward Oahu Transportation Management Association. Testimony in opposition was received from the Department of Transportation, Department of Taxation, Attorney General, Institute of Real Estate Management, and one individual. Comments were received from Life of the Land and Tax Foundation of Hawaii.

The intent of your Committees is to provide a means by which counties can begin the process of planning for mass transit systems, including light rail transit. The upfront costs of planning, including environmental impact statements, could be a prohibitive factor for counties to initiate mass transit planning.

Your Committees note the testimony of the Attorney General of legal and constitutional concerns regarding this measure. Your Committees requests the Committee on Ways and Means to follow up on these concerns with the Attorney General.

Your Committees have amended this measure by changing the effective date to July 1, 2020.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1645, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1645, 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, 2 (Slom, Whalen). Excused, 3 (English, Kanno, Nishihara).

SCRep. 1100 (Joint) Media, Arts, Science and Technology and Commerce, Consumer Protection and Housing on H.B. No. 164

The purpose of this measure is to classify the unauthorized use of audiovisual recording devices in a movie theater while a motion picture is being exhibited as a misdemeanor.

Your Committees received testimony in support of this measure from the Motion Picture Association of America, Inc., the Screen Actors Guild, and one individual.

Your Committees find that movie piracy through unauthorized audiovisual recordings made in movie theaters has resulted in losses to the motion picture industry, including actors, producers, and distributors of motion pictures. The illicitly copied movies are illegally duplicated, packaged, and distributed across the country and abroad, further aggravating industry losses.

Your Committees note that retail merchants are afforded protection from civil liability for detaining suspected shoplifters while awaiting the arrival of law enforcement officers. It is your Committees' intent to extend the same protections to movie theater owners or lessees, or their agents.

Your Committees therefore have amended this measure by reinstating the provisions that protect an authorized person from civil liability when taking reasonable action to detain an unauthorized user of an audiovisual recording device in a movie theater while awaiting the arrival of law enforcement officers, which were previously deleted in H.B. No. 164, H.D. 1.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, 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 H.B. No. 164, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 164, 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, 7. Noes, none. Excused, 2 (Espero, Ihara).

SCRep. 1101 Media, Arts, Science and Technology on H.B. No. 283

The purpose of this measure is to establish a commission to research and recommend how the State can recognize and honor Senator Hiram L. Fong.

Your Committee received testimony in favor of this measure from the ILWU Local 142, Finance Factors, Ltd., and six individuals, including Senator Fong's daughter and granddaughter.

Your Committee recognizes Senator Fong's numerous contributions and accomplishments to our nation and to Hawaii. Senator Fong had a long and illustrious career and life. He was a lawyer, entrepreneur, and statesman who served in the Territorial House of Representatives and subsequently became the first Asian-American elected to the United States Senate. Senator Fong also was the first Hawaii resident to receive the Horatio Alger Award for overcoming poverty to achieve outstanding success in law, business, and public service. He will be remembered for his contributions to statehood, his entrepreneurial spirit, and his long record on civil and immigration rights.

Your Committee has heard concerns regarding the expenditure of any public moneys raised by the commission. Currently, this measure exempts from chapter 42F, Hawaii Revised Statutes, any grant or subsidy made by the Legislature for the purposes of this measure, but does not specify under what authority state funds would be expended.

Your Committee has amended this measure accordingly, to add a requirement that the commission identify and recommend procedures for the appropriate disbursement of any public funds received by the nonprofit organization selected to be responsible for any moneys received or expended for honoring Senator Fong. Your Committee also made technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 283, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 283, 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, 1 (Ihara).

SCRep. 1102 Commerce, Consumer Protection and Housing on H.B. No. 633

The purpose of this measure is to extend the Department of Commerce and Consumer Affairs' authority to adjust fees and other nontax revenues to all fees and nontax revenues within its jurisdiction and to repeal the authority of the Department to effect an adjustment in fees through an increase.

The Building Industry Association of Hawaii testified in support of the measure. The Department of Commerce and Consumer Affairs (DCCA), Retail Merchants of Hawaii, The Chamber of Commerce of Hawaii, and Hawaii Association of Realtors supported the measure in its original form.

Subject to the approval of the governor, DCCA is currently authorized under section 92-28, Hawaii Revised Statutes (HRS), to adjust some of its fees and other nontax revenues by an amount no greater than fifty per cent in order to maintain a reasonable relationship between the cost of providing services and revenues collected. This measure proposes to extend that authority to all fees and nontax revenues collected by the Department, thereby establishing a more equitable system of regulation.

Additionally, this measure proposes to repeal DCCA's authority to effect an adjustment through an increase in fees, thereby permitting the Department to expeditiously adjust fees only in a downward direction.

Your Committee finds that DCCA has responsibly exercised its authority to adjust fees under section 92-28, HRS, and implemented savings of between twenty-five and fifty per cent in fees this year for initial business filings and on-line renewals. Your Committee further finds that the prohibition on fee increases proposed by this measure would impair the Department's ability to expeditiously align revenues with expenses and may jeopardize the efficient operation of the Department.

Accordingly, your Committee has amended this measure by replacing its language with the contents of S.B. No. 742 (2005), which reflects the original language of this measure. As amended, this measure:

- (1) Retains DCCA's authority under section 92-28, HRS, to adjust fees through an increase, and makes a conforming amendment to section 26-9(o), HRS, as set forth in Act 164, Session Laws of Hawaii (2004); and
- (2) Takes effect on July 1, 2005.

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. 633, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 633, 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 (Ige, Sakamoto).

SCRep. 1103 (Majority) Commerce, Consumer Protection and Housing on H.B. No. 863

The purpose of this measure is to facilitate the development of a single integrated state energy strategy by requiring the development of an automated petroleum industry information reporting system and establishing a dedicated source of funding to support the reporting program and other related activities.

Testimony in support of the measure was received from the Department of Business, Economic Development, and Tourism (DBEDT), Hawaii Energy Policy Forum, Hawaii Renewable Energy Alliance, and an individual. The Department of Budget and Finance, Department of Health, and Western State Petroleum Association opposed the measure. Comments were submitted by the Public Utilities Commission (PUC) and The Gas Company.

Currently, the Petroleum Industry Information Reporting Act (PIIRA), codified in chapter 486J, Hawaii Revised Statutes, requires the filing of reports with the Petroleum Commissioner (Commissioner) by fuel distributors, major oil producers, refiners, marketers, oil transporters and oil storers, and requires the Commissioner to analyze the information collected with respect to the issues of the supply and pricing of petroleum products in the State. This measure modifies and establishes additional reporting requirements under PIIRA and requires DBEDT to develop and maintain an automated petroleum industry information system with the goal of developing a single integrated state energy strategy.

Additionally, this measure establishes the Petroleum Industry Monitoring, Analysis, and Reporting Special Fund, appropriates funds thereto from the Environmental Response Revolving Fund, and appropriates moneys from the new fund to support the reporting program, fund positions within the PUC to operate the gasoline price control program, and fund activities of the Hawaii Energy Policy Forum.

Your Committee has amended this measure:

- (1) To take effect on July 1, 2005; and
- (2) By making technical amendments for the purposes of clarity, consistency, and 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. 863, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 863, 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 (Hogue). Excused, 2 (Ige, Sakamoto).

SCRep. 1104 Commerce, Consumer Protection and Housing on H.B. No. 769

The purpose of this measure is to exempt unclaimed property held by an electric utility cooperative association from the laws governing the disposition of unclaimed property.

Testimony in support of this measure was submitted by the Department of Budget and Finance and the Kauai Island Utility Cooperative.

Electric utility cooperative associations are nonprofit entities formed to provide essential electric services to their members. Without the need to generate profits and pay shareholder dividends, these cooperatives are able to reinvest "margins" (akin to profits realized by for-profit entities) by allocating them to their members as capital credit contributions, and may also return moneys to their members as patronage capital refunds.

Under current law, unclaimed patronage capital refunds and other unclaimed property held by an electric utility cooperative association are required to be relinquished to the State under the unclaimed property laws, making these moneys unavailable for use by the cooperative for the general welfare of its members.

This measure would enable electric cooperatives to retain and utilize unclaimed funds to further the interests of their members and the larger community by exempting unclaimed property held by the cooperatives from the unclaimed property laws. The cooperative would be required to file an annual report with the Director of Finance listing all unclaimed property in its possession, establish a nonprofit corporation to receive non-escheat patronage refunds (patronage capital refunds unclaimed for five years), and use the moneys held by the nonprofit corporation for charitable and educational purposes.

Your Committee finds that twenty-five states have enacted similar laws and that this measure would enable an electric utility cooperative association to retain the use of its members' moneys for the benefit of the cooperative and the community it serves.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and 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. 769, H.D. 3, as amended herein, and

recommends that it pass Second Reading in the form attached hereto as H.B. No. 769, H.D. 3, 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 (Ige, Sakamoto).

SCRep. 1105 Commerce, Consumer Protection and Housing on H.B. No. 1554

The purpose of this measure is to encourage the sale of fee ownership in real property by providing fee owners with a tax exemption for income received from the sale of their leased fee interests.

The Hawaii Council of Associations of Apartment Owners, Hawaii Independent Condominium and Cooperative Owners, Hawaii Legislative Action Committee of the Community Associations Institute, Hawaii Association of Realtors, Monarch Properties, Inc., and twelve individuals testified in support of this measure. The Department of Taxation and an individual opposed the measure.

With the recent repeal of the City and County of Honolulu's mandatory condominium leasehold conversion law, condominium owners who wish to purchase the properties under their units will no longer be able to compel the sale of the leased fee interest, and instead will have to rely upon the voluntary offering of the fee interest by owners who lack significant incentives to sell. This measure would establish an incentive for lessors of multi-family residential leasehold units and property, as well as lessors of residential house lots to sell their leased fee interests by providing, for a limited period, an exemption from income taxes on seventy-five per cent of the income received on the sale of the leased fee interest to the lessee.

Your Committee finds that this measure will provide lessors who wish to minimize the tax consequences of selling their real property with an alternative to executing a Section 1031 property exchange. Additionally, the real estate activity encouraged by this measure will generate revenues for the State through conveyance tax fees and taxes on broker commissions. Finally, this measure will facilitate fee simple ownership for lessees who have invested substantial sums in their homes through the payment of mortgages, property taxes, and maintenance fees, and who seek the security of owning the fee interest in their homes.

Your Committee has amended this measure:

- (1) To exempt from taxation one hundred per cent of the gain realized from the sale of the leased fee interest, rather than seventy-five per cent of the income received from the sale;
- (2) To include within the exemption, gains realized from the sale of the leased fee interest in a multi-family residential leasehold property to the property's residential cooperative corporation;
- (3) To broaden the reference to "fee simple owner" to include legal and equitable owners;
- (4) To provide that the term "legal and equitable owner" has the same meaning as that established in the Hawaii Land Reform Act;
- (5) To take effect upon approval; and
- (6) By making technical amendments for the 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. 1554, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1554, 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 (Ige, Sakamoto).

SCRep. 1106 Human Services on H.B. No. 582

The purpose of this measure is to change the name of the Hawaii State Clearinghouse for Missing Children to "Missing Child Center-Hawaii".

The Attorney General testified in support of this bill.

Your Committee finds that in 1997, the Hawaii Clearinghouse for Missing Children was renamed the Missing Child Center-Hawaii. However, this change was never codified into the statute. To avoid further confusion and misconception to the public that there are two different agencies or entities, your Committee recommended the passage of this measure in order to rectify this confusion.

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. 582, 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, 4. Noes, none. Excused, 2 (Fukunaga, Trimble).

SCRep. 1107 Business and Economic Development on H.B. No. 162

The purpose of this measure is to promote and develop the growth of small businesses.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; the Department of Accounting and General Services; the Chamber of Commerce of Hawaii; Environet, Inc.; and three individuals. Your Committee also received comments from the State Procurement Office.

Your Committee finds that this measure will support small business growth and development. This measure directs the Procurement Policy Board to establish administrative rules that help small businesses obtain state and county contracts. This measure allows for the creation of small business set-asides and encourages larger contractors to use small businesses as subcontractors by making it one of the factors considered in the bid evaluation process. Your Committee also notes that this measure is similar to S.B. No. 668, S.D. 1, which earlier was passed by the Senate.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 162, H.D. 2, and recommends that it pass Second Reading and be referred to the Committees on Transportation and Government Operations and Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Menor, Sakamoto).

SCRep. 1108 Business and Economic Development on H.B. No. 416

The purpose of this measure is to place a moratorium on the issuance of new commercial vessel permits in state small boat harbors for commercial vessels engaged in ocean-related activities until the establishment of an ocean recreation management area for the area from Kalaeloa Point to Kaena Point and the adoption of administrative rules.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Waianae Coast Neighborhood Board No. 24, Wild Dolphin Foundation, and five individuals. Your Committees also received comments from the Department of Land and Natural Resources and Hawaii Boaters Political Action Association.

Your Committee has amended this measure to:

- (1) Modify the boundaries of the proposed ocean recreation management area from Kalaeloa Point to Kaena Point to incorporate instead the area between the western end of the Honolulu International Airport's reef runway to Kaena Point;
- (2) Designate the ocean recreation management area as the West Oahu ocean recreation management area; and
- (3) Appropriate funds for preparing detailed ocean recreation management area rules.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 416, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 416, 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, 2 (Menor, Sakamoto).

SCRep. 1109 Business and Economic Development on H.B. No. 912

The purpose of this measure is to appropriate moneys to the Hawaii Small Business Development Center Network to advance its work of helping small businesses grow through management-force training.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and the Hawaii Small Business Development Center Network.

Your Committee finds that this measure supports the sustainability, growth, and development of small businesses in Hawaii by funding the Hawaii Small Business Development Center Network, which assists over one thousand members of the small business community through business training, counseling, advocacy, and research activities each year. Your Committee also notes that the companion to this measure, S.B. No. 987, was heard and approved by the Committee, with amendments.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 912, 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, 2 (Menor, Sakamoto).

SCRep. 1110 (Joint) Transportation and Government Operations and Intergovernmental Affairs on H.B. No. 79

The purpose of this measure is to repeal the prohibition on the transfer of organization license plates upon the sale of a vehicle assigned the license plate, and to allow a county to remove an organization from the program if the organization does not achieve the requisite number of 150 participants within three years.

Your Committees received testimony in support of this measure from the Honolulu Police Department and the Honolulu Department of Customer Services.

Current law requires that upon the sale of a vehicle with an organization license plate, the seller must remove the plates and obtain regular issued plates even if the buyer wishes to retain the plates. This measure would allow a seller to transfer the plates to the buyer without the payment of an additional fee for replacement plates prior to the sale.

According to testimony, the required minimum number of members of an organization entitled to have a special license plate is 150. Some organizations fail to qualify after three years and thus become an administrative burden to the counties. Your Committees find that these organizations should therefore be allowed to be dropped by the county from the program.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 79, 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, 8. Noes, none. Excused, 4 (Baker, English, Kanno, Nishihara).

SCRep. 1111 Human Services on H.B. No. 938

The purpose of this measure is to protect the best interests of children who are involved in the Child Protective Services system. In particular, this measure:

- (1) Requires the child protective review panel (Review Panel) to review child protective proceedings taken prior to or without a court order, upon the request of the child's family;
- (2) Adds to the Review Panel an individual who represents the interests of the family and defines the child's family members to include the child's parents, grandparents, and adult siblings; and
- (3) Requires decisions related to a review initiated by a child's family to be made available to the court.

A member of the House of Representatives and a concerned individual testified in support of this measure.

Your Committee finds that the child protective system can be difficult for families to cope with due to its complexity. By having a family member appointed to the Review Panel to represent the child and the family interests, it will be easier for them to know what is happening in the Review Panel proceedings and why decisions were made regarding the placement of the child. By appointing an individual to represent the family's interests in the Review Panel, not only will the family have their concerns be heard in the proceedings, but they will have a representative who will be able to report to the child's family of what transpired in the proceedings. The family representative will be directly involved in influencing what decisions will be made for the child's best interest.

In addition, decisions made by the Review Panel that are initiated by a family member on the panel will be made available to the court in any subsequent child protective services proceedings. Most importantly, the family member would be an advocate for the child's interest and also bridge the gap in establishing good communication between all parties involved.

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. 938, 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, 4. Noes, none. Excused, 2 (Kokubun, Trimble).

SCRep. 1112 (Joint) Human Services and Health on H.B. No. 1530

The purpose of this measure is to issue special purpose revenue bonds to assist the Palolo Chinese Home and its subsidiaries.

Your Committees received testimony in support of this measure from the Honolulu Department of Community Services and Palolo Chinese Home. Comments were received from the Department of Budget and Finance.

The Palolo Chinese Home is a non-profit corporation that provides health care facilities to the general public. Your Committees find that the Palolo Chinese Home has a long and distinguished record of providing long-term care and related services to our senior citizens. This facility was founded in 1917 to primarily provide senior citizens with long-term care services and other related services. The Palolo Chinese Home provides services to assist and care for the aged and to maintain homes for them; aid in the alleviation of human suffering and distress; and carry on works of charity, mercy, and benevolence.

Recently, the Palolo Chinese Home proposed an ambitious plan in the expansion and reconstruction of its health facilities located at 2459 Tenth Avenue in Honolulu to meet the future demand for long-term care and services of the growing population of senior

citizens. The Palolo Chinese Home estimates that it will take about \$40,000,000 in special purpose revenue bonds to complete the rehabilitation of its existing facilities and construct additional facilities on its campus.

Your Committees have amended this measure by changing the effective date to July 1, 2005, and changing the amount from \$20,000,000 to \$40,000,000.

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 H.B. No. 1530, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1530, 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 (Hanabusa, Kokubun, Trimble, Whalen).

SCRep. 1113 (Majority) Labor on H.B. No. 325

The purpose of this measure is to allow the use of sick leave in excess of the statutory minimum amount for temporary disability benefits for family leave purposes and to amend the definition of "sick leave" under the family leave law.

Testimony in support of this measure was submitted by the Hawaii State AFL-CIO, the Hawaii State Teachers Association, and the ILWU Local 142. Testimony in opposition to this measure was submitted by the Society for Human Resource Management and the Hawaii Restaurant Association. Comments on this measure were submitted by the Department of Labor and Industrial Relations (DLIR).

Your Committee finds that in 2003, the Legislature enacted Act 44, Session Laws of Hawaii 2003, which allowed employees with sick leave benefits to utilize up to ten days of accrued and available sick leave for family leave purposes. Subsequent to its enactment, the Legislature further determined that the intent of Act 44 was not being effectuated by DLIR in its enforcement. In response, the Legislature in 2004 adopted House Concurrent Resolution 77, House Draft 2, urging DLIR to enforce the provisions of Act 44, in accordance with the Legislature's intent.

It appears that the denial of the use of sick leave benefits for family leave purposes has been attributed to a loophole in the law, wherein the statutory minimum amount of temporary disability insurance (TDI) benefits required may be less than the minimum amount required under an employer's self-insured plan that is accepted by DLIR. Consequently, once the plan is 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. Therefore, your Committee believes that amendments to the current law are necessary in order to reflect the true intent of Act 44.

Additionally, your Committee finds that the issue has been raised concerning whether the Employee Retirement Income Security Act (ERISA) precludes legislation extending the application of Act 44 to ERISA benefit plans. DLIR had previously represented that it had or would be seeking an Attorney General's opinion regarding the issue. Your Committee believes that this measure should continue to move forward through the legislative process; however, it also finds that this issue should continue to be monitored to determine whether further amendments to the law are necessary.

Your Committee has amended this measure by:

- (1) Changing the effective date of the Act from upon approval to July 1, 2050 in order to facilitate further discussion on the matter; and
- (2) 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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 325, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 325, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 2. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 1114 (Majority) Labor on H.B. No. 1773

The purpose of this measure is to amend the workers' compensation law, including mandating further requirements for vocational rehabilitation providers, temporarily limiting the Director of Labor and Industrial Relations' rulemaking authority, and specifying procedures for filing of claims.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, the Hawaii State AFL-CIO, the ILWU Local 142, the Hawaii Chapter of the American Physical Therapy Association, the Hawaii State Teachers Association, the Hawaii State Chiropractic Association, Vocational Rehabilitation Consultants, Inc., and twenty-six individuals.

Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations (DLIR), the Department of Commerce and Consumer Affairs, the Department of the Attorney General, Hawaii Employers' Mutual Company, Inc., Island Insurance Companies, the Chamber of Commerce of Hawaii, the Hawaii Insurers Council, First Insurance Company of Hawaii, Ltd., the National Federation of Independent Business/Hawaii, the Hawaii Medical Association, the Hawaii Business Roundtable,

Hawaii Health Systems Corporation, the Employers' Chamber of Commerce, Hidano Construction, Inc., the Building Industry Association-Hawaii, and two individuals.

Comments on the measure were also submitted by the Department of Human Resources Development.

Your Committee finds that this bill incorporates into chapter 386 the substantive definitions, standards, criteria, and policies in effect on January 1, 2005 under currently existing rules and regulations, policies, and case law in the relevant substantive areas in order to preserve and protect the prerogative of the legislative branch of government and to prevent the abuse of power.

Last year the administration proposed an omnibus bill to reform the State's workers compensation system purporting to reduce the average cost of workers' compensation premiums. By seeking the enactment of a workers' compensation omnibus bill during the 2004 legislative session the administration implicitly recognized that without changes in chapter 386, the executive branch lacked sufficient authority to implement policy changes in the foregoing areas. The 2004 Legislature rejected the omnibus bill resoundingly.

Unable to achieve its objective through legislation, it now appears the administration is seeking to do through rulemaking in 2005 what it could not achieve during the 2004 legislative session. On February 7, 2005, the DLIR held a hearing on proposed rules to affect major changes in Hawaii's workers' compensation laws regarding compensability, medical care and treatment, vocational rehabilitation and other benefits, attorney's fees, and procedures for investigating and handling claims through arbitration. The proposed rule changes substantially track the areas identified in the 2004 omnibus bill (S.B. 2961), and if adopted would significantly limit the rights and benefits of workers under Hawaii's workers' compensation laws. The administration has given every indication that it intends to cut workers' rights and benefits retroactively by applying their proposed rules to all claims regardless of when they were filed.

Your Committee believes these actions by the DLIR to make changes to Hawaii Administrative Rules, chapters 12-10, 12-14, and 12-15, represents a usurpation of legislative authority. In a democratic system the role of formulating policy is reserved exclusively for those in the legislative branch. See *Sherman v. Sawyer*, 63 Haw. 55, 621 P.2d 349 (1980) ("Legislative power" is defined as power to enact laws and to declare what law shall be). Under the separation of powers doctrine the authority of the executive branch is restricted to executing and applying the laws enacted by legislators.

Your Committee determines that the law, under the current administrative rules regarding the disability compensation division, should be maintained through codification, as well as amended through the inclusion of provisions that allow for further refinement of the law and the system. In section 7 the measure proscribes changes through rulemaking under section 386-72, HRS, after January 1, 2005, with a drop-dead clause effective January 1, 2007.

Your Committee also believes that this measure appropriately provides for adequate care and assistance for injured individuals, through appropriate vocational rehabilitation, in order for them to return to gainful employment. Furthermore, the measure successfully clarifies issues of discovery, places reasonable limits on the amount of information required to be furnished by treating physicians, provides guidance on the award of attorney's fees, limits the Director's rulemaking authority to ensure that the current rules are maintained, authorizes the insurance commissioner to investigate and prosecute complaints of workers' compensation fraud, and adds language relating to parties successfully bringing a claim of fraud.

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. 1773, 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, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 1115 Labor on H.B. No. 632

The purpose of this measure is to authorize the Board of Trustees (Board) of the Employees' Retirement System (ERS) to include the post retirement allowance as an actuarial assumption in the calculation of a member's retirement benefit.

Testimony in support of this measure was submitted by the Employees' Retirement System and the Hawaii State Teachers Association.

Your Committee finds that beneficiaries of the ERS are entitled to a post retirement allowance providing for a fixed annual increase in the benefits payable to them. The ERS, unlike most public pensions with similar retirement benefit provisions, does not include the effect of post retirement adjustments in the actuarial assumptions on which the actuarial equivalency of benefit options are determined. However, the effect of the post retirement allowance is one of the assumptions that the ERS' actuary utilizes in determining the value the system's assets and liabilities. Your Committee determines that this measure is necessary to specifically authorize the Board to approve the effect of post retirement allowances as an assumption for the purpose of establishing amounts payable under the benefit options available pursuant to sections 88-83, 88-283, and 88-333, Hawaii Revised Statutes.

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. 632, 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, 1 (Ihara).

SCRep. 1116 Labor on H.B. No. 631

The purpose of this measure is to correct and clarify existing language in Chapter 88, Hawaii Revised Statutes (HRS), and to conform the law relating to the Employees' Retirement System (ERS) to current practices.

Testimony in support of this measure was submitted by the ERS Board of Trustees and the Hawaii State Teachers Association.

Your Committee finds that within Chapter 88, HRS, clarification is needed to correct existing language and to conform the law to current practices. This measure makes several housekeeping amendments that provide as follows:

- (1) Includes language to comply with federal income tax limits on compensation in determining ordinary death benefits;
- (2) Specifies which appointed county positions qualify for contributory plan membership;
- (3) Conforms the law to current practices and allows the ERS to calculate a retiree's pension based on the benefit formula at the time of retirement rather than separation from service;
- (4) Requires the counties to remit employer contributions to the ERS on a monthly rather than semimonthly basis;
- (5) Specifies that the cost to convert noncontributory plan service to hybrid plan service will be based on the member's age in full years and the member's basic rate of pay as of June 30, 2006; and
- (6) Eliminates the deadlines for claiming and purchasing hybrid plan membership service and allows for the acquisition of qualifying service at any time prior to retirement, in line with current contributory plan procedures.

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 H.B. No. 631, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 631, 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, 1 (Ihara).

SCRep. 1117 Labor on H.B. No. 755

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 that contains the employee's total gross and net compensation, deductions, 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, the Hawaii State Teachers Association, and Verizon Hawaii.

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. However, with the advancements in technology in the workplace, the law must also evolve to accommodate additional forms of transmitting and receiving information. Therefore, 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 those employees who voluntarily request electronic records.

Accordingly, your Committee has amended this measure by:

- (1) Including language to specify that electronic records shall be retained by the employer for at least six years, equal to the amount of time a copy of a written record is maintained;
- (2) Changing the effective date of the Act from July 1, 2010 to be effective upon the Act's approval; 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. 755, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 755, 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, 1 (Ihara).

SCRep. 1118 (Majority) Labor on H.B. No. 1318

The purpose of this measure is to entitle state and county employees to seven days of paid leave per year if they are bone marrow donors, and thirty days of paid leave if they are organ donors.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association, the Hawaii State Teachers Association, the Transplant Association of Hawaii, the Minority Organ Tissue Transplant Education Program, and eighteen individuals. The Department of Human Resources Development submitted testimony in support of the intent of this measure, but also raised concerns with the measure as introduced. Comments on this measure were also submitted by the Department of Human Resources for the City and County of Honolulu.

Your Committee finds that the number of individuals in need of organ and bone marrow transplants far outnumbers the number of available organs and living organ donors. Each day, approximately fifteen Americans will die while awaiting a transplant. Despite continuing medical and technological advances, more needs to be done to increase the supply of available organs.

Your Committee further finds that in 1999, the federal government enacted the Organ Donor Leave Act, which increased to thirty days of paid leave, annually, the amount of paid leave time that federal employees are permitted to utilize if they serve as organ donors. Your Committee supports and encourages individuals who choose to bravely and generously serve as organ and bone marrow donors throughout the State and wishes to provide its public employees with adequate leave time in order to serve in these capacities.

Accordingly, your Committee has amended this measure by:

- (1) Changing the effective date of the Act to be upon its approval; 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 H.B. No. 1318, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1318, 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, 2. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 1119 (Majority) Labor on H.B. No. 1305

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 Department of Labor and Industrial Relations, the Hawaii Civil Rights Commission, the Hawaii State Teachers Association, the Hawaii State Coalition Against Domestic Violence, and one individual. Testimony in opposition to this measure was submitted by the Chamber of Commerce of Hawaii. Comments on the measure were also submitted by the Department of Human Resources Development.

Your Committee finds that under the current law, an employer is prohibited from discriminating against an employee on the basis of gender regarding compensation or in the terms, conditions, or privileges of employment. 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 Committee believes 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. However, it is not the intent of the Legislature to affect or diminish existing, broader protections of part I of chapter 378, Hawaii Revised Statutes.

In further recognition of this problem, your Committee finds 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 Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1305, H.D. 1, and recommends that it pass Second Reading and be referred to the Committees on Judiciary and Hawaiian Affairs and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 1120 Labor on H.B. No. 704

The purpose of this measure is to conform the law relating to the use of unemployment insurance trust fund moneys to P.L. 107-147, the Temporary Extended Unemployment Compensation Act of 2002, to allow for the distribution and utilization of Reed Act moneys.

This measure also appropriates the sum of \$1 from the unemployment insurance trust fund for the improvement of the administration and infrastructure of Hawaii's employee and employer services provided by the Department of Labor and Industrial Relations (DLIR) and the four counties.

Testimony in support of this measure was submitted by the DLIR, the Mayor of the County of Hawaii, the Hawaii State Teachers Association, the Oahu Workforce Investment Board, the ILWU Local 142, and the Kauai Chamber of Commerce.

Your Committee finds that in 2002, the Department of Labor and Industrial Relations received approximately \$31,000,000 in federal Reed Act funds. These funds have been placed within the unemployment trust fund, which can be utilized for the payment of benefits and expenses incurred for the administration of the unemployment compensation laws, as well as for public employment offices. Your Committee further finds that Reed Act distributions made prior to P.L. 107-147 were restricted to unemployment insurance administration purposes only. Additionally, under section 303(a)(8) of the Social Security Act, state laws must include provisions for the expenditure of all moneys. Therefore, your Committee determines that the current law must be amended to allow for the utilization of the 2002 Reed Act funds.

Additionally, your Committee finds that the utilization of these funds is necessary not only to improve the State's automated unemployment insurance and workforce development division services, but also to address the specific needs of the local workforce investment boards of the four counties and to educate and train immigrants from the Freely Associated States so that they may become skilled and qualified members of our workforce.

Accordingly, your Committee has amended this measure by:

- (1) Changing the amount of the appropriation from \$1 to \$10,000,000 in each year of the fiscal biennium 2005-2007;
- (2) Specifying that of the \$10,000,000 appropriated in each year of the fiscal biennium:
 - (A) The sum of \$6,000,000 shall be allocated to the four county workforce investment boards for the following:
 - (i) Employer outreach and services;
 - (ii) Labor force pool expansion;
 - (iii) Capacity building; and
 - (iv) Servicing and maintaining the America one-stop operating system; and
 - (B) The sum of \$1,000,000 shall be allocated to the Leeward community college workforce development program for job training and education for immigrants from the Freely Associated States;
- (3) Providing that section 4 of the Act shall be effective on July 1, 2005; 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. 704, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 704, 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, 1 (Taniguchi).

SCRep. 1121 Labor on H.B. No. 1548

The purpose of this measure is to change the composition of the Board of Trustees (Board) of the Employer-Union Health Benefits Trust Fund (EUTF) from ten to twelve members.

This measure also:

- (1) Amends the appointment procedures of the trustees by requiring that eleven be appointed by the Governor and one be appointed by the counties on a rotational basis;
- (2) Prohibits the Governor from reducing the term of the trustee appointed by a county; and
- (3) Permits a county to appoint a replacement in the case of a vacancy of a county-appointed trustee.

Testimony in support of this measure was submitted by the Department of Human Resources of the City and County of Honolulu and the Hawaii State Teachers Association. Testimony in opposition to this measure was submitted by the Hawaii Government Employees Association. Comments on this measure were also submitted by the Department of Budget and Finance and the EUTF.

Your Committee finds that better representation of the employee-beneficiaries of the EUTF is necessary to protect the interests of the employee-beneficiaries. The expansion of the Board will provide more broad and fair representation by allowing a trustee to be selected by each of the six exclusive representatives of the bargaining units under section 89-6(a), Hawaii Revised Statutes. Your

Committee further finds that the current four-year term limit does not allow ample time for the Board to truly benefit from a trustee's knowledge and abilities obtained and developed regarding the complex subject matters involving in the health care industry and plan administration. Therefore, at will terms will better serve the EUTF and its members.

Accordingly, your Committee has amended this measure by:

- (1) Changing the composition of the Board from twelve to fourteen trustees;
- (2) Providing that seven of the trustees shall represent the public employers and shall be appointed by the Governor;
- (3) Providing that seven trustees shall represent the employee-beneficiaries, one of whom shall represent retirees, and shall be selected as follows:
 - (A) One trustee shall be selected by each of the six exclusive representatives for the collective bargaining units; and
 - (B) One trustee shall be selected by two-thirds majority vote of the six exclusive representatives of the collective bargaining units;
- (4) Providing that the terms of the trustees shall be at the pleasure of the appointing or selecting entity;
- (5) Providing that a vacancy shall be filled in the same manner as the trustee who vacated the position was appointed or selected;
- (6) Amending the numbers required for quorum due to the change in the composition of the Board; and
- (7) Changing the effective date of the Act from July 1, 2010 to effective upon its approval.

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. 1548, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1548, 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, 1 (Taniguchi).

SCRep. 1122 (Majority) Labor on H.B. No. 1306

The purpose of this measure is to prohibit an employer or labor organization from discriminating against an employee who uses accrued and available sick leave in accordance with a valid collective bargaining agreement or valid employment policy.

Testimony in support of this measure was submitted by the Department of Human Resources Development, the Hawaii State AFL-CIO, and the Hawaii State Teachers Association. Testimony in opposition to this measure was submitted by the Hawaii Civil Rights Commission, the Chamber of Commerce of Hawaii, the Hawaii Business Roundtable, the Society of Human Resource Management, Geico Direct, the Retail Merchants of Hawaii, the Hawaii Bankers Association, the Honolulu Advertiser, Hawaiian Electric Company, Inc., Verizon Hawaii, Inc., Hawaii Pacific Health, and Altres, Inc. Comments on the measure were also submitted by the Department of Labor and Industrial Relations.

Your Committee finds that the existence of "no-fault" attendance policies may arbitrarily and unfairly penalize employees who rightfully utilize available sick leave benefits provided by employers. To this end, an employee who legitimately uses sick leave and an employee who is absent from work through the abuse of sick leave benefits are both considered absent for purposes of the no-fault policy and may be disciplined as a result of these absences. Your Committee determines that employees who legitimately utilize sick leave benefits that they have accrued and are available to them, verified by a valid doctor's excuse, should not be unfairly penalized. Your Committee further finds that jurisdiction over the enforcement of this provision is more properly placed within the DLIR, which is adequately equipped to handle its administration.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the newly created section within part I of chapter 378, Hawaii Revised Statutes; and
- (2) Including an amendment to section 378-32, HRS, to prohibit an employer from discriminating against an employee who uses accrued sick leave pursuant to a negotiated attendance policy to avoid interference with collective bargaining principles and possible preemption by the National Labor Relations Act.

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. 1306, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1306, 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, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 1123 (Majority) Labor on H.B. No. 338

The purpose of this measure is to require the provision of a rest or meal period of at least thirty consecutive minutes for an employee who works five or more continuous hours, unless:

- (1) A collective bargaining agreement provides an express provision for meal breaks;
- (2) An employee waives the break period; or
- (3) An exemption is obtained through application to the Department of Labor and Industrial Relations.

Testimony in support of this measure was submitted by the Hawaii Civil Rights Commission, the Hawaii State Teachers Association, the ILWU Local 142, and the Americans for Democratic Action. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, the Hawaii Business League, the Society for Human Resource Management - Hawaii Chapter, and the Hawaii Restaurant Association. Comments on this measure were also submitted by Covanta Energy Group.

Your Committee finds that pursuant to Act 172, Session Laws of Hawaii (SLH) 1999, the Legislature provided for the right of employees to express breastmilk during a meal period or other break. Specifically, Act 172, SLH 1999 provided that an employee could not be prohibited from expressing breastmilk during any meal or other break required by law. However, your Committee further finds that neither federal nor state wage and hour laws currently require an employer to provide employees over the age of sixteen a meal period irrespective of the number of consecutive hours those employees work.

Therefore, your Committee determines that, as it is a common business practice for employers to provide their employees with meal breaks, the law should provide employees who work more than five consecutive hours with meal breaks of at least a thirty-minutes duration. This change in the law will safeguard the health and safety of employees, promote work efficiency and productivity, as well as permit employees to express breastmilk during such meal break periods. Furthermore, your Committee believes that this provision should not be applicable if a collective bargaining agreement already provides for meal breaks or if an employee voluntarily chooses to waive a meal break.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the provision that allows an employer to obtain an exemption for specific job positions through application to the Department of Labor and Industrial Relations;
- (2) Creating an exception for an employer who is the operator of a continuously operating facility regulated by an environmental plan;
- (3) Changing the effective date of the Act from July 1, 2010 to effective upon its approval; 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. 338, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 338, 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, 2. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 1124 Labor on H.B. No. 1758

The purpose of this measure is to prohibit weekly unemployment benefit payments from being reduced by pension payments received from a governmental pension, private pension, retirement or retired pay, annuity, or other similar period payment under a plan maintained or contributed to by a base period or chargeable employer, if the claimant made any contribution to such retirement plan.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relation (DLIR), the Hawaii State Teachers Association, the ILWU, Local 142, AARP Hawaii, and two individuals.

Your Committee finds that under section 3304(a)(15) of the Federal Unemployment Tax Act, for employers to receive credit against the federal unemployment tax, the weekly benefit amount of an individual must be reduced by the weekly amount of "governmental or other pension, retirement or retired pay, annuity, or any other similar period payment which is based on the previous work of the individual." This requirement applies only to payments made under a plan maintained or contributed to by a base-period or chargeable employer.

Your Committee further finds that under the current state law, pension benefits are deducted from an individual's unemployment insurance weekly benefit amount based upon the amount the employee contributed to the pension plan. Therefore, if the employee has made a zero to forty-nine percent contribution to the pension plan, then the pension benefit is deducted by one hundred percent; if the employee has made a fifty to ninety-nine percent contribution to the pension plan, then the pension benefit is deducted by fifty percent; and if the employee has made a one hundred percent contribution to the pension plan, then there is no deduction.

In Hawaii, the age of the workforce is increasing. Many retired individuals return to the workforce due to either economic reasons or a need for knowledgeable and skilled workers that cannot otherwise be fulfilled. Your Committee determines that, in either situation, these individuals should not be penalized when they are collecting Social Security benefits earned after years of work and contributions.

Accordingly, your Committee has amended this measure by:

- (1) Limiting the amendment to section 383-23.5, Hawaii Revised Statutes, to prohibit an individual's weekly unemployment benefit payments from being reduced only if the individual is also receiving pension payments under the Social Security Act or Railroad Retirement Act of 1974;
- (2) Changing the effective date of the Act to January 1, 2006; 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. 1758, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1758, 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, 1 (Ihara).

SCRep. 1125 (Joint/Majority) Labor and Transportation and Government Operations on H.B. No. 1214

The purpose of this measure is to provide for the manner in which the prevailing wages for laborers and mechanics on public work projects, including certain private construction contracts, are to be established.

This measure also allows individuals to bring suit against violators for noncompliance with the Director of Labor and Industrial Relations (DLIR) for failure to perform nondiscretionary duties.

Testimony in support of this measure was submitted by the Hawaii Carpenters Union. Testimony in opposition to this measure was submitted by the DLIR, the Department of Accounting and General Services, the Office of the Attorney General, the Building Industry Association, the National Federation of Independent Business, Associated Builders and Contractors, HSI Mechanical, Inc., Mark Development, Inc., and one individual.

Your Committees find that in order to ensure continuity and equitable standards among laborers and mechanics throughout the State, the applicability of the prevailing wages law should be extended to include certain types of private projects which are subsidized by the State or involve land leased by the State. Under these circumstances, State or county purposes are served, therefore warranting inclusion under the State's Davis Bacon Act, chapter 104, Hawaii Revised Statutes (HRS). Your Committees further find that the determination of prevailing wages is currently the responsibility of the Director of Labor and Industrial Relations with a formula and guidelines established in the administrative rules. In order to provide clear guidance on the calculation of prevailing wages, your Committees determine that codification of these rules is necessary.

Furthermore, your Committees acknowledge the concerns raised by the DLIR regarding difficulties in the administration and enforcement of the law, as amended by this measure. Therefore, your Committees have sought to further clarify the changes by including specific provisions for such administration and enforcement and removing amendments to the law regarding additional forms of remedies.

Accordingly, your Committees have amended this measure by:

- (1) Deleting the amendment to section 104-28, HRS, relating to the commencement of civil actions under chapter 104, HRS;
- (2) Specifying requirements for lease agreements for state or county land;
- (3) Specifying that for projects subsidized by a state tax credit the Department of Taxation shall be responsible for developing forms to ensure compliance with chapter 104, HRS, and to establish penalties for noncompliance;
- (4) Changing the effective date of the Act from July 1, 2010 to effective upon its approval; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Labor and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1214, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1214, 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, 1 (Slom). Excused, 2 (Taniguchi, Whalen).

SCRep. 1126 (Joint) Education and Military Affairs and Labor on H.B. No. 171

The purpose of this measure is to require the State to compensate state employees and officers on active duty in a hostile fire zone with the difference between their higher state pay and their military income.

Testimony in support of the measure was submitted by the State Department of Defense, the Hawaii Committee for Employer Support of the Guard and Reserve, Department of Human Resources Development, Hawaii National Guard Enlisted Association, Hawaii National Guard Association, The Chamber of Commerce of Hawaii, and an individual.

Your Committees find that it is a priority to support the units from the Hawaii Army National Guard and Army Reserves as they are ordered to active combat duty in Iraq and Afghanistan. This measure demonstrates our support to those who are called to duty and to their families and ease some of the many hardships from this situation. Passing this measure will enable the State to pay their employees the difference between non-military and military pay if their military pay is lower.

Your Committees are sensitive to the current state budget situation and have amended the measure by placing a \$1,000 a month cap on the differential amount.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 171, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 171, 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, 8. Noes, none. Excused, 2 (Taniguchi, Tsutsui).

SCRep. 1127 (Joint) Education and Military Affairs and Labor on H.B. No. 172

The purpose of this measure is to establish an income tax credit for employment of national guard members for taxpayers that pay or incur salary or wage costs for qualified employees who are active members of the Hawaii National Guard.

The Department of Defense, Hawaii Committee for Employer Support of the Guard and Reserve, Hawaii National Guard Enlisted Association, the Chamber of Commerce of Hawaii, and an individual submitted testimony in support of the measure. Comments were submitted by the Department of Taxation and Tax Foundation of Hawaii.

Your Committees find that this measure provides an incentive to employers of national guard personnel to continue their compensation while deployed fighting the nation's war on terrorism. With guards and reservists being called away to active duty for prolonged periods, employers face extreme hardships when their employees are activated for duty. A tax credit is an appropriate tool to provide employers with relief for supporting their employees called to duty.

Upon further consideration, your Committees have amended this measure by inserting the preferred language from S.B. 1837, S.D. 1 which makes the following amendments:

- (1) Clarifying that the tax credit is applied against the employer's gross income tax liability;
- (2) Requiring the qualified employee to be a resident who is not employed by the city, state, or federal government; and
- (3) Providing that the employer pays the differential between the deployed employee's national guard pay and their civilian pay.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 172, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 172, 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, 8. Noes, none. Excused, 2 (Taniguchi, Tsutsui).

SCRep. 1128 Education and Military Affairs on H.B. No. 295

The purpose of this measure is to grant an active duty member of the National Guard, serving outside the State, a 90-day grace period after deactivation to file any required license renewal application.

Testimony in favor of the measure was submitted by the State Department of Defense, Department of Commerce and Consumer Affairs, Hawaii National Guard Association, The Chamber of Commerce of Hawaii, and two individuals.

Your Committee finds that members of the national guard are frequently called upon to serve outside the State which often restricts their ability to file timely license renewals. Specifically, with the current state of world events, those who are called to active duty are leaving the State for extended periods with greater regularity. Many are then forced to face serious financial consequences while others suffer from job loss or are devastated by business failures. This measure will provide some relief to those who face these situations and may also provide an incentive to ensure retention of military personnel.

Upon further consideration, your Committee has amended this measure by replacing it with the language from S.B. 766, S.D. 1. Accordingly, the amendments clearly define deployment for state or national crisis and allows 120 days for the military member to submit a renewal application.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 295, H.D. 2, as amended herein, and recommends that it

pass Second Reading in the form attached hereto as H.B. No. 295, 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, 5. Noes, none. Excused, 1 (Hogue).

SCRep. 1129 Education and Military Affairs on H.B. No. 329

The purpose of this measure is to provide a tax credit to members of the Hawaii National Guard and U.S. Army, Navy, Air Force, Marine Corps, and Coast Guard Reserves with qualifying dependents.

Testimony in support of the measure was submitted by the State Department of Defense, Hawaii National Guard Enlisted Association, The Chamber of Commerce of Hawaii, and an individual. Comments were submitted by the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the increased reliance on recalling reservists to active duty has placed heavy demands on state national guard and reserve forces and is expected to lead to serious challenges in recruiting and retention. It takes exceptional, dedicated, and ambitious individuals to take on the responsibility of reserve obligations along with maintaining a full-time career. However, there is a growing struggle each year to meet military retention goals in support of the defense of the nation.

This measure recognizes that members of the national guard and reserves confront many obstacles not faced by other residents and provides for some compensating relief for those serving with the State's military. Your Committee has amended this measure by inserting a tax credit amount of \$100.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 329, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 329, 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, 1 (Hogue).

SCRep. 1130 Education and Military Affairs on H.B. No. 343

The purpose of this measure is to appropriate funds for a temporary position to coordinate state support for military personnel as well as education forum activities.

Testimony in support of the measure was submitted by the Hawaii National Guard Association, The Chamber of Commerce of Hawaii, and an individual. Comments were submitted by the Department of Defense.

Your Committee finds that nearly ninety per cent of the Hawaii Army National Guard is deployed overseas. It is critical that the State demonstrates its support for these individuals who are willing to serve for our safety. Adopting this measure would send a message to those who are deployed that the State is supporting them and their families and recognizes their sacrifices to our Nation.

Upon further consideration, your Committee has amended this measure by deleting the first requirement of the temporary position, as the Department of Defense currently employs a family support coordinator.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 343, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 343, 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 (Hooser, Hogue).

SCRep. 1131 Education and Military Affairs on H.B. No. 842

The purpose of this measure is to authorize the issuance of bonds to subsidize school renovation, equipment acquisition, curriculum development, and teacher training in qualified zones and schools.

Testimony in support of the measure was submitted by the Department of Education. The Department of Budget and Finance submitted comments.

Your Committee finds that the Qualified Zone Academy Bond program (QZAB) is an initiative that the Department of Education has been pursuing as an opportunity for an additional source of funding for public education. Currently, there are approximately 185 Hawaii public schools that would be able to participate in QZAB. It is of high importance that the State review all alternative sources of funding, especially financing much needed improvements to the educational system.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 842, 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 (Hogue).

SCRep. 1132 Education and Military Affairs on H.B. No. 1029

The purpose of this measure is to appropriate funds for the Office of Veterans' Services to publish a Hawaii Veterans' newsletter.

Testimony in support of the measure was submitted by the Office of Veterans Services, Advisory Board on Veterans Services, a Councilmember from the County of Kauai, Disabled American Veterans, Maui County Veteran's Council, National Association for Uniformed Services, Oahu Veterans Council, and fourteen individuals.

Your Committee finds that veterans need to have timely information readily available both on the web and in their mailbox. Currently, there are over 114,000 veterans who reside in Hawaii. However, the Office of Veterans' Services does not have the resources to maintain a veterans' website nor the ability to produce a newsletter. The funding in this measure would inform the thousands of veterans of their benefits.

Your Committee has amended this measure by inserting the amount of \$95,000 and clarifying that a portion of the amount shall be used to update the veterans' database.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1029, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1029, 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 (Hogue).

SCRep. 1133 Education and Military Affairs on H.B. No. 1555

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Hualalai Academy.

Testimony in support of the measure was submitted by Hualalai Academy and Hawaii Association of Independent Schools. The Department of Budget and Finance submitted comments.

Your Committee finds that there is a high demand for a private non-sectarian school in West Hawaii. As Hualalai Academy is currently planning to expand the school to include a twelfth grade, the issuance of \$30,000,000 to finance high school facilities would allow them to minimize reliance on monetary contributions from alumni and parents. Article VII, Section 12 and Article X, Section 1 of the Hawaii Constitution allow the State to issue special purpose revenue bonds for private school construction and renovations that benefit the student body and community.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1555, 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, 2 (Tsutsui, Hogue).

SCRep. 1134 Education and Military Affairs on H.B. No. 1605

The purpose of this measure is to appropriate funds for the Hawaii 3R's school repair and maintenance fund and the Hawaii 3R's coordinator position.

Testimony in support of the measure was submitted by the Department of Education, Department of Accounting and General Services, Hawaii 3R's, Hawaii State Teachers Association, Hawaii Government Employees Association, Durus International Corporation, American Society of Civil Engineers, Paul Louie & Associates, Makakilo Elementary School, Hawaii Business Roundtable, and seven individuals.

Your Committee finds that Hawaii 3R's has saved the State over \$8.3 million while assisting in addressing the backlog of repair and maintenance projects. Although Hawaii 3R's has access to federal funds it is important for the State to continue its state funding for the thirty-seven schools that are not eligible for the federal funds. This measure will restore the much needed funding and coordinator position to ensure the continued success of the program.

Upon further consideration, the following appropriation amounts were inserted into the measure:

- (1) \$500,000 for each fiscal year to be deposited into the fund; and
- (2) \$60,000 for each fiscal year for the coordinator position.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1605, H.D. 1, as amended herein, and recommends that it

pass Second Reading in the form attached hereto as H.B. No. 1605, 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, 1 (Hogue).

SCRep. 1135 (Joint/Majority) Education and Military Affairs and Labor on H.B. No. 1606

The purpose of this measure is to establish annual salary increases for teachers who meet certain requirements and create a comprehensive teacher evaluation process.

Testimony in support of the measure was submitted by the Department of Education and Hawaii State Teachers Association. Testimony in opposition was submitted by the Department of Budget and Finance and an individual.

Your Committees find that teachers who are able to achieve a high level of performance should be compensated for their extra efforts and talent. The first step in achieving this would be to establish a comprehensive evaluation process to assess teachers' abilities and performance. This measure provides such a process and further provides the mechanisms to increase a teacher's salary based on positive evaluations.

Your Committees agree that restoring Hawaii teachers' salaries to a level competitive with other states and occupations is important in teacher retention. Further amendments were made to the measure by:

- (1) Changing the salary increment to two percent of the teacher's annual salary;
- (2) Including language to require that teachers receive an annual increase except as provided by law;
- (3) Authorizing an annual salary increase for teachers who earn \$50,000 or less and a biannual salary increase for teachers who receive positive evaluations and earn more than \$50,000 a year; and
- (4) Changing the effective date to July 1, 2020.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1606, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1606, 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, 1 (Slom). Excused, 2 (Taniguchi, Tsutsui).

SCRep. 1136 Education and Military Affairs on H.B. No. 1728

The purpose of this measure is to appropriate funds to the Department of Education to hire part-time teachers, tutors, or both, for elementary and intermediate public schools with instructional needs.

Testimony in support of the measure was submitted by the Department of Education and Hawaii State Teachers Association.

Your Committee finds that numerous studies have shown that smaller class size enhances student achievement. In Act 51, Session Laws of Hawaii 2004, the Legislature provided for the reduction of class size in kindergarten, grade one, and grade two. It is highly important to continue this movement. Students benefit from smaller class size by having more personalized attention, and teachers assigned to smaller class size classrooms experience fewer discipline problems and are able to move more quickly through the curriculum.

Your Committee has amended this measure to include the following provisions from S.B. 1221, S.D. 2:

- (1) Requiring the department to reduce the ratio of students to teachers in kindergarten to grade two and appropriating funds;
- (2) Developing a phase-in plan for the reduction of class size for grades three to five; and
- (3) Appropriating funds for additional assistance in grades three to five when the one-to-twenty-six ratio is exceeded.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1728, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1728, 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. 1137 (Joint) Health and Transportation and Government Operations on H.B. No. 516

The purpose of this measure is to authorize the Department of Health to maintain an emergency response stockpile to prepare for or respond to a potential chemical, biological, radiation, nuclear, or explosive (CBRNE) event.

The Department of Health, the Board of Pharmacy, and the Healthcare Association of Hawaii submitted testimony in support of this measure.

Your Committees find that according to the testimony of the Department of Health, it needs to be able to maintain supplies of drugs and medical devices to respond to a potential terrorism or technological disaster without being licensed as a drug wholesaler. This measure will also allow the Department to maintain pharmaceuticals under the federal shelf life extension program of the Food and Drug Administration without violating existing state law.

Your Committees have amended this measure by changing the effective date to take effect upon its approval.

As affirmed by the records of votes of the members of your Committees on Health and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 516, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 516, 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, 3 (Hanabusa, Kanno, Whalen).

SCRep. 1138 (Joint) Intergovernmental Affairs and Transportation and Government Operations on H.B. No. 78

The purpose of this measure is to prohibit a person from manufacturing, selling, displaying, permitting to be displayed, or possessing any reproduction, imitation, or facimile of a license plate with a similar design, shape, size, and color as the official license plate.

Your Committees received testimony in support of this measure from the Honolulu Department of Customer Services and the Honolulu Police Department.

Your Committees agree with the intent of this measure, which is to prohibit fraudulent license plates that can be affixed to stolen vehicles, making detection difficult and defeating police efforts to apprehend criminals.

As affirmed by the records of votes of the members of your Committees on Intergovernmental Affairs and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 78, 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, 9. Noes, none. Excused, 3 (English, Kanno, Nishihara).

SCRep. 1139 (Majority) Intergovernmental Affairs on H.B. No. 429

The purpose of this measure is to make an appropriation to the City and County of Honolulu for expenses of the 2005 National Association of Counties Annual Conference and Exposition in Honolulu.

Your Committee received testimony in support of this measure from the Hawaii State Association of Counties, one Kauai County Council member, and five Maui County Council members.

Your Committee is concerned with the apparent lack of a detailed budget and description of expenses by the City and County of Honolulu. Your Committee questions the enormous expense of about \$1 million for bus transportation and dinner for the participants. Your Committee notes that the waiving of event fees would still diminish revenue. This is taxpayer money and spending that money should be done wisely and prudently. Your Committee passes this measure to the Committee on Ways and Means to decide on the amount of the appropriation and the appropriateness of the proposed expenditures. Your Committee urges the City and County of Honolulu to submit a detailed budget expenditure report to the Committee on Ways and Means.

Your Committee has amended this measure by deleting the appropriation amount.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 429, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 429, 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, 1 (Slom). Excused, 3 (Baker, English, Kim).

SCRep. 1140 Intergovernmental Affairs on H.B. No. 487

The purpose of this measure is to allow the Director of Finance of each county to access state taxpayer information relating to income tax and transient accommodations tax for residents filing within the county's jurisdiction.

Your Committee received testimony in support of this measure from the Department of Taxation, Maui Department of Finance, and Hawaii Association of Realtors. Comments were received from the Tax Foundation of Hawaii.

Your Committee finds that allowing the counties to obtain information about taxpayers within their jurisdiction is an important resource to strengthen county tax collection efforts. The counties are unable to audit their own tax exemptions and credits for residents filing within their own county. With access to state tax information, such as taxpayers filing as residents in a particular county, the counties would be able to follow up on discrepancies with their property tax exemptions and credits.

Your Committee has amended this measure by substituting the contents of S.B. No. 1685, S.D. 2, which is drafted in the proper drafting format and style.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 487, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 487, 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 (Baker, English, Kim).

SCRep. 1141 Intergovernmental Affairs on H.B. No. 551

The purpose of this measure is to clarify the public meetings law regarding permissible interactions among board members by:

- (1) Allowing two board members to discuss between themselves matters relating to official board business, if the two do not constitute a quorum of the their board;
- (2) Allowing one or more board members to conduct discussions in private with the governor, lieutenant governor, and elected state officials for investigation or fact-finding purposes;
- (3) Allowing two or more board members to conduct discussions in private with an executive officer of the board or the head of a department to which the board is administratively assigned; and
- (4) Allowing two or more members of a board, if they are less than a quorum, to testify and make presentations about matters relating to official board business at a meeting of the other board or a public hearing of the legislature.

Your Committee received testimony in support of this measure from the Department of Education, Office of Information Practices (OIP), four Maui County Council members, Hawaii State Teachers Association, and The League of Women Voters of Hawaii.

The permitted interactions of board members as clarified in this measure address common problems for board members. The clarifications would allow board members greater latitude to conduct board business without compromising the open meetings law. By broadening the scope of permitted interactions among board members, the board can carry out its business reasonably and efficiently in serving the public.

Your Committee has amended this measure on the recommendation of the OIP by:

- (1) Deleting the references to permitted discussions with the Governor, Lieutenant Governor, elected state officials, an executive officer of another board, and the head of a department to which the board is administratively assigned;
- (2) Clarifying the prerequisites for two or more members of a board to testify and make presentations; and
- (3) Changing the effective date to July 1, 2020.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 551, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 551, 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, English, Kim).

SCRep. 1142 Intergovernmental Affairs on H.B. No. 864

The purpose of this measure is to extend the counties' authority to regulate billboards and other outdoor advertising devices to include the airspace or waters beyond the boundaries of a county if the advertising is visible from any public place within the county.

Your Committee received testimony in support of this measure from the Honolulu Corporation Counsel, Na Leo Pohai, Sierra Club, Life of the Land, and one individual.

This measure arises from the case of Center for Bio-Ethical Reform, Inc. v. City and County of Honolulu, which is now on appeal before the U.S. Court of Appeals for the Ninth Circuit. This case challenged Honolulu's ordinances prohibiting aerial advertising. The case involved the use of airspace advertising in the form of a plane towing a large sign over near shore waters so as to be visible from the shore, to promote an agenda relating to bio-ethics.

The specific issue addressed by this measure is not on appeal, because the plaintiffs raised the issue after filing the appeal. Therefore, this measure is intended to head off more litigation and thereby avoid costly attorney's fees and further litigation costs. The plaintiff's new argument is that if a plane takes off from Honolulu International Airport or from Molokai Airport and then flies over coastal waters, but not over land, while displaying their banner to beachgoers in Waikiki and other beaches, then the plane would be outside of the jurisdiction of the City and County of Honolulu and Honolulu's ordinances would not be applicable.

Your Committee agrees with the Special Deputy Corporation Counsel who represented the city in the litigation that this measure has been introduced "out of an excess of caution to leave no remaining ambiguity regarding the ability of the counties to regulate aerial (and ship-based) advertising aimed at beachgoers and other individuals in the public places on the island."

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 864, 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, English, Kim).

SCRep. 1143 (Joint) Health and Human Services on S.C.R. No. 63

The purpose of this measure is to designate the month of May as Mental Health Awareness Month.

The Department of Health, the Mental Health Association in Hawaii, National Alliance for the Mentally Ill Oahu, National Alliance for the Mentally Ill Hawaii, Hawaii Medical Service Association, and one individual submitted testimony in support of this measure.

The Department of Health testified that "Access to mental health treatment is one of the most significant barriers to improving the health of persons in Hawaii. The U.S. Surgeon General in 1999 reported that only one in three persons with mental illness will seek treatment." Special activities and public education events regarding mental health awareness are traditionally scheduled here in Hawaii and nationally during the month of May. Your Committees agree with the testifiers that designating the month of May as Mental Health Awareness Month will increase public awareness and will hopefully reduce the stigma and discrimination associated with mental illness and help break the barriers to treatment by educating the public about mental 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. 63 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Hooser, Kokubun, Whalen).

SCRep. 1144 (Joint) Health and Human Services on S.C. R. No. 59

The purpose of this measure is to urge Medicaid to develop more federally qualified health centers statewide.

The Hawaii Psychiatric Medical Association submitted testimony in support of this measure with an amendment request. The Hawaii Primary Care Association submitted comments.

Your Committees find that federally qualified health centers (FQHCs) are a vital tool in serving the medical needs of the medically underserved communities and uninsured people of this State. The Hawaii Primary Care Association testified regarding one study that according to the testifier indicates that "Medicaid patients served by community health centers are 22% less likely to be hospitalized for avoidable conditions" and that "uninsured people who go to FQHCs are more likely to get preventive education, counseling, and treatments, including mammograms, pap smears, and substance abuse services." It is estimated that FQHCs save the Medicaid program thirty percent on each patient 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 concur with the intent and purpose of S.C.R. No. 59 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Kokubun, Trimble, Whalen).

SCRep. 1145 Transportation and Government Operations on S.R. No. 14

The purpose of this measure is to request the Department of Transportation to study and evaluate existing traffic conditions in the South Kona area of Hawaii and prepare a traffic solution plan to minimize existing and future traffic problems.

Your Committee received testimony in support of this measure from the Department of Transportation.

Motor vehicle traffic accidents involving multi-vehicle collisions are becoming more commonplace in the South Kona area of the Big Island, often resulting in fatalities and serious bodily injury. Fatal multi-vehicle accidents cause a tie-up in traffic flow while traffic investigators meticulously investigate the scene of the accident, and other agencies such as ambulances, police, and firefighters do their work at the scene. Traffic commonly can become backlogged and tied up for hours.

With its growing population and development of nearby areas, South Kona area traffic congestion will only increase. The logical and prudent course of action to alleviate this existing and future problem is to study and evaluate existing traffic conditions in the area, compare the data with current and projected population data, and develop a traffic solution plan that will accommodate the needs of the South Kona community for now and the future.

Your Committee has amended this measure on the recommendation of the Department of Transportation by extending the reporting date to twenty days prior to the convening of the Regular Session of 2007, because work cannot begin until 2006 when demographic and traffic forecasting models will be completed as a prerequisite to initiating this study.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 14, 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. 14, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Baker).

SCRep. 1146 Transportation and Government Operations on S.R. No. 23

The purpose of this measure is to request the Oahu Metropolitan Planning Organization (OMPO) to study the feasibility of an alternate route of ingress and egress from Mililani Mauka.

Your Committee received testimony in support of this measure from the Department of Transportation. Comments on this measure were received from the OMPO.

Mililani Mauka is served by a single route of ingress and egress, which results in traffic congestion during peak hours that will only worsen as its population grows. The single route of ingress and egress leaves residents without an alternate route in times of emergency. Residents of the area are increasingly confronted with problems of speeding, unsafe driving, and threats to pedestrian safety. The possibility of constructing an alternate route has not been addressed by the OMPO and, therefore, has not been included within the Oahu Regional Transportation Plan. Your Committee finds that it is appropriate to have the OMPO study these issues as they relate to Mililani Mauka.

As affirmed by the record of votes of the members of your Committee on Transportation 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, 6. Noes, none. Excused, 1 (Baker).

SCRep. 1147 Health on H.B. No. 1155

The purpose of this measure is to require the Board of Examiners in Naturopathy to adopt a formulary and qualifications for administering natural medicines by injection, and to grant the authority to qualified naturopaths. It also establishes a temporary advisory committee to recommend a formulary and qualifications.

The Hawaii Society of Naturopathic Physicians and five individuals submitted testimony in support of this measure. The Hawaii Medical Association submitted testimony in opposition. The Board of Examiners in Naturopathy submitted comments.

Your Committee finds that Hawaii's current naturopathy law does not specifically authorize naturopaths to administer natural medicines by injection, although it does authorize diagnosing, treating, and caring for patients using natural methods or modalities, and nature's remedies of the type taught in education and training at naturopathic medical colleges. According to the Hawaii Society of Naturopathic Physicians, intramuscular and intravenous administration routes are taught in naturopathic medical colleges, and licensed naturopathic doctors in this State and nationwide "have been administering natural substances including vitamins, minerals and amino acids intramuscularly and intravenously for approximately twenty years."

The Hawaii Medical Association raised concerns about whether naturopaths have the necessary medical education and training to safely administer injections. This measure strikes a balance by establishing a temporary advisory committee to develop and submit recommendations to the Board of Examiners in Naturopathy on a formulary of natural medicines that naturopathic physicians may administer by injection and the qualifications needed before a naturopathic physician may administer natural medicines by injection. The temporary advisory board is comprised of naturopathic physicians, a person licensed in medicine, and a person licensed as a pharmacist, among others, to better address the various concerns before recommending the qualifications.

Your Committee has amended this measure by making it effective upon its approval and by making technical, nonsubstantive amendments for 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. 1155, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1155, 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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1148 Health on H.B. No. 106

The purpose of this measure is to establish the circumstances under which insurers, mutual benefit societies, and health maintenance organizations are required to provide employers with employer-sponsored group health claims experience, and what types of information can be requested and provided.

The Hawaii Management Alliance Association, the Hawaii Association of Health Plans, the Hawaii Medical Service Association, and Kaiser Permanente submitted testimony in support of this measure. The Department of Commerce and Consumer Affairs testified that it would support the measure with an amendment. The Employers' Chamber of Commerce, Summerlin, and Employee Benefit Consulting submitted testimony in opposition.

Your Committee finds that the federal Health Insurance Portability and Accountability Act of 1996, commonly referred to as HIPAA, establishes guidelines for health insurers to follow in protecting private member information. It is in the best interest of the entire community that individual privacy is both valued and protected and individuals are not penalized for their respective health conditions. This measure defines what type of health care information and under what circumstances this information can be provided to employer groups.

Upon further consideration, your Committee has amended this measure by:

- (1) Limiting the fee that an insurer, mutual benefit society, or health maintenance organization may charge an employer for providing information to fifty dollars;
- (2) Applying the measure to employer groups of fifty or more employees;
- (3) Limiting the amount of time the insurer has to provide the information to no later than sixty days;
- (4) Adding the provisions of S.B. No. 140 S.D. 1 to prohibit broad discretionary clauses that give an insurer, mutual benefit society, or health maintenance organization broad discretionary authority to set the type and scope of medical coverage to be provided in health insurance contracts with employers; and
- (5) Making part II of the measure effective upon its approval, while keeping the effective date for part I as July 1, 2050 to encourage more discussion of that part.

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. 106, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 106, H.D. 3, 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 (Hanabusa, Whalen).

SCRep. 1149 (Joint) Energy, Environment, and International Affairs and Water, Land, and Agriculture on H.B. No. 792

The purpose of this measure is to appropriate funds to develop guidelines and a marketing plan to obtain export clearances to ship rainbow papayas and other locally-grown agricultural products to Japan and other countries.

Written and oral testimony in support of the measure was received from the Board of Agriculture, the University of Hawaii Center for Genomic, Proteomics, and Bioinformatics Research Initiative, and the Hawaii Papaya Industry Association. Written and oral testimony in support of the intent of the measure, subject to appropriate funding, was given by the Hawaii Agricultural Research Center. Written testimony in support of the measure was received from the Department of Business, Economic Development, and Tourism, the Hawaii Farm Bureau, the Big Island Farm Bureau, the Hawaii Crop Improvement Association, and the University of Hawaii College of Tropical Agriculture and Human Resources. Six individuals submitted written testimony in opposition to the measure.

Your Committees find that the success of this marketing initiative may be contingent upon an adequate level of funding. However, after discussion with the Chair of the Board of Agriculture and a representative of the Hawaii Papaya Industry Association, your Committees are unclear as to whether the Board of Agriculture or the Hawaii Papaya Industry know how much funding will be required for this program. Your Committees suggest that those entities primarily affected by this measure address the financial requirements of this initiative prior to the next hearing.

Your Committees have amended this measure by substituting the language contained S.B. No. 1899, S.D. 1, in place of this measure's current language, as your Committees believe it better addresses concerns raised during the hearing.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs 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. 792, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 792, 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, 3. Noes, none. Excused, 3 (Fukunaga, Hanabusa, Hooser).

SCRep. 1150 (Joint) Energy, Environment, and International Affairs and Water, Land, and Agriculture on H.B. No. 291

The purpose of this measure is to broaden the expertise of the Advisory Committee on Pesticides, established under section 149A-51, Hawaii Revised Statutes, by replacing the at-large public member with a landscape professional.

The Department of Agriculture provided written and oral testimony in support of the measure. The Hawaii Farm Bureau, the Big Island Farm Bureau, the Landscape Industry Council of Hawaii, and Kauai Nursery & Landscaping, Inc., submitted written testimony in support of the measure. The University of Hawaii College of Tropical Agriculture and Human Resources provided written testimony supporting the intent of the measure.

Your Committees find that landscapers are affected by the types of pesticides made available for use, and that landscapers can provide valuable input to the advisory committee on pesticides based upon their professional training and experiences.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs 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. 291, 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, 3. Noes, none. Excused, 3 (Fukunaga, Hanabusa, Hooser).

SCRep. 1151 Water, Land, and Agriculture on H.B. No. 98

The purpose of this measure is to prohibit net fishing in the waters of Kahului harbor.

The Office of Hawaiian Affairs and one individual submitted testimony in support of this measure. A petition with approximately five hundred signatures was also submitted in support of this measure. The Department of Land and Natural Resources and the Department of Transportation submitted testimony in opposition to this measure.

Your Committee finds that restrictions on activities such as net fishing will help to ensure the viability of marine resources. As such, this measure provides net fishing restrictions in Kahului harbor; however, your Committee also recognizes the importance of traditional and cultural practices of fishing for subsistence. Thus, this measure also provides an exception for persons who use throw nets, opae nets, crab nets, or nehu nets not longer than fifty feet.

Your Committee has amended this measure by making a technical, nonsubstantive formatting change.

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. 98, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 98, 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, 3. Noes, none. Excused, 2 (English, Fukunaga).

SCRep. 1152 Water, Land, and Agriculture on H.B. No. 483

The purpose of this measure is to promote diversified agriculture and increase agricultural self-sufficiency.

The Department of Agriculture, the Hawaii Aquaculture Association, Hawaii Farm Bureau Federation, and Land Use Research Foundation of Hawaii submitted testimony in support of this measure. The Department of Taxation submitted testimony in opposition to this measure. The Hawaii Agriculture Research Center and Tax Foundation of Hawaii submitted comments.

Article XI, section 3 of the Constitution of the State of Hawaii sets out the framework for state policies relating to the promotion of agriculture and conservation of productive agricultural lands in the State. Your Committee finds that this measure promotes the constitutionally mandated policies by establishing an agricultural infrastructure improvement tax credit to diversify agriculture and increase agricultural self-sufficiency.

Your Committee has amended this measure by:

- (1) Clarifying the definition of “agricultural infrastructure improvement”; and
- (2) Making technical, nonsubstantive changes for style, clarity, and consistency.

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. 483, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 483, 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, 1 (Fukunaga).

SCRep. 1153 Water, Land, and Agriculture on H.B. No. 1200

The purpose of this measure is to amend the state enterprise zone program to encourage agricultural activity.

The Department of Agriculture, the Department of Business, Economic Development and Tourism, the Department of Taxation, Enterprise Honolulu, Hawaii Agriculture Research Center, Hawaii Aquaculture Association, Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, and Maui County Farm Bureau submitted testimony in support of this measure. The Tax Foundation of Hawaii submitted comments on the measure.

Your Committee finds that state enterprise zone programs are a very good business incentive to encourage agriculture activity. However, it is very difficult for agricultural businesses to meet some of the existing requirements for these programs. Thus, this measure provides amendments to the program requirements by:

- (1) Allowing agricultural businesses to be eligible for tax incentives in the event of force majeure;
- (2) Extending the eligibility for agricultural businesses by the duration, in months, of a force majeure event;
- (3) Allowing agricultural businesses to meet annual gross revenue requirement if the businesses are unable to meet annual full-time employee requirements; and
- (4) Including leased employees and employees under a joint employer relationship in the definition of "full-time employee."

Your Committee has amended this measure by:

- (1) Amending the definition of "agricultural business" to include companies that process agricultural products;
- (2) Clarifying the purpose of state enterprise zones to include agriculture as one of the areas that would benefit from the provisions in chapter 209E, Hawaii Revised Statutes, providing regulatory flexibility and tax incentives;
- (3) Clarifying that enterprise zone businesses cannot claim the same tax credits or exemptions in other tax incentive programs; and
- (4) Making technical, nonsubstantive changes for style, clarity, and consistency.

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. 1200, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1200, 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, 1 (Fukunaga).

SCRep. 1154 (Joint/Majority) Human Services and Health on H.B. No. 248

The purpose of this measure is to establish within the Department of Health (DOH) a demonstration project for Kauai County to reimburse family caregivers who give free and continuing day-to-day care in the home to a qualified relative.

Your Committees received testimony in support of this measure from the Kokua Council, ILWU Local 142, Policy Advisory Board for Elder Affairs, and one individual. Testimony in opposition was received from the Department of Health.

Your Committees find that Kauai County has the fewest service providers among all the islands, and the community-based services have waiting lists. Resources in Kauai are in particularly short supply. With only a few care homes and nursing homes on Kauai, more people needing long-term care will be forced to rely on their family members as caregivers, or to relocate from Kauai to other areas.

This measure will provide another resource for assistance to the Kauai elderly community by establishing a demonstration project to reimburse family caregivers who give free and continuing day-to-day care in the home to a qualified relative who is functionally dependent or suffering from cognitive impairments. Such financial incentives will help families continue to give care at home, where the relative normally wants to stay rather than at a costly institution without accessibility to family.

The individual family caregiver who performs tasks such as bathing, toileting, feeding, and lifting for the relative often suffers a financial impact from an inability to work and the cost of care. If they are employed, they often arrive home late, leave early in the morning, or take time off to attend to important schedules such as a doctor's appointment. Under this measure, the money will go directly to the people who need it the most, and also provide support and incentives to caregivers to care for their family members at home.

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 H.B. No. 248, 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, 4 (Hanabusa, Hooser, Kokubun, Whalen).

SCRep. 1155 (Joint) Human Services and Health on H.B. No. 359

The purpose of this measure is to ensure the availability of health care for children at all times by giving a minor's caregiver the right to consent to health care services for the minor, if the caregiver possesses and presents an affidavit of caregiver consent.

Your Committees received testimony in support of this measure from the Department of Human Services, AARP Hawaii, Hawaii Intergenerational Network, Hawaii Pacific Health, Kokua Council, Na Tutu Grandparents Raising Grandchildren Coalition, and seven individuals.

Your Committees find that many grandparents or other relatives are raising children without establishing guardianships or formal adoption. This measure authorizes caregivers who previously have obtained an affidavit of consent from the parent, custodian, or legal guardian to obtain non-emergency health care for the children in their care.

Your Committees have amended this measure by replacing its contents with the contents of S.B. No. 40, S.D. 1, which is substantively similar to this measure. Your Committees have also changed the effective date to be upon approval.

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 H.B. No. 359, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 359, 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, 6. Noes, none. Excused, 4 (Hanabusa, Kokubun, Trimble, Whalen).

SCRep. 1156 Media, Arts, Science and Technology on H.B. No. 1390

The purpose of this measure is to increase the Hawaii State Foundation on Culture and the Arts' general fund appropriation.

Your Committee received testimony in support of this measure from the Hawaii State Foundation on Culture and the Arts, the University of Hawaii, the East Hawaii Cultural Center, and over three dozen individuals. Your Committee also received comments from the Department of Accounting and General Services.

Your Committee finds that the creative processes used or learned through art help people learn to develop new concepts, new ideas, and new solutions to solve issues faced in the community and business. The Hawaii State Foundation on Culture and the Arts biennium grants program is the largest source of public funding for arts programming in the State. Its grants support projects that provide access to the arts for residents and visitors alike, preserve and perpetuate the arts and culture of native Hawaiians, enhance and promote cultural tourism efforts, encourage young audiences, and develop young talent. Your Committee finds that this measure demonstrates the strong legislative support for culture and the arts in Hawaii's communities and in the quality of life of Hawaii's people.

Your Committee has amended this measure by replacing its contents with the contents of S.B. No. 1699, S.D. 1, which is substantively similar except for technical differences, reinstating the dollar amounts, and inserting an effective date of July 1, 2050 for purposes of furthering discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1390, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1390, 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. 1157 Media, Arts, Science and Technology on H.B. No. 1590

The purpose of this measure is to expand the initiative the State has taken in encouraging the motion picture, digital media, and film industries, while protecting the State's interests by limiting and gathering data on the tax credits issued.

Specifically, the measure:

- (1) Extends the Motion Picture Tax Credit to digital media projects;
- (2) Increases the amount of the income tax credit for motion picture, digital media, and film productions (Motion Picture Tax Credit) to:
 - (A) An unspecified percentage of qualified production costs incurred in any county of the State with a population over 700,000; and
 - (B) An unspecified percentage of qualified production costs incurred in any county of the State with a population of 700,000 or less;
- (3) Repeals the variable credit based on actual expenditures for transient accommodations;

- (4) Establishes qualification requirements for productions;
- (5) Establishes reporting and filing requirements for qualified productions and requires the Department of Business, Economic Development, and Tourism to maintain records and report yearly totals to the Director of Taxation;
- (6) Limits the credit to \$8,000,000 per production;
- (7) Prohibits productions that have received financing for which a credit was claimed under the High Technology Business Investment Tax Credit from claiming the Motion Picture Tax Credit in the same tax year;
- (8) Applies the Motion Picture Tax Credit to qualified production costs incurred after December 31, 2004, and before January 1, 2011; and
- (9) Repeals the provisions of the measure on January 1, 2011.

The Department of Business, Economic Development, and Tourism, the Kauai Film Office, Big Island Film Office, Maui Film Office, Screen Actors Guild, Hawaii State AFL-CIO, IATSE Local 665, Hilton Hotels Hawaii, Ko Olina Resort, Kahala Mandarin Oriental, Home Baked Entertainment, Musicians Association of Hawaii, Hawaii Movie Studios, Atlantis Adventures, Oahu Visitors Bureau, and concerned individuals supported the measure. The Department of Taxation, Honolulu Film Office, Hawaii Teamsters and Allied Workers, Local 906, and concerned individuals supported the intent of the measure. The Tax Foundation of Hawaii provided comments on the measure.

Your Committee has amended the measure by deleting its contents and inserting therefor substantially similar provisions that:

- (1) Amend section 235-7.3, Hawaii Revised Statutes, to add digital media to the definition of “performing arts products” so that it mirrors the definition of “performing arts products” added to section 235-110.9, Hawaii Revised Statutes;
- (2) Amend section 235-110.9, Hawaii Revised Statutes, by:
 - (A) Adding a new definition for “performing arts products”; and
 - (B) Adding language to the definition of “qualified high technology business” to clarify that businesses claiming the tax credit under this section in taxable years beginning after December 31, 2005, shall provide proof to the Department of Business, Economic Development, and Tourism of educational or in-kind support of Hawaii secondary or post-secondary performing arts programs, employment of Hawaii residents, and use of facilities in the State;
- (3) Increase the existing four per cent income tax credit on Hawaii qualified production expenditures to fifteen per cent for productions on Oahu and twenty per cent for productions on the neighbor islands;
- (4) Allow a qualified production to receive a wage reimbursement tax credit for an unspecified percentage of the wages paid to below-the-line hires that are Hawaii residents;
- (5) Delete the tax credit for transient accommodations taxes established under section 235-17(b), Hawaii Revised Statutes;
- (6) Require that motion picture or film productions expend a minimum of \$200,000 in the State to qualify for the tax credit;
- (7) Require that a sound recording production expend a minimum of \$20,000 in the State to qualify for the tax credit;
- (8) Require that a production that qualifies for the tax credit provide the State with a shared-card, end-title credit;
- (9) Require that productions interested in claiming the tax credit be pre-qualified by the Department of Business, Economic Development, and Tourism;
- (10) Establish record keeping and reporting requirements for the Departments of Business, Economic Development, and Tourism and Taxation;
- (11) Define terms such as “below-the-line hires”, “commercials”, “digital media”, “post-production”, “production”, “qualified production”, and “qualified production costs”;
- (12) Prohibit the claiming of tax credits under both the production expenditure tax credit established under section 235-17, Hawaii Revised Statutes, and the investment tax credit established under section 235-110.9, Hawaii Revised Statutes;
- (13) Cap tax credit claims at \$8,000,000 per production;
- (14) Require the Department of Business, Economic Development, and Tourism, in consultation with the Department of Taxation and the county film offices, to develop an appropriate revenue generation and economic benefit model to determine the economic impact of the enhanced film and digital media tax credits established under this Act;
- (15) Require the Department of Business, Economic Development, and Tourism, beginning with the 2006 Regular Session, to annually submit reports on the film and digital media production expenditure, revenue projection, and revenue realization information to the Legislature until the 2011 Regular Session;

(16) Make the amendments made to the enhanced film and digital media tax credits applicable to taxable years beginning after December 31, 2004; and

(17) Changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, and Technology 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, 5. Noes, none. Excused, none.

SCRep. 1158 Judiciary and Hawaiian Affairs on H.B. No. 1745

The purpose of this measure is to exempt or repeal certain reporting requirements imposed on both the Judiciary and the State Council for Interstate Adult Offender Supervision.

Testimony in support of the measure was submitted by the Judiciary.

This measure eliminates or exempts the Judiciary from certain reporting requirements relating to administratively established accounts or funds, uncollectible delinquent fines and restitution, outsourcing of services, and other Judiciary programs. This measure also repeals the reporting requirements placed on the State Council for Interstate Adult Offender Supervision. Your Committee finds that this measure will reduce the production of legislatively mandated reports by two entities that often contain little or no new substantive information for the Legislature to consider.

Your Committee has amended this measure by making the effective date defective to promote continuing discussion 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. 1745, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1745, 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, 6. Noes, none. Excused, none.

SCRep. 1159 Judiciary and Hawaiian Affairs on H.B. No. 1763

The purpose of this measure is to establish and appropriate funds for an advisory committee to conduct a comprehensive review of the Hawaii Penal Code and report findings and recommendations to the Legislature prior to the convening of the 2006 Regular Session.

Testimony in support of the measure was submitted by the Office of the Public Defender. Testimony in opposition to the measure was submitted by the Crime Victim Compensation Commission. The Department of the Prosecuting Attorney for the City and County of Honolulu, the Judiciary, the Hawaii State Coalition Against Domestic Violence, and the Sex Abuse Treatment Center offered comments on the measure.

This measure establishes an advisory committee comprised of law enforcement officials, attorneys, government agencies, and interested citizens to conduct a comprehensive review of the Hawaii Penal Code and report findings and recommendations to the Legislature prior to the convening of the 2006 Regular Session. Your Committee finds that this measure is designed to address any inconsistencies, ambiguities, and errors that may exist within the Hawaii Penal Code.

Your Committee has amended this measure by including a representative from a victim advocacy group on the committee.

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. 1763, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1763, 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, 6. Noes, none. Excused, none.

SCRep. 1160 (Joint) Water, Land, and Agriculture and Energy, Environment, and International Affairs on H.B. No. 169

The purpose of this measure is to amend plant and non-domestic animal importation laws to allow the Department of Agriculture to inspect imported commodities for pests.

Testimony in support of this measure was submitted by the Department of Agriculture, the University of Hawaii College of Tropical Agriculture and Human Resources, Big Island Farm Bureau, Hawaii Agriculture Research Center, Hawaii Crop Improvement

Association, Hawaii Farm Bureau Federation, Maui County Farm Bureau, the Nature Conservancy, Pineapple Growers Association of Hawaii, and the Sierra Club.

Your Committees find that imported commodities are considered “high risk” for pests and should receive the level of attention necessary to protect Hawaii from foreign species invasions. This measure allows the Department of Agriculture to adopt rules that identify specific articles on negotiable and non-negotiable warehouse receipts, bills of lading, or other documents of title for inspection for pests.

Your Committees find that the companion to this measure, S.B. No. 956, S.D.1, was heard and approved, with amendments, by both Committees. Your Committees have amended this measure to incorporate the amendments made to S.B. No. 956, S.D.1 by:

- (1) Clarifying that bills of lading and other shipping documents will be the types of documents to be reviewed for specific articles that are subject to inspection for pests; and
- (2) Making technical, nonsubstantive changes for the purpose of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Energy, Environment, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 169, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 169, 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, 3. Noes, none. Excused, 3 (Fukunaga, Hanabusa, Hooser).

SCRep. 1161 (Joint) Water, Land, and Agriculture and Business and Economic Development on H.B. No. 491

The purpose of this measure is to appropriate funds for lifeguard services at Makena State beach park.

The Mayor of Maui County, two Maui County council members, Dr. Leisure’s Friends of Makena State Park, and five individuals submitted testimony in support of this measure. The Department of Land and Natural Resources submitted testimony in opposition to this measure.

Makena State beach park is one of Maui’s most popular beaches. However, it is also one of its most dangerous beaches because of a very severe shore break and strong rip currents. These hazards catch people off-guard and severely injure or sometimes even kill swimmers.

Currently, there are no lifeguards on duty at Makena State beach park, and your Committees find that lifeguard services are needed there to protect tourists and other swimmers. Accordingly, this measure will appropriate the necessary funds to provide ocean safety services at the beach park.

Your Committees have left the amount of the appropriation blank for determination by the Committee on Ways and Means. However, your Committees noted testimony from the Department of Land and Natural Resources that approximately \$428,000 is needed to provide equipment (i.e. lifeguard tower and other life-saving equipment) and lifeguard services at Makena State beach park for the 2005-2006 fiscal year. An additional \$328,000 would also be needed to provide lifeguard services for the 2006-2007 fiscal year.

Your Committees have amended this measure by inserting an effective date of July 1, 2050 to facilitate further discussion on this measure.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 491, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 491, 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 (English, Menor, Sakamoto).

SCRep. 1162 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on H.B. No. 954

The purpose of this measure is to appropriate funds for planning and construction of the Honomalino irrigation system and to prepare the Agricultural Water Use and Development Plan.

The Department of Agriculture, the Department of Land and Natural Resources, the Big Island Farm Bureau, the Hawaii Agriculture Research Center, the Hawaii Crop Improvement Association, the Hawaii Farm Bureau Federation, the Maui County Farm Bureau, and the Pineapple Growers Association of Hawaii submitted testimony in support of this measure.

Your Committees find that small, diversified farms in the South Kona region are susceptible to long droughts that cause major crop damage, wreaking havoc on the economy. Without a reliable agricultural water system, crops will continue to suffer, aggravating the adverse economic impact of drought conditions in the region. Thus, this measure appropriates funds to:

- (1) Plan and construct the Honomalino irrigation system in the South Kona region on the island of Hawaii; and

- (2) Have the Department of Agriculture prepare a comprehensive agricultural water use and development plan to qualify for federal aid financing or reimbursement.

Your Committees have amended this measure by deleting the amount of the appropriation to allow the Committee on Ways and Means to determine the funding.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 954, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 954, 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 (Baker, Fukunaga, Kim, Hemmings).

SCRep. 1163 Water, Land, and Agriculture on H.B. No. 1201

The purpose of this measure is to amend agricultural theft laws.

The Department of Agriculture, the City and County of Honolulu Department of the Prosecuting Attorney (Prosecuting Attorney's Office), the Big Island Farm Bureau, the Hawaii Agriculture Research Center, Hawaii Aquaculture Association, the Hawaii Crop Improvement Association, the Hawaii Farm Bureau Federation, the Maui County Farm Bureau, and the Pineapple Growers Association of Hawaii submitted testimony in support of this measure.

Your Committee finds that agricultural theft is a critical problem for Hawaii's farmers, especially in sparsely populated areas that are isolated from law enforcement. Thus, this measure strengthens current theft laws by providing that possession of agricultural commodities or livestock without proper certificates is evidence that the person knows that the commodities were stolen.

Your Committee noted concerns from the Prosecuting Attorney's Office and the Hawaii Farm Bureau Federation that sign requirements for both criminal trespass in the second degree and theft in the second degree were inconsistent. Thus, your Committee amended this measure's and H.B. No. 1202, H.D. 2's sign requirements to be consistent with each other.

Specifically, your Committee has amended this measure by:

- (1) Including agricultural commodities to the list of property that, if taken, constitutes the crime of theft in the second degree;
- (2) Providing that agricultural products exceeding twenty-five, rather than thirty-five, pounds in weight, if taken, also constitutes the crime of theft in the second degree;
- (3) Clarifying that agricultural equipment, supplies, commodities, or products that are taken from an enclosed area, an area marked with "private property" signs, or an area with visible presence of a crop under cultivation will be considered theft in the second degree; and
- (4) Making technical, nonsubstantive changes for style, clarity, and consistency.

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. 1201, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1201, 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, 1 (Fukunaga).

SCRep. 1164 Water, Land, and Agriculture on H.B. No. 1202

The purpose of this measure is to amend the criminal trespassing laws.

The Department of Agriculture, the City and County of Honolulu Department of the Prosecuting Attorney (Prosecuting Attorney's Office), the Hawaii Agriculture Research Center, the Hawaii Aquaculture Association, the Hawaii Crop Improvement Association, the Hawaii Farm Bureau Federation, the Maui County Farm Bureau, and the Pineapple Growers Association of Hawaii submitted testimony in support of this measure. The Office of the Public Defender submitted comments on this measure.

Agricultural theft is a critical problem for Hawaii's farmers, and they are especially vulnerable to theft since farms are usually located on large plots of land in sparsely populated areas, isolated from law enforcement. Many farms have fences and other simple barriers surrounding their property; however, these obstacles are easily overcome by thieves and do little to deter trespassing. Thus, this measure clarifies the law for criminal trespass in the second degree to include persons who, without permission, enter cultivated or uncultivated agricultural land that is posted with signs forbidding trespassing.

Your Committee noted concerns from the Prosecuting Attorney's Office and the Hawaii Farm Bureau Federation that sign requirements for both criminal trespass in the second degree and theft in the second degree were inconsistent. Thus, your Committee amended this measure's and H.B. No. 1201, H.D. 2's sign requirements to be consistent with each other.

Specifically, your Committee has amended this measure by:

- (1) Clarifying that a person entering or remaining on agricultural land that is in an enclosed area, an area marked with “private property” signs, or an area with visible presence of a crop under cultivation will be guilty of criminal trespass in the second degree; and
- (2) Making technical, nonsubstantive changes for style, clarity, and consistency.

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. 1202, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1202, 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, 1 (Fukunaga).

SCRep. 1165 (Joint) Water, Land, and Agriculture and Energy, Environment, and International Affairs on H.B. No. 1237

The purpose of this measure is to amend the process for removing alien plant species from conservation-zoned lands.

The University of Hawaii Environmental Center, a Maui County Council member, the Land Use Research Foundation of Hawaii, and the Nature Conservancy submitted testimony in support of this measure. The Department of Land and Natural Resources, Good Shepherd Foundation, Inc., and the Institute for the Study of Culturogenic Disease submitted testimony in opposition to this measure.

Your Committees find that beyond the devastating environmental impacts associated with the introduction and spread of alien plant species to Hawaii’s environment, alien species also represent a drain on Hawaii’s economy. Costs associated with mitigating or removing alien plant species and reintegrating native plant and animal species is a strain on limited government resources on the federal, state, and county levels. Thus, this measure provides a streamlined process for removing alien plant species by:

- (1) Permitting private and public landowners of conservation-zoned lands to remove alien plant species by applying for a permit and site plan approval from the Department of Land and Natural Resources; and
- (2) Exempting an application for a permit and site plan approval from the requirements of an environmental assessment and an environmental impact statement, except where the department determines that the removal of the alien plant species will have a significant effect on the environment.

Your Committees find that the companion to this measure, S.B. No. 1893, was heard and approved by both Committees. Your Committees have amended this measure to reflect the provisions in S.B. No. 1893, by:

- (1) Limiting private and public landowners of conservation-zoned lands to remove only noxious trees, rather than all types of alien plant species;
- (2) Requiring landowners to apply for a site plan approval permit;
- (3) Deleting the definition for “alien plant species” and “permit and site plan approval”; and
- (4) Providing a definition for “noxious trees.”

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Energy, Environment, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1237, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1237, 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, 3. Noes, none. Excused, 3 (Fukunaga, Hanabusa, Hooser).

SCRep. 1166 (Joint) Water, Land, and Agriculture and Energy, Environment, and International Affairs on H.B. No. 1238

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to Honolulu Seawater Air Conditioning for the design and construction of a chilled water distribution system.

The Department of Commerce and Consumer Affairs and the Honolulu Seawater Air Conditioning LLC submitted testimony in support of this measure. The Department of Budget and Finance submitted comments on this measure.

Seawater air conditioning district cooling systems are a renewable energy technology that has the potential to provide a contribution to Hawaii’s renewable portfolio standard requirements. Your Committees find that support for the development of renewable and efficient energy systems in the State is in the public’s interest. Thus, this measure will authorize the issuance and refunding of special purpose revenue bonds to assist the seawater air conditioning projects in constructing more economically feasible systems.

Your Committees have amended this bill by inserting an effective date of July 1, 2050, to facilitate further discussion, and making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Energy, Environment, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1238, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1238, 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, 3. Noes, none. Excused, 3 (Fukunaga, Hanabusa, Hooser).

SCRep. 1167 Water, Land, and Agriculture on H.B. No. 1278

The purpose of this measure is to develop and demonstrate comprehensive watershed management measures to improve the water quality of Lake Wilson and to reduce contaminated sediments from the lake in statewide waterways.

The Department of Health, the University of Hawaii Center for Conservation, Research, and Training, and two individuals submitted testimony in support of this measure. The University of Hawaii Environmental Center submitted comments on this measure.

Your Committee finds that with growing concerns over the preservation of Hawaii's environment, ecosystems, and water quality, it is increasingly in the State's best interest to address these problems through innovative, comprehensive watershed management measures that are cost-effective and sustainable. Thus, this measure appropriates funds to:

- (1) Develop comprehensive strategies that establish broad water quality management goals for the entire Lake Wilson catchment, consistent with comprehensive watershed management practices (phase 1); and
- (2) Secure funding and coordinate the implementation of the strategies identified in phase 1 (phase 2).

Your Committee finds that a similar measure, S.B. No. 1451, was heard and approved by this Committee and was subsequently heard and approved, with amendments, by the Committee on Ways and Means. Your Committee has amended this measure to reflect the provisions in S.B. No. 1451, S.D.2, by:

- (1) Appropriating the necessary funds from the Environmental Response Revolving fund, rather than from the General fund;
- (2) Clarifying that the University of Hawaii's Center for Conservation, Research and Training will expend the appropriated funds;
- (3) Deleting the amount of the appropriation to allow the Committee on Ways and Means to determine the funding;
- (4) Inserting an effective date of July 1, 2050 to facilitate further discussion on this measure; and
- (5) Making technical, nonsubstantive changes for style, clarity, and consistency.

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. 1278, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1278, 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, 1 (Fukunaga).

SCRep. 1168 Water, Land, and Agriculture on H.B. No. 1433

The purpose of this measure is to appropriate funds to the Commission on Water Resource Management (Commission) to complete water management tasks.

The Department of Land and Natural Resources, the Office of Hawaiian Affairs, the University of Hawaii Environmental Center, EarthJustice, Hanalei Watershed Hui, Native Hawaiian Legal Corporation, the Nature Conservancy, the Sierra Club, and two individuals submitted testimony in support of this measure.

Your Committee finds that this measure is an important step in protecting Hawaii's most precious resource by enabling the Commission to implement monitoring of our State's fresh water sources.

Your Committee finds that a similar measure, S.B. No. 212, was heard and approved, with amendments, by this Committee and was subsequently approved, with amendments, by the Committee on Ways and Means. Your Committee has amended this measure to reflect the provisions in S.B. No. 212, S.D. 2, by appropriating moneys that would fund a:

- (1) Hydrologist IV position to assist the Stream Protection and Management Branch's Instream Use Protection Section with testing to establish necessary instream flow standards; and

- (2) Geologist I position to assist the understaffed Survey Branch with accomplishing its tasks of data analyses for aquifer tests, groundwater and surface water interaction, and groundwater interpretation, and advising other departments on geological 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 H.B. No. 1433, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1433, 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, Fukunaga).

SCRep. 1169 Water, Land, and Agriculture on H.B. No. 1442

The purpose of this measure is to require counties to adopt ordinances that require land subdividers or developers to connect existing accesses to the shoreline with lateral public shoreline access as a condition to final subdivision approval.

The County of Kauai, Life of the Land, Native Hawaiian Legal Corporation, the Sierra Club, and two individuals testified in support of this measure. The City and County of Honolulu Department of Planning and Permitting, the Hawaii Association of Realtors, Hawaii Resort Developers Conference, and Land Use Research Foundation of Hawaii submitted testimony in opposition to this measure. The Department of Land and Natural Resources submitted comments.

Your Committee finds that the public may be able to access shorelines or other coastal areas; however, they may not be able to safely travel from one access point to another due to shoreline erosion or other natural barriers. This measure will require counties to adopt ordinances to address this issue.

Your Committee has amended this measure by:

- (1) Requiring lateral public access to shorelines for subdivisions of five, rather than six, or more lots;
- (2) Requiring lateral public access to shorelines for condominium property regimes;
- (3) Requiring all final maps for subdivisions and developments to include previous access areas for traditional and customary cultural practices;
- (4) Including traditional and customary cultural practices in the definition for lateral public access;
- (5) Inserting an effective date of July 1, 2050 to facilitate further discussions with the counties on this measure; and
- (6) Making technical, nonsubstantive changes for style, clarity, and consistency.

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. 1442, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1442, 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, 3. Noes, none. Excused, 2 (English, Fukunaga).

SCRep. 1170 Water, Land, and Agriculture on H.B. No. 1639

The purpose of this measure is to protect qualified farmers from liability when a person who trespasses and commits, or attempts to commit, theft on the farmer's agricultural land is injured.

The Department of Agriculture, the Big Island Farm Bureau, the Hawaii Aquaculture Association, Hawaii Agriculture Research Center, the Hawaii Crop Improvement Association, the Hawaii Farm Bureau, the Maui County Farm Bureau, the Maui Land and Pineapple Company, Inc., Pineapple Growers Association of Hawaii, and Quality Turfgrass submitted testimony in support of this measure. The Consumer Lawyers of Hawaii submitted testimony in opposition to this measure.

Theft and trespassing on agricultural lands are growing problems for Hawaii's farmers. In addition to the loss of stolen commodities and the cost of replacing stolen equipment, farmers also face the burden of liability if a trespasser is injured while on the farmer's property. This measure provides an exemption for qualified farmers from civil liability when a person enters or remains on the farmer's agricultural land without permission, commits, or attempts to commit, theft of agricultural equipment, supplies, or commodities on the agricultural land, and is injured.

Your Committee has amended this measure by inserting an effective date of July 1, 2050 to facilitate further discussion on this 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 H.B. No. 1639, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1639, 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, 1 (Fukunaga).

SCRep. 1171 Water, Land, and Agriculture on H.B. No. 1641

The purpose of this measure is to establish a special fund to administer non-agricultural park lands transferred to the Department of Agriculture.

The Department of Agriculture and the Hawaii Agriculture Research Center submitted testimony in support of this measure. The Department of Budget and Finance submitted testimony in opposition to this measure.

This measure creates the non-agricultural park lands special fund to pay for costs incurred in managing, administering, and overseeing non-agricultural park lands that are transferred, or in the process of being transferred, to the Department of Agriculture. The special fund will be financed through legislative appropriations and the revenue collected from lease rents, fees, and penalties associated with the land. Your Committee finds that this will provide another step in the process of transferring agricultural leases from the Department of Land and Natural Resources to the Department of Agriculture.

Your Committee has amended this measure by inserting an effective date of July 1, 2050 to facilitate further discussion on this 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 H.B. No. 1641, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1641, 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, 1 (Fukunaga).

SCRep. 1172 (Joint) Water, Land, and Agriculture and Energy, Environment, and International Affairs on H.B. No. 1707

The purpose of this measure is to exempt seawater air conditioning district cooling projects from public utility regulation.

The Department of Commerce and Consumer Affairs, Honolulu Seawater Air Conditioning LLC, and Jacoby Development, Inc. submitted testimony in support of this measure. The Public Utilities Commission submitted comments.

Seawater air conditioning district cooling systems are a renewable energy technology that have the potential to contribute to Hawaii's renewable portfolio standard requirements by reducing some of the electric company's peak commercial load. Your Committees find that because these cooling systems will not be the sole providers of a service that is essential for public health and welfare, public utility regulation of the cooling systems is not necessary.

Your Committees further find that a similar measure, S.B. No. 1903, was heard and approved by both Committees and was subsequently heard and approved, with amendments, by the Committee on Commerce, Consumer Protection, and Housing. Your Committees have amended this measure to reflect the provisions in S.B. No. 1903, S.D.1, by:

- (1) Clarifying the purpose section of the measure to outline:
 - (a) Specific ways that seawater air conditioning district cooling systems will benefit the State; and
 - (b) Reasons that the seawater air conditioning district cooling system does not need to be regulated by the Public Utility Commission;
- (2) Providing that the measure will take effect upon its approval; and
- (3) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Energy, Environment, and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1707, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1707, H.D. 2, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Housing.

Signed by the Chairs on behalf of the Committees.
Ayes, 3. Noes, none. Excused, 3 (Fukunaga, Hanabusa, Hooser).

SCRep. 1173 Commerce, Consumer Protection and Housing on H.B. No. 931

The purpose of this measure is to prohibit the condemnation of residential development tracts that qualify as sustainable affordable developments.

The Housing and Community Development Corporation of Hawaii (HCDCH), Vice Chair of the Maui County Council, Land Use Research Foundation, Hawaii Reserves, Inc., Building Industry Association of Hawaii, UniDev, LLC, Hawaii Business Roundtable, and Plumbers and Fitters Local 675 testified in support of this measure. The Hawaii State-Wide Housing Coalition opposed the measure.

The Hawaii Land Reform Act, codified in chapter 516, Hawaii Revised Statutes, authorizes HCDCH to acquire leased fee interests in residential house lots in a development tract through voluntary proceedings or pursuant to the State's power of eminent domain. The lessee of a residential lot may then acquire the fee interest from the Corporation. This measure allows a housing development that meets certain guidelines for the provision of affordable housing to obtain an exemption from the leasehold conversion provisions of the land reform law by qualifying as a sustainable affordable development.

Your Committee finds that with the high cost of land in Hawaii, one way of making housing more affordable for purchasers is to offer it on a leasehold basis. Your Committee further finds that this measure will help to encourage landowners to make more land available for affordable workforce housing and remove some of the disincentives for the development of residential leasehold projects.

Your Committee has amended this measure:

- (1) To require a lessor's exemption certification to declare the percentage of initial residential lot sales transacted in compliance with affordability guidelines, and the percentage of initial sales and resales transacted at prices not greater than eighty per cent of the residential lots' fair market values in fee;
- (2) By deleting the definition of "sustainable affordable lessee's share of appreciation";
- (3) By amending the definition of "sustainable affordable development":
 - (a) To provide that the affordability requirements applicable to a minimum of thirty per cent of the residential lots in the development tract apply to initial sales, not resales;
 - (b) To allow a state or county housing agency to lower the minimum percentage levels applicable to residential lots that must be offered at affordable prices if an affordable housing project includes other types of affordable housing, such as apartments;
 - (c) To include limitations on the price of a sustainable affordable lease upon resale; and
 - (d) To allow a lessor to share in an appreciation of the lease upon resale;
- (4) To take effect upon approval; and
- (5) By making technical amendments for the purposes of clarity and 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. 931, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 931, 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 (Ige).

SCRep. 1174 Commerce, Consumer Protection and Housing on H.B. No. 477

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 title 11 United States Code section 522(b), or under any legal process.

The Representative from the Nineteenth District of the State House of Representatives and the Collection Law Section of the Hawaii State Bar Association opposed the proposed amendments to section 651-124(2), Hawaii Revised Statutes.

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.

Your Committee has amended this measure by:

- (1) Deleting language that would have shortened the "look back" period, i.e. the period during which pension contributions are subject to a creditor's claim, from three years before a bankruptcy or civil action filing to one year before a filing; and
- (2) Making technical amendments for the 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. 477, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 477, 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, 1 (Ige).

SCRep. 1175 Commerce, Consumer Protection and Housing on H.B. No. 99

The purpose of this measure is to reduce filing fees for certain securities transactions.

The Business Registration Division of the Department of Commerce and Consumer Affairs (Division) presented comments on the measure.

This measure proposes to decrease the fees for the registration of mutual funds sold in the State, the notice filing of Securities and Exchange Commission Form D for the private placement of securities, the registration of securities sold in the State by qualification, and the renewal of the latter registration.

Your Committee finds that a sampling by the Division of mutual fund filing fees charged by other states indicates that Hawaii's securities are near the bottom of the fee scale, and that any further reductions will make Hawaii's fees the lowest in the nation.

Your Committee further finds that the Division periodically reviews and adjusts its fees to align fee revenues with the cost of services. As a result of a recent review, the Division administratively decreased the fee for the notice filing of Securities and Exchange Commission Form D from \$200 to \$100, consistent with the proposed statutory amendment contained in this measure.

Your Committee has amended this measure by deleting the proposed filing fee reductions for the registration of mutual funds sold in the State, for the registration of securities sold in the State by qualification, and for the renewal of the latter registration.

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. 99, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 99, 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 (Ige, Sakamoto).

SCRep. 1176 Commerce, Consumer Protection and Housing on H.B. No. 1542

The purpose of this measure is to require the investigation of a complaint against a contractor within an unspecified number of working days and completion of that investigation within an unspecified number of working days.

This measure also requires investigators to issue citations for individuals who are practicing as unlicensed contractors or unlicensed craftsmen in violation of the law within an unspecified number of days of the completion of the investigation.

Testimony in support of this measure was submitted by the Building Industry Association-Hawaii, the Hawaii Building and Construction Trades Council AFL-CIO, and the International Brotherhood of Electrical Workers Local Union No. 1186. Testimony in opposition to this measure was submitted by the Department of Commerce and Consumer Affairs (DCCA).

Your Committee finds that the expeditious investigation of unlicensed contracting is necessary to abate the unlicensed activity and to protect consumers and the public. Your Committee understands that construction projects are time sensitive; therefore, it is imperative that investigations regarding complaints against contractors must be initiated and completed in a timely manner. This measure proposes to address this issue by requiring the DCCA to conduct an investigation of a complaint of unlicensed contracting and the completion of that investigation both within an unspecified number of working days of the complaint's receipt.

Additionally, this measure requires an investigator who determines that a person has engaged in unlicensed contracting or as an unlicensed craftsman to issue that person a citation within an unspecified number of working days after the investigation is completed.

Although no specified number of days are included within the measure, your Committee believes that this measure should continue to progress throughout the session as further discussion on the matter will eventually produce timely and reasonable requirements that will expedite the investigation of complaints.

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. 1542, 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, 2 (Ige, Sakamoto).

SCRep. 1177 (Majority) Labor on H.B. No. 180

The purpose of this measure is to require adjustment to compensation and benefit packages for excluded civil service employees 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 Hawaii Government Employees Association Managerial and Confidential Employees Chapter. Testimony in opposition to this measure was submitted by the Department of Human Resources Development and the Department of Human Resources for the City and County of Honolulu.

Your Committee finds that under Act 253, Session Laws of Hawaii 2000, variable adjustments based upon performance were authorized for excluded civil service employees. However, these adjustments are permitted to be based on merit and may be lower for those covered under a collective bargaining agreement, a practice that was previously disallowed. Your Committee further finds that a majority of the employees that are excluded from collective bargaining are career public servants who have competed for their positions in the same manner as other civil service employees. In fact, many of 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. 180, 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, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 1178 Water, Land, and Agriculture on H.B. No. 125

The purpose of this measure is to allow Hawaiian outrigger canoe clubs registered with the Hawaiian Canoe Racing Association to keep their canoes on state shoreline areas.

The Department of Land and Natural Resources, the Office of Hawaiian Affairs, the Lanikai Canoe Club, and one individual submitted testimony in support of this measure.

Hawaiian outrigger canoe paddling is the official team sport of the State and has always played a significant historical and cultural role for the people of Hawaii. As such, your Committee finds that support and encouragement should be given to perpetuate and inspire its continued growth.

Your Committee has amended this measure by:

- (1) Allowing the Hui Wa'a Association and all other canoe racing association affiliates to keep their Hawaiian outrigger canoes on state shoreline areas;
- (2) Clarifying the language in the purpose section of the measure;
- (3) Requiring qualified clubs to obtain permits annually; and
- (4) Making technical, nonsubstantive changes for style, clarity, and consistency.

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. 125, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 125, 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, 3. Noes, none. Excused, 2 (English, Fukunaga).

SCRep. 1179 Energy, Environment, and International Affairs on H.B. No. 1705

The purpose of this measure is to provide more flexibility in the administration of the wholesale gasoline law.

Specifically, the measure allows the Governor to:

- (1) Determine when the price caps under the law will first be implemented;
- (2) Cease implementation of the law and render the law inoperable; and
- (3) Subsequently restart or cease implementation of the law.

Your Committee received testimony in support of this measure from Mid Pac Petroleum and testimony in opposition to this measure from Western States Petroleum Association and Citizens Against Gasoline Price Gouging. Your Committee also received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that this measure will amend existing law to give the Governor flexibility in implementing or rendering inoperative the provisions of section 486H-13, Hawaii Revised Statutes. Your Committee believes that the present law adequately addresses environmental protection and energy concerns regarding the implementation of a gasoline cap. Your Committee further finds that the amendments proposed by this measure may impact the protections afforded to gasoline consumers and, therefore, those provisions are more properly considered by the Committee on Commerce, Consumer Protection, and Housing.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1705, 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, 3. Noes, none. Excused, 2 (Hanabusa, Hemmings).

SCRep. 1180 (Joint) Energy, Environment, and International Affairs, Commerce, Consumer Protection and Housing and Transportation and Government Operations on H.B. No. 1015

The purpose of this measure is to:

- (1) Exempt commercial passenger vessels from the integrated solid waste management law with regard to deposit beverage containers for beverages consumed on a commercial passenger vessel, only if the entity operating the commercial passenger vessel has a deposit beverage container recycling plan prescribed or approved by the Department of Health (DOH);
- (2) Define “commercial passenger vessel”; and
- (3) Clarify when reverse vending machines are required to reject containers if the machine is unable to read the barcode.

Your Committees received testimony in support of this measure from the Department of Health (DOH), The Legislative Center, and Norwegian Cruise Lines. Comments were received from the Sierra Club Hawaii Chapter.

The current deposit beverage container law (bottle law) does not require distributors to pay a deposit on containers that are exported for consumption outside the State. Testimony indicated that the DOH has difficulty in tracking specific containers used by airlines and cruiseships and determining whether these containers were consumed within or outside of the State. Moreover, the problem is compounded by the fact that many beverage distributors responsible for paying the deposit and container fee to DOH are one or two steps removed from the sale of containers to cruiseships and airlines, often working with purchasing companies rather than directly with the airline or cruiseship.

Your Committees believe that exempting commercial passenger vessels from the requirements of the bottle law, if they have a DOH-approved recycling program, addresses the problems of tracking these containers while maintaining the integrity of the bottle law and continuing to protect Hawaii’s environment.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Commerce, Consumer Protection, and Housing and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1015, 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, 10. Noes, none. Excused, 5 (Hanabusa, Hee, Kanno, Sakamoto, Whalen).

SCRep. 1181 Higher Education on H.B. No. 20

The purpose of this measure is to allow the University of Hawaii (UH) and Department of Education (DOE) greater autonomy over their internal operations by removing the June 30, 2005, sunset date of Act 321, Session Laws of Hawaii 1986, which allows UH and DOE to assume authority and responsibility for a variety of fiscal matters.

Your Committee received testimony in support of this measure from UH and the Department of Education.

Your Committee heard a similar measure, S.B. No. 898, that repealed the sunset date. Your Committee finds that, if the sunset date is not repealed, the University of Hawaii’s authority over its acquisition of goods and services will revert to the Department of Accounting and General Services on June 30, 2005. Your Committee finds that the original sunset date of Act 321 has been extended several times over the last two decades and that this string of extensions reflects the gravity of the matter requiring continued examination.

Your Committee has accordingly followed the Senate position as reflected in S.B. No. 898, S.D. 1 and has amended this measure by extending the repeal date of Act 321 from June 30, 2005 to June 30, 2006.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 20, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 20, 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 (Chun Oakland, Sakamoto).

SCRep. 1182 Higher Education on H.B. No. 1192

The purpose of this measure is to make an appropriation to the University of Hawaii (UH) for the repair, maintainence, and operation of the Harold L. Lyon arboretum.

Your Committee received testimony in support of this measure from the UH, Hawaii Government Employees Association, Lyon Arbortem, Sierra Club, Malama o Manoa, Na Leo Pohai, the Steering Committee of the Lyon Arbortem, and three individuals.

Your Committee heard a similar measure, S.B. No. 1747, S.D. 2, that appropriated \$900,000 to UH for each year of the biennium.

Lyon Arboretum, established in 1918, consists of 193.5 acres in upper Manoa valley. It may be the only biological field research facility in a tropical rainforest owned and operated by a university in the United States. It is a repository for rare and endangered native Hawaiian plants, an educational program for children and adults, and a teaching and scientific research resource for the UH. Testimony described Lyon Arboretum as a "rare botanical life boat," a "valuable asset," a "crown jewel," a "botanical gem in the heart of Honolulu," and a "precious and delicate watershed".

Auditor's Report No. 04-14 admonished the UH on its failed obligations to be proper stewards and the UH's mismanagement and lack of financial support for the Arboretum. This measure appropriates funds that are essential to the restoration of Lyon Arboretum's infrastructure. Your Committee finds that Lyon Arboretum is a resource of great value and is at the forefront of efforts to conserve and restore the highly-endangered flora of Hawaii.

Your Committee has amended this measure by appropriating \$900,000 for each year of the fiscal biennium. Your Committee's approval of this measure is a first step to allow Lyon Arboretum to recover from years of neglect and grow towards its full potential and responsibility to our students, the State, and the scientific community, as well as to future generations.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1192, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1192, 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. 1183 (Joint) Higher Education and Health on H.B. No. 281

The purpose of this measure is to establish the Nursing Scholars Program to provide scholarships to individuals pursuing graduate nursing degrees to alleviate the shortage of nurses and nurse educators.

Your Committees received testimony in support of this measure from the University of Hawaii School of Nursing and Dental Hygiene, Hawaii Government Employees Association, The Queens Medical Center, Hawaii Nurses Association, Hawaii Pacific Healthcare, and Healthcare Association of Hawaii. The Department of Taxation provided comments.

This measure is intended to encourage baccalaureate-prepared nurses to enter graduate programs by providing the financial security to allow them to decrease the amount of paid work they undertake while in the program. This will not only decrease financial worries, but will empower students to be successful.

Hawaii's hospitals and long-term care facilities continue to experience a nursing shortage. Your Committees believe this continued shortage will not only severely impact patient care, but also negatively impact Hawaii's economy.

Providing assistance to students is an important part of a multifaceted response to the nursing shortage. The 2005 projected shortage of registered nurses is 1,518, and this is expected to grow to 2,267 by 2010. This measure provides an incentive and added opportunity for men and women of the State to enter a graduate nursing program which will give them the educational preparation to teach nurses.

Your Committees heard a similar measure, S.B. No. 116, that also requested an appropriation of funds for the establishment of a nursing scholars program. Hawaii's nursing schools are turning away applicants. One of the primary reasons for this is a lack of qualified faculty. The faculty shortage is attributed to various factors, such as limited financial incentives to pursue a career in nursing education, a need to maintain one's income while pursuing a graduate degree, and significant tuition and loan expenses for students who pursue graduate studies in nursing. Increasing faculty positions is an essential step towards training the next generation of nurses and reversing the nursing shortage.

Therefore, your Committees further find that it is necessary to increase the number of qualified nursing faculty to meet the demand for registered nurses in the next decade. It is necessary to increase the number of graduate students pursuing master's degrees and doctoral degrees in nursing so that they may become qualified nursing educators upon completion of their advanced degrees.

Your Committees have amended this measure by:

- (1) Appropriating \$100,000 to establish the scholarship program;
- (2) Deleting the duplicate appropriation and expending agency sections;
- (3) Renumbering section 5 to section 4 due to the deletion of the duplicate section; and
- (4) Changing the effective date from 2020 to 2005.

As affirmed by the records of votes of the members of your Committees on Higher Education and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 281, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 281, 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, 2 (Hanabusa, Whalen).

SCRep. 1184 (Joint) Higher Education and Education and Military Affairs on H.B. No. 1078

The purpose of this measure is to expand the teacher national board certification incentive program to include teacher educators in the University of Hawaii system.

Your Committees received testimony in support of this measure from the University of Hawaii (UH), Department of Education, and Hawaii State Teachers Association.

The expansion of the teacher national board certification incentive program to include teacher educators in the University of Hawaii system will have a profound impact on teacher education in Hawaii. National board certified teachers must prove that they: (1) are committed to students and their learning; (2) know the subjects they teach and how to teach those subjects to students; (3) are responsible for managing and monitoring student learning; (4) think systematically about their practice and learn from experience; and (5) are members of learning communities. These are the core propositions of teaching.

Act 51, Session Laws of Hawaii 2004, created a teacher national board certification incentive program in the Department of Education. The program demonstrates the State's commitment and support of public school teachers who have achieved national board certification by awarding monetary bonuses for earning the certification and maintaining it.

Your Committees find that including teacher educators would have several positive impacts. If the incentive program is expanded, teacher educators would be encouraged to seek national board certification and their students would benefit by having faculty with national credentials. Furthermore, teacher educators with national board certification would be better able to develop preparation and professional development programs linked with national standards that would prepare student teachers for national board certification. The retention rate of teacher educator faculty would also be enhanced, and deans and department chairs would be able to use the incentive program as a recruiting tool.

Your Committees have amended this measure by conforming it to S.B. No. 876, S.D. 1, by:

- (1) Adding an unspecified appropriation to the UH for the teacher national board certification incentive program; and
- (2) Changing the effective date to June 30, 2005, and making the appropriation effective on July 1, 2005.

As affirmed by the records of votes of the members of your Committees on Higher Education and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1078, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1078, 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, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 1185 Higher Education on H.B. No. 1749

The purpose of this measure is to direct the University of Hawaii William S. Richardson School of Law and the Legislative Reference Bureau to periodically identify state statutes and rules outside the Hawaii Penal Code that establish non-serious offenses that should be decriminalized.

This bill would also require:

- (1) The Judiciary to provide a list of criminal offenses for which only fines are typically imposed;
- (2) The School of Law and the Legislative Reference Bureau to contact the state departments or agencies that have jurisdiction over the offenses listed by the Judiciary for input as to whether and the extent to which the offenses can be decriminalized without undermining their ability to enforce laws within their jurisdiction;

- (3) The School of Law and the Legislative Reference Bureau to recommend changes to the penalties imposed by the state statutes and rules identified that would make the penalties more consistent with the penalties imposed for decriminalized traffic infractions; and
- (4) The Legislative Reference Bureau to draft legislation to decriminalize the offenses identified.

Your Committee received testimony in support of this measure from the Judiciary and the Community Alliance on Prisons. The Legislative Reference Bureau submitted comments.

Your Committee has amended this bill by:

- (1) Deleting the references to the School of Law to be consistent with the approach taken by the Legislature in House Concurrent Resolution No. 261, H.D. 1, S.D. 1, 2004;
- (2) Clarifying a cross reference at page 2, line 8;
- (3) Requiring the Legislative Reference Bureau to submit a report of its findings and recommendations, including suggested legislation, no fewer than twenty days prior to the convening of the next regular session of the legislature; and
- (4) Making a technical nonsubstantive change for the purpose of consistency.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1749, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1749, 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 (Sakamoto, Trimble).

SCRep. 1186 Higher Education on H.B. No. 1028

The purpose of this measure is to appropriate funds for the University of Hawaii (UH) School of Social Work's distance learning program to provide for adequate staffing and operation of the distance learning program.

Your Committee received testimony in support of this measure from the UH School of Social Work, Hawaii Youth Services Network, and Hale Opio Kauai, Inc.

The goal of distance learning is to provide access to the rich array of instructional resources already available to on-campus students and to students anywhere in the State, who are committed to higher education, but unable to attend the UH campus offering their program of choice.

Distance learning can be delivered any time and anywhere (asynchronous) or at a specific time and location (synchronous) allowing the student to fit their education between family and work. Distance learning in many cases provides students greater flexibility. This flexibility includes freeing students from the constraints of travel or relocation, affording them opportunities to take courses otherwise non-accessible due to scheduling or physical constraints. As a result, students have more control over their own learning and success.

Your Committee finds that the UH School of Social Work's planned distance learning program is essential to the fulfillment of higher educational training for professional social workers. Your Committee further finds that students residing in neighbor island communities will benefit from this program as the program will be able to eventually service individuals in their communities.

Your Committee has amended this measure by increasing the appropriation from \$1 to \$225,000 to be appropriated in fiscal years 2005-2006 and 2006-2007, and by specifying that the appropriations are to be matched dollar for dollar with federal Title IV E funds.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1028, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1028, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Sakamoto).

SCRep. 1187 (Joint) Higher Education and Judiciary and Hawaiian Affairs on H.B. No. 1

The purpose of this measure is to implement the higher education statutory analysis interim study group's proposals to recodify the statutes relating to the University of Hawaii and higher education.

Your Committees received testimony in support of the measure from the Interim President of the University of Hawaii.

Your Committees find that this measure improves the organizational framework of statutes relating to higher education and the University of Hawaii and provides clarity and consistency to the statutes.

As affirmed by the records of votes of the members of your Committees on Higher Education 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. 1, 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, 1 (Sakamoto).

SCRep. 1188 Human Services on H.B. No. 505

The purpose of this measure is to provide an additional payment to adult residential care home operators who provide care to Social Security recipients to assist with increased care costs.

Your Committee received testimony in support of this measure from the Alliance of Residential Care Administrators, the Hawaii Coalition of Care Home Administrators, the Filipino Coalition for Solidarity, Basic Care Home, and two individuals. Your Committee also received comments from the Department of Human Services.

Your Committee finds that adult residential care homes provide an important service and a more economical long-term care alternative for seniors and disabled individuals. Your Committee further finds that payments on behalf of individuals in adult residential care homes have not increased since 1997, despite the rising cost of living and increased costs of operation, personnel, and insurance. This measure authorizes an additional payment to adult residential care home providers who provide care to recipients eligible for either federal Supplementary Security Income or public assistance in accordance with State standards. Your Committee believes that this measure will ensure the continued availability of residential care homes to serve Hawaii's elderly and disabled population.

Your Committee has amended this measure to insert an appropriation of \$10.

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. 505, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 505, 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 (Fukunaga, Trimble).

SCRep. 1189 (Joint) Human Services and Health on H.B. No. 537

The purpose of this measure is to appropriate funds for the Kapiolani Child At-Risk Evaluation (CARE) Program.

Your Committees received testimony in support of this measure from the American Academy of Pediatrics-Hawaii Chapter, Blueprint for Change, Hawaii Family Support Institute, Hawaii Foster Parent Association, Kapiolani Child At-Risk Evaluation (CARE) Program, the CARE Advisory Committee, and six individuals. Your Committees also received comments from the Department of Human Services.

Your Committees find that the Kapiolani CARE Program provides comprehensive, coordinated, and compassionate forensic health services to children who are victims or suspected victims of abuse and neglect. The Kapiolani CARE Program is the sole source on Oahu of medical expertise in the field of physical abuse of children, and the only medical program available to assist Child Welfare Services with investigations of reported harm and identification of child-abuse related health problems. CARE program clinicians also train physicians, nurses, social workers, police, and attorneys in the medical aspects of child abuse and neglect. Your Committees further find that private funding for the Kapiolani CARE Program will terminate in July 2005, and that this measure is vital to ensure the perpetuation of the program. Moreover, your Committees believe that this measure will increase the accurate identification of child abuse and neglect cases, while decreasing the likelihood of erroneous accusations.

Your Committees also note that earlier your Committee on Human Services passed the Senate companion to this measure, S.B. No. 27, which was subsequently amended by the Committee on Ways and Means.

Your Committees have amended this measure by changing the appropriation amounts from \$1 to \$500,000 for fiscal year 2005-2006, and from \$1 to \$600,000 for fiscal year 2006-2007.

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 H.B. No. 537, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 537, 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, none. Excused, 4 (Hanabusa, Kokubun, Trimble, Whalen).

SCRep. 1190 Commerce, Consumer Protection and Housing on H.B. No. 556

The purpose of this measure is to make an emergency appropriation of \$3,050,000 for fiscal year 2004-2005 from the wireless enhanced 911 fund.

Testimony in support of this measure was submitted by the Department of Accounting and General Services.

Your Committee finds that beginning July 1, 2004, wireless phone lines have been assessed a fee of \$.66 per month, as required by Act 159, Session Laws of Hawaii 2004, to be paid into the wireless enhanced 911 fund. However, no accompanying appropriation from the fund was made to allow the wireless enhanced 911 board to meet its basic operational needs, including travel reimbursements for board members, the ability to execute professional services contracts for operations, and the ability to adequately reimburse public safety answer points and wireless carriers for improvements made to enhance 911 service. Therefore, your Committee determines that the emergency appropriation from the funds is necessary to allow the wireless enhanced 911 board to fulfill its intended purpose.

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 H.B. No. 556, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 556, 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 (Ige).

SCRep. 1191 (Joint) Health and Labor on H.B. No. 684

The purpose of this measure is to make an emergency appropriation of additional general funds for fiscal year 2004-2005 to pay for ambulance service contract collective bargaining costs.

The Department of Health, a member of the Maui County Council, American Medical Response, the Hawaii Fire Fighters Association, and two individuals submitted testimony in support of this measure.

Your Committees find that this emergency appropriation is necessary for the Department of Health to comply with collective bargaining increases negotiated by ambulance service providers statewide. The State provides emergency ambulance services through contractual arrangement with the City and County of Honolulu, Hawaii County, and a private provider, American Medical Response, for the counties of Maui and Kauai. This measure assures that continued emergency ambulance services are available at the current level of service throughout communities statewide.

As affirmed by the records of votes of the members of your Committees on Health and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 684, 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, 7. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1192 (Joint) Health and Commerce, Consumer Protection and Housing on H.B. No. 1304

The purpose of this measure is to establish a temporary Healthcare Task Force to develop a plan for implementing health care for all residents of Hawaii.

The Department of Commerce and Consumer Affairs, a member of the Maui County Council, Hawaii Alliance for Retired Americans, the Hawaii Primary Care Association, the Hawaii Psychiatric Medical Association, Hawaii Health Systems Corporation, Kaiser Permanente, Hawaii Medical Service Association, the Kokua Council and ILWU Local 142, and seven individuals submitted testimony in support of this measure. Americans for Democratic Action/Hawaii submitted comments.

Your Committees find that it is necessary to improve the availability of health care coverage so that all residents are insured. Several entities have already been formed and have ongoing efforts in place to address related health care issues, such as the Hawaii Uninsured Project, the Vision 2000 Healthcare Congress, and the Governor's Blue Ribbon Panel on Cancer Care in Hawaii, among others. Your Committees agree with Kaiser Permanente that the proposed Healthcare Task Force should draw upon these resources in fulfilling the purpose of this measure. Your Committees do not presume to choose a system of coverage, but rather agree that there should be a cost analysis of different systems or proposals.

Upon further consideration, your Committees have amended this measure by:

- (1) Placing the task force within the Department of Health for administrative purposes;
- (2) Increasing the number of members to thirteen;
- (3) Having the members appointed by the Governor from a list of recommendations submitted by the Senate President, the Speaker of the House of Representatives, the Director of Health, and the Hawaii Uninsured Project;
- (4) Requiring a balanced representation of interested parties with a majority of the members having experience in health care and the health care industry;
- (5) Requiring a minimum of three members who actively participate with the Hawaii Uninsured Project;
- (6) Requiring at least one neighbor island representative; and

- (7) Requiring the task force to contract with the Hawaii Uninsured Project to serve as facilitator to: convene meetings; provide minutes for meetings and other staff support; facilitate contracting for studies, including but not limited to a cost analysis comparing the costs under the status quo with various options under consideration including but not limited to a possible single-payer system and the recommendations to decrease the uninsured population made by the Hawaii Uninsured Project; and prepare a report for the task force to be submitted to the Legislature.

Your Committees further amended this measure by including the substance of S.B. No. 1469, S.D. 1, which establishes a \$5 surcharge for each marriage license granted for additional benefit and compensation for the non-civil service agent.

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. 1304, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1304, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Hanabusa, Ige, Whalen).

SCRep. 1193 (Joint) Intergovernmental Affairs and Judiciary and Hawaiian Affairs on H.B. No. 393

The purpose of this measure is to clarify that unpaid civil fines and unpaid administratively imposed fines of a county do not become part of any taxes, fees, or charges of the county, and do not constitute a lien in favor of the county upon any property and rights to property belonging to debtors.

Your Committees received testimony in support of this measure from the Mortgage Bankers Association of Hawaii, Hawaii Bankers Association, and Hawaii Financial Services Association. Testimony in opposition was received from the Honolulu Department of Planning and Permitting.

Act 168, Session Laws of Hawaii 1993, enacted an amendment to section 46-1.5, Hawaii Revised Statutes, to empower the counties to enact an ordinance for the addition of any unpaid civil fines and any unpaid administratively imposed fines to any taxes, fees, or charges owing to the county. This measure is an outgrowth of concerns raised by the commercial lending institutions that a county can attach unpaid fines to real property taxes, which would have a lien priority over mortgage liens. The effect is that a mortgage lender may become liable for paying the county lien in a mortgage foreclosure. In addition, a potential mortgage lender has no way of knowing of any unpaid civil fines owing to the county by the potential mortgagee because such fines are not recorded anywhere.

While only one county has of late exercised the right under Act 168 and while the amount actually added to real property taxes has been small, on the order of \$1,500 according to testimony, your Committees believe that the counties should nonetheless retain their rights under Act 168 which would be effectively extinguished by this measure. According to testimony, real property tax attachments are the last resort for the counties to attach anything of value of the delinquent debtor. All other avenues of collection are exhausted first, often two years or longer after the debt is incurred.

Testimony further indicated that the parties are collaborating on reaching a consensus on this issue, perhaps negating the necessity for this measure. Testimony indicated that possible amendments to this measure are to limit the amount of the lien, require a notice be filed with the land court or the bureau of conveyances, or making the county's lien subordinate to the mortgage lien. With this in mind, your Committees pass this measure to the Committee on Ways and Means.

As affirmed by the records of votes of the members of your Committees on Intergovernmental Affairs 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. 393, 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, 10. Noes, none. Excused, 2 (Baker, Kim).

SCRep. 1194 (Joint) Intergovernmental Affairs and Judiciary and Hawaiian Affairs on H.B. No. 1320

The purpose of this measure is to require the public safety answering point of each county to retain the dispatch recordings of all emergency 9-1-1 calls for a period of not less than one year.

Your Committees received testimony in support of this measure from the Honolulu Police Department. Your Committees also received comments from the Department of the Prosecuting Attorney, County of Maui.

Your Committees recognize the importance and value of preserving emergency 9-1-1 dispatch recordings. Your Committees find that requiring the retention of emergency 9-1-1 recordings for a period of at least one year will provide ample time for requests to further preserve critical 9-1-1 recordings, and for copies to be distributed to interested parties.

As affirmed by the records of votes of the members of your Committees on Intergovernmental Affairs 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. 1320, 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, 10. Noes, none. Excused, 2 (Baker, Kim).

SCRep. 1195 (Joint) Higher Education and Labor on H.B. No. 5

The purpose of this measure is to make the optional retirement plan for University of Hawaii employees permanent.

Your Committees received testimony in support of this measure from the University of Hawaii, University of Hawaii Professional Assembly, Teachers Insurance and Annuity Association College Retirement Equities Fund, and AIG VALIC. The Hawaii Government Employees Association supported the intent of this measure.

Your Committees find that Act 180, Session Laws of Hawaii 2004, was passed with a sunset provision of five years. This five-year sunset provision prohibits the implementation of an optional retirement plan because anyone choosing this plan would have no plan once the optional retirement plan is repealed.

Your Committees have amended this measure by:

- (1) Changing the effective date from July 1, 2010 to July 1, 2020; and
- (2) Increasing the maximum amount of the State's annual contribution for an employee from \$100,000 to \$125,000.

As affirmed by the records of votes of the members of your Committees on Higher Education and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 5, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 5, 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, none. Excused, 2 (Sakamoto, Taniguchi).

SCRep. 1196 Higher Education on H.B. No. 19

The purpose of this measure is to clarify:

- (1) That the Board of Regents may contract for the marketing of revenue bonds to the greatest advantage;
- (2) The definitions of "board" and "revenue of the university";
- (3) The law on the issuance of revenue bonds by the Board of Regents;
- (4) The law on university revenue-undertakings fund; and
- (5) The law on exemptions of property and revenue of any university project or university system from taxation and assessments.

This measure also authorizes the issuance of revenue bonds in the amount of \$250,000,000 to finance the cost of construction and maintenance of student housing units.

Your Committee received testimony in support of this measure from the University of Hawaii (UH) and the Associated Students of the UH.

The thrust of this measure is to facilitate the development of student housing by the issuance of revenue bonds by the Board of Regents. This measure would enhance the ability of the UH to address critical housing needs of students in a tight rental housing market. Student housing is a critical component of the campus infrastructure. Currently available student housing space is insufficient to meet increasing demands at the UH. In addition, substantial renovation and reconstruction of housing facilities are essential due to the age and current physical state of the buildings. A new dorm building at the UH has not been built since 1978.

Unfortunately, in the Fall of 2004, at least 700 students who were assured housing became homeless at the beginning of the semester due to past failure by the UH to upkeep the maintenance and repairs. Approximately \$33,814,016 in deferred maintenance has accumulated at the UH at Manoa.

Additionally, there was a shortage of almost 1,400 dorm spaces last summer for incoming fall students, aggravated by the shutdown of 214 rooms in Gateway House last January to replace the 40-year-old building's aging transformer and by the power failures caused by the October 30, 2004 flooding from Manoa Stream.

This measure would allow the UH to pledge revenue sources other than those generated through the UH bond system. The ability to pledge other sources of revenue, excluding general funds, has the potential to increase the UH's debt capacity for financing projects such as student housing.

Your Committee has amended this measure by adding "special and revolving funds" to the definition of "revenue of the university".

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 19, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 19, 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. 1197 (Joint) Education and Military Affairs and Transportation and Government Operations on H.B. No. 10

The purpose of this measure is to exempt members of the national guard and reserves who are called to active duty to serve in Iraq or Afghanistan from county vehicular taxes and fees for noncommercial motor vehicles.

Testimony in support of this measure was submitted by the State Department of Defense, Department of Transportation, and The Chamber of Commerce of Hawaii. Comments were submitted by the Hawaii National Guard Association, City and County of Honolulu's Department of Customer Services, and Tax Foundation of Hawaii.

Your Committees find that members of the Hawaii National Guard and reserves are more frequently being called to active duty. More than 2,500 members from Hawaii are currently serving in combat zones in Iraq and Afghanistan. This heavy deployment has put strains on recruitment and retention. Measures such as this bill will impart on those serving and any potential recruits that the State acknowledges their sacrifices and will adopt measures to support them.

Upon further consideration, your Committees have amended this measure by:

- (1) Placing a one year cap on the exemption upon the member's return from active duty; and
- (2) Clarifying that the exemption is extended to those who are serving or have served in the central command area of operations to ensure that all members deployed to Iraq, Afghanistan, Kuwait, or Qatar are included.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 10, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 10, 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, 3 (Kanno, Tsutsui, Whalen).

SCRep. 1198 Education and Military Affairs on H.B. No. 115

The purpose of this measure is to appropriate funds for casket liners and to address the soil problems at the Hawaii State Veterans Cemetery.

Testimony in support of the measure was submitted by the Office of Veterans' Services and the Advisory Board on Veterans' Services.

Your Committee finds that the State Veterans Cemetery is in disrepair, requiring immediate maintenance to stop the escalating deterioration of the columbarium area, along with the sinking graves problem. As our country made a commitment to honor veterans, it is a priority to continue to maintain the cemetery as a place of honor for veterans and their families.

Accordingly, your Committee has amended this measure by inserting an appropriation amount for fiscal year 2005-2006 and specifying that a portion of the appropriated amount for that fiscal year is to be used for casket liners.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 115, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 115, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1199 (Joint) Education and Military Affairs and Labor on H.B. No. 758

The purpose of this measure is to require the Department of Education to adhere to the state minimum wage law when setting wages for meal count assistants, adult supervisors, and classroom cleaners.

Testimony in support of the measure was submitted by the Department of Education.

Your Committees find that a conflict arises in recognizing meal count assistants, adult supervisors, and classroom cleaners as employees of the Department of Education. This measure would include these positions in the department's statutes and allow for their appropriate position funding.

Upon further consideration, your Committees have made an amendment to exempt learners, apprentices, students, wards, and handicapped workers presently subject to a special minimum wage under section 387-9, HRS.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 758, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 758, 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, 8. Noes, none. Excused, 2 (Taniguchi, Tsutsui).

SCRep. 1200 (Joint) Education and Military Affairs and Labor on H.B. No. 761

The purpose of this measure is to allow an employee to use family leave during any calendar year to provide family care and support during the military deployment of the employee's child, spouse, reciprocal beneficiary, or parent.

Testimony in support of the measure was submitted by the Department of Labor and Industrial Relations, Department of Human Resources Development, and the Hawaii National Guard Association.

Your Committees find that the purpose of the Family Leave Law is to allow employees to take a leave and provide care for a family member with a serious health condition or the birth or adoption of a child and return to their position or an equivalent position without penalty. As approximately 90% of the Hawaii Army National Guard are deployed overseas, it is important to send a message of support to them that the State recognizes their sacrifices.

Hawaii has continually adopted initiatives that follow the lead of the federal government. Currently, the United States Department of Labor issued guidelines regarding service members' rights to family leave. Accordingly, your Committees have amended this measure by clarifying the issues for which a family member may take leave regarding instances of deployment as recommended by the Department of Human Resources Development.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 761, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 761, 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, none. Excused, 2 (Taniguchi, Tsutsui).

SCRep. 1201 (Joint) Education and Military Affairs and Health on H.B. No. 1550

The purpose of this measure is to authorize the Department of Education employees and agents to administer glucagon to diabetic students in an emergency and releases them from liability for any injury from the emergency administration.

Testimony in support of the measure was submitted by the Department of Education, Department of Health, Kaiser Permanente, Hawaii Association of Diabetes Educators, American Diabetes Association, Tripler Army Medical Center Children with Diabetes Support Group, and two individuals. Comments were submitted by the Hawaii State Teachers Association, Hawaii Government Employees Association, and Consumer Lawyers of Hawaii.

Your Committees find that students with Type I diabetes can have severe low blood sugar that can result in unconsciousness or seizures. If untreated promptly, the results can bring the rapid onset of brain damage or death. The recommended treatment is to administer glucagon while waiting for emergency medication personnel. Unfortunately, public health nurses are not on school grounds during all school hours. Thus, it is of critical importance that there is staff prepared to respond appropriately to administer the glucagon to students with diabetes.

This measure authorizes Department of Education personnel to volunteer to perform this critical treatment and encourages the volunteers by removing their liability when acting in these emergency situations. Furthermore, it is the intent of your Committees that this measure applies to all public schools including charter schools.

Your Committees have amended this measure by clarifying that qualified health care professionals are not exempt for liability and changing the effective date to July 1, 2005.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1550, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1550, 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, 6. Noes, none. Excused, 3 (Hanabusa, Hooser, Whalen).

SCRep. 1202 (Joint/Majority) Tourism and Labor on H.B. No. 471

The purpose of this measure is to amend the administrative responsibilities of the Hawaii Tourism Authority (HTA), as follows:

- (1) To allow the HTA to develop and implement a personnel system to provide for the appointment of officers and employees, subject to the approval of the board of directors;
- (2) To allow moneys in the convention center enterprise special fund and the tourism special fund to be placed in interest-bearing accounts if the depository furnishes security and to allow the HTA to invest the moneys in any investment approved by law; and

- (3) To allow the HTA to set up a special account in the tourism special fund for depositing non-tax revenues received from public or private contracts, and to disburse those funds on public or private contracts.

Your Committees received testimony in support of this measure from the HTA. Testimony in opposition was received from the Tourism Liaison. Comments were received from the Attorney General.

This measure is intended to streamline the operations of the HTA, and to enhance its accountability and efficiency. Your Committees view the HTA as being a quasi-governmental body and should be given more latitude in its functioning while the HTA maintains its accountability for performance.

Your Committees have amended this measure by:

- (1) Adding one ex officio nonvoting member to the board of directors consisting of the Executive Director of the State Foundation on Culture and the Arts;
- (2) Clarifying that the appointment of officers by the HTA is on the condition that there are no anticipated revenue shortfalls and that funds have been appropriated;
- (3) Adding that the HTA may encourage collaboration between the visitor industry, law enforcement agencies, community organizations, and businesses to develop and implement programs to improve visitor safety and security;
- (4) Deleting reference to a personnel system;
- (5) Deleting reference to setting up a special account for non-tax revenues, since the Attorney General recommended that this may be done administratively; and
- (6) Adding a severability clause; and
- (7) Changing the effective date to upon approval.

As affirmed by the records of votes of the members of your Committees on Tourism and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 471, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 471, 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, 1 (Slom). Excused, 2 (Espero, Hee).

SCRep. 1203 Tourism on H.B. No. 835

The purpose of this measure is to:

- (1) Amend the signage requirements for time share booths by increasing the size of the wording from one inch to three inches, except for booths located within a project subject to a time share plan or within a hotel under certain conditions;
- (2) Specify that the prohibition of the receipt of money, property, or other valuable consideration from a purchaser or prospective purchaser does not apply to money paid for a tourist activity, product, or service offered to induce attendance at a time share sales; and
- (3) Clarify that the requirement for including in promotional literature a disclosure that the product or activity involves a time share does not apply to a sign or banner, except as provided in the statutory signage requirements.

Your Committee received testimony in support of this measure from Pahio Resorts, and American Resort Development Association-Hawaii Chapter. Your Committee received comments from the Department of Commerce and Consumer Affairs.

This measure represents an ongoing and continuing effort of the time share industry and the State to improve the time share product. These matters include the accuracy of seller representations, signage displays on time share booths, and deceptive trade practices. Your Committee finds that time shares are becoming increasingly popular with tourists who prefer to own a vacation unit rather than stay in a hotel. An upright and honest time share industry is part of the quality visitor experience.

Your Committee has amended this measure by inserting provisions of S.B. No. 971, S.D. 2, which deletes the exemption for booths located within a project subject to a time share plan, deletes the definition of "affiliate", and takes effect upon approval.

As amended, this measure clarifies and modifies the laws relating to prohibited and deceptive time share practices, as follows:

- (1) Currently, the law requires a time share sales or acquisition agent who offers a gift or prize to promote a time share project to provide the prospective purchaser with a written disclosure of all terms and conditions attached to the gift and of certain details regarding the time share project. Under this measure, only material gift and prize terms and conditions would require disclosure, and exchange privileges and limitations related to the project would not require disclosure;

- (2) The law currently prohibits the acceptance of money or other consideration from a purchaser prior to sale. This measure clarifies that the prohibition does not apply to payment received from a purchaser to participate in a tourist or promotional activity;
- (3) Current signage requirements prohibit artwork and establish other restrictions related to letter size and styling and use of colors. This measure instead requires that signage contain the words "time share" or "time sharing" in three inch-tall letters that contrast in color from the background;
- (4) Presently, time share signs are required to be permanently affixed to each side of the time share booth. This measure would permit signage to be posted on or in the time share booth, but bans any posting, upon, adjacent to, or in the sign that indicates the booth is not being used for time share solicitation purposes. Additionally, this measure provides that the signage requirements do not apply to a booth located within a time share project or within a hotel owned or operated by the time share developer or the developer's affiliate; and
- (5) The time share law deems it a deceptive trade practice to fail to disclose in promotional and other written materials that the product or activity involves a time share. This measure clarifies that the disclosure requirement does not apply to signs and banners.

The amended measure is the product of collaboration between the Department of Commerce and Consumer Affairs and representatives of the time share industry.

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. 835, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 835, 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, 5. Noes, none. Excused, 1 (Hee).

SCRep. 1204 Tourism on H.B. No. 997

The purpose of this measure is to revise the percentage allocations of the transient accommodations tax revenues and to repeal the transient accommodations tax trust fund.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Hawaii Tourism Authority, Tourism Liaison, Hawaii Business Roundtable, Hawaii Hotel & Lodging Association, and Sierra Club-Hawaii Chapter. Testimony in opposition was received from the Department of Budget and Finance and Department of Taxation. Comments were received from Hawaii Resort Developers Conference, Waikiki Improvement Association, and Tax Foundation of Hawaii.

The tourism industry plays a large role in the health of Hawaii's economy. Consequently, the State's growth is strongly correlated to the rate of economic expansion in U.S. and international tourist markets. Your Committee finds that an increase in funding is necessary to preserve and strengthen the tourism industry.

The Hawaii Tourism Authority provides funding for various visitor assistance programs. Moneys for these programs are derived in part from the transient accommodations tax. With a dedicated source of funding created under this Act, for safety and security programs, the Hawaii Tourism Authority will have the latitude to fund existing programs or establish new ones in each county such as the aloha aina patrol under the jurisdiction of the county. The Hawaii Tourism Authority has received numerous awards for its support of visitor safety programs and hopes to increase its efforts.

Your Committee further finds that increasing the percentage the Hawaii Tourism Authority receives from the transient accommodations tax is necessary to ensure funding for other areas as well. State parks and trail systems are in critical need of upgrade and maintenance. An increase in the percentage that the Hawaii Tourism Authority receives from the transient accommodations tax will ensure a dedicated source of revenue for state parks and the statewide trails and access program to benefit residents and visitors alike, and an increase in revenues for the general fund will assist in supporting programs such as education, health, and infrastructure.

Your Committee has amended this measure by inserting the provisions of S.B. No. 1729, S.D. 2, and adding the tax surcharge in S.B. No. 1730, S.D. 2. As amended, this measure:

- (1) Adds a preamble section on legislative findings and purpose;
- (2) Allows moneys in the convention center enterprise special fund to be placed in interest-bearing accounts and otherwise invested; provided that statutory securities and investment guidelines are adhered to;
- (3) Requires that moneys in the tourism special fund are placed in interest-bearing accounts and otherwise invested; provided that statutory securities and investment guidelines are adhered to;
- (4) Changes the distribution of revenues from the transient accommodations tax and repeals the transient accommodations tax trust fund;
- (5) Earmarks a percentage of the Hawaii Tourism Authority revenues for the safety and security program of the Authority; and

- (6) Imposes a transient accommodations tax surcharge upon hotels converting to time sharing plans or to condominiums.

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. 997, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 997, 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, 1 (Hee).

SCRep. 1205 (Joint/Majority) Tourism and Business and Economic Development on H.B. No. 998

The purpose of this measure is to extend the period and increase the amount of the hotel construction and remodeling tax credit (tax credit) and to delete hotels and hotel condominiums and time share projects from eligibility for the credit.

Your Committees received testimony in support of this measure from the Hawaii Tourism Authority, Tourism Liaison, Hawaii Hotel & Lodging Association, Hawaii Resort Developers Conference, American Resort Development Association-Hawaii Chapter, Outrigger Enterprises, Inc., Waikiki Improvement Association, and Subcontractors Association of Hawaii. Testimony in opposition was received from the Department of Taxation, Starwood Hotels & Resorts Worldwide, Inc., and Cedant Corporation/Fairfield Resorts. Comments were received from the Tax Foundation of Hawaii.

The hotel construction and remodeling tax credit has proven to be a valuable incentive for hotels to make the necessary upgrades to their facilities to better accommodate the rise in tourism. The result is an improvement of Hawaii's visitor product. The intent of this measure is to extend and increase the tax credit in the interests of promoting the tourism industry.

Your Committee has amended this measure by:

- (1) Extending the four per cent tax credit through December 31, 2007, raising the tax credit to eight per cent from January 1, 2008 to December 31, 2010, and sunseting the tax credit on December 31, 2010;
- (2) Imposing a threshold amount of costs to which the tax credit applies of \$5,000,000;
- (3) Limiting the tax credit to "qualified full service hotel facility";
- (4) Providing for a nonrefundable tax credit; and
- (5) Providing for a recapture of the tax credit for conversion to a time share plan or a condominium.

As affirmed by the records of votes of the members of your Committees on Tourism and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 998, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 998, 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, 1 (Trimble). Excused, 3 (Hee, Menor, Sakamoto).

SCRep. 1206 (Majority) Labor on H.B. No. 266

The purpose of this measure is to amend the law relating to collective bargaining by changing certain subject matter areas that are currently excluded from negotiation into permissible subjects of collective bargaining negotiations.

Specifically, this measure:

- (1) Deletes the prohibition on any provision within a collective bargaining agreement that:
 - (A) Is inconsistent with the merit principle or the principle of equal pay for equal work; or
 - (B) Would interfere with the rights and obligations of the employer under various circumstances; and
- (2) Authorizes negotiations between employers and an exclusive representative of a bargaining unit over matters relating to the merit principle, the principle of equal pay for equal work, work standards and examination contents, efficiency and productivity in government operations, methods and means of government operations, and emergency actions.

Your Committee finds that pursuant to Act 399, Session Laws of Hawaii 1988, the Legislature amended subsection 89-9(d), Hawaii Revised Statutes (HRS), to expand the scope of collective bargaining in the public sector. The amendment was intended to protect contract provisions that would otherwise be considered to be invalid due to a literal interpretation of what are considered to be management rights. Under current collective bargaining agreements, provisions regarding standards, criteria, and procedures relating to employee hiring, promotions, transfer, assignment, retention, suspension, demotion, discharge, disciplinary actions, layoffs, and displacement for lack of work and other similar personnel actions are widely incorporated and utilized. However, the current law unnecessarily restricts negotiations over many of these areas. Therefore, your Committee believes that the law must evolve to better facilitate labor-management negotiations in a more pragmatic manner.

However, your Committee acknowledges the concerns raised by the interested parties, and seeks to strike a balance between the interests of the employers and the employees. As a result, the current prohibition against only the agreement on provisions that would interfere with the rights and obligations of an employer to hire, promote, transfer, assign, and retain employees in positions; suspend, demote, discharge, or take other disciplinary action against employees for proper cause; and relieve an employee from duties because of lack of work or other legitimate reason should be eliminated.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the contents of subsection 89-9(g), HRS, and replacing it with language that restores the prohibition deleted from subsection 89-9(d), HRS, that prohibits public employers from agreeing on provisions that:
 - (A) Are inconsistent with the merit principle or the principle of equal pay for equal work; or
 - (B) Materially interfere with their rights and obligations to maintain efficiency in government;

except that all references to hire, promote, transfer, assign, and retain employees in positions; suspend, demote, discharge, or take other disciplinary action against employees for proper cause; and relieve an employee from duties because of lack of work or other legitimate reason are excluded in order to avoid literal application by the courts;
- (2) Prohibiting public employers from challenging provisions of collective bargaining agreements after negotiations have been completed; and
- (3) Changing the effective date of the Act from upon approval to July 1, 2050 to promote 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. 266, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 266, 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, 2. Noes, 1 (Slom). Excused, 1 (Taniguchi).

SCRep. 1207 (Majority) Labor on H.B. No. 1134

The purpose of this measure is to increase the minimum wage amount to \$6.75 per hour beginning July 1, 2006 and \$7.25 per hour beginning January 1, 2007.

Testimony in support of this measure was submitted by the Hawaii State Teachers Association 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 Retail Merchants of Hawaii, the Hawaii Business League, Gytaku Japanese Restaurant, LWD, Inc., United Rim Transport, Inc., the Hawaii Automobile Dealers Association, the National Federation of Independent Business Hawaii, and two individuals.

Your Committee finds that although the minimum wage amount was recently increased, effective in 2003, the increase has failed to keep pace with the rate of inflation. As a result, a worker's purchasing power has continued to diminish over time. Prior to the most recent increase, no previous adjustment had been made to the minimum wage amount since 1993. In Hawaii, the cost of living is higher than that of much of the rest of the nation, which compels many individuals to work two jobs just to make ends meet. As it appears that we have now turned the corner, heading towards improved economic times, your Committee believes that it is necessary to assist entry-level workers to allow them to share in this period of economic growth and prosperity.

Your Committee further finds that some concern exists regarding the current tip credit law. Under the current law, an employer is allowed to take a credit for the tips that their employees may receive. A majority of the states across the nation have laws providing for tip credit allowances. Of those states with tip credit laws, the amount of the tip credit ranges from about one to three dollars, well over the twenty-five cents allowed here in Hawaii. Your Committee believes that one way to address the financial burden imposed upon employers due to the proposed increases in the minimum wage amount is to raise the tip credit amount to offset the additional costs.

Additionally, your Committee finds that although Hawaii is fortunate to enjoy one of the lowest unemployment rates in the country, unemployment insurance tax relief is long overdue for employers within the State as well. Therefore, your Committee determines that at least temporary tax relief for calendar years 2005, 2006, and 2007 should be provided in order to promote business growth and economic prosperity through the creation of new jobs, the expansion of benefits, and the provision of pay increases to employees.

Accordingly, your Committee has amended this measure by:

- (1) Raising the minimum wage to \$7 effective January 1, 2006, and to \$8 on January 1, 2008;
- (2) Increasing the hourly wage tip allowance from 25 cents to 75 cents effective January 1, 2006;
- (3) Providing temporary tax relief to employers by lowering the maximum taxable wage base for calendar years 2005 through 2007; 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. 1134, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1134, 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, 2. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 1208 (Majority) Labor on H.B. No. 1608

The purpose of this measure is to authorize public employee organizations to establish voluntary employees' beneficiary association (VEBA) trusts, as a pilot program for a period of three years, to provide health benefits to their members, in lieu of coverage under the Hawaii employer-union health benefits trust fund (EUTF).

Testimony in support of this measure was submitted by the Hawaii State Teachers Association and twenty-three individuals. Testimony in opposition to this measure was submitted by the Department of Budget and Finance, the Department of Human Resources Development, and the Hawaii Government Employees Association.

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.

Additionally, the Attorney General previously raised other concerns regarding the measure, including that a VEBA trust may be exempt from fiduciary duties under the Employee Retirement Income Security Act of 1974 (ERISA) and is not required to maintain certain types of insurance coverage. This measure has been amended to address the concerns raised by the Attorney General. Furthermore, your Committee believes that this measure will help to encourage increased competition and result in lower premium rates for public employee health insurance.

Accordingly, your Committee has amended this measure by:

- (1) Requiring that in the establishment of a VEBA trust, an employee organization must have an applicable collective bargaining agreement that shall specify that the employee organization agrees to comply with all the requirements of the chapter regardless of whether the trust is deemed a governmental plan;
- (2) Clarifying language regarding the prohibition on a VEBA trust from exempting itself from any fiduciary responsibility imposed by ERISA;
- (3) Clarifying that the retired employees will be covered under a VEBA trust if the retirees were members of a bargaining unit that establishes a VEBA trust immediately prior to retirement;
- (4) Authorizing the attorney general to take appropriate legal action to enforce the provisions of the chapter;
- (5) Adding a new section to require an employee organization or a trust's governing board to procure insurance and the appropriate bonding and to provide for immunity of the State and the counties;
- (6) Amending the definition of "employee" or "public employee" to accurately reflect the proper subsection regarding individuals who are excluded from collective bargaining;
- (7) Clarifying within the new subsection 89-6(f) that all individuals who retire after July 1, 2005 shall be considered members of the bargaining unit to which they belonged immediately prior to retirement;
- (8) Changing the effective date of the act from July 1, 2010 to effective upon approval; and
- (9) 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. 1608, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1608, 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, 2. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 1209 Energy, Environment, and International Affairs on H.B. No. 606

The purpose of this measure is to require the Public Utilities Commission (PUC) to adopt rules:

- (1) Setting forth safety, performance, and reliability standards and requirements for eligible customer-generator systems of greater than ten kilowatts; and

- (2) Establishing requirements to be met by an eligible customer-generator to become exempt from certain requirements.

Testimony in support of the measure was received from the Department of Business, Economic Development, and Tourism, the Hawaii PV Coalition, the Sierra Club, the Hawaii Renewable Energy Alliance, the Hawaii Solar Energy Association, and PowerLight Corporation. Hawaii Electric Company, Inc., while supporting the intent of net energy metering, testified in opposition to the measure. The Department of Commerce and Consumer Affairs and the Public Utilities Commission offered comments.

Your Committee finds that the net energy metering program shows much promise in encouraging the use of renewable energy. Your Committee also finds that removing uncertainties in regulation in this area as quickly as possible will lead to faster growth in the construction and interconnection of renewable energy systems.

Your Committee has amended this measure by allowing the PUC to effectuate the requirements, standards, and guidelines, by decision and order or by tariff adoption instead of through the adoption of administrative rules, in order to expedite the process.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 606, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 606, 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, 3. Noes, none. Excused, 2 (Hanabusa, Hemmings).

SCRep. 1210 Judiciary and Hawaiian Affairs on H.B. No. 278

The purpose of this measure is to amend Hawaii's sentencing laws relating to victim restitution.

Specifically, this measure:

- (1) Eliminates judicial discretion and makes the payment of victim restitution mandatory; and
- (2) Requires that a defendant's financial ability to make restitution payments be considered only in connection with the establishment of a restitution payment schedule.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Hawaii Paroling Authority, the Crime Victim Compensation Commission, the Department of the Prosecuting Attorney for the County of Maui, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Hawaii State Coalition Against Domestic Violence, and Mothers Against Drunk Driving Hawaii. The Office of the Public Defender testified in opposition to the measure.

Your Committee finds that this measure makes victim restitution a mandatory as opposed to a discretionary feature of Hawaii's sentencing laws. This measure only takes into consideration a defendant's financial ability to pay for the purpose of establishing a restitution payment schedule.

Your Committee has amended this measure by:

- (1) Removing provisions that make victim restitution mandatory;
- (2) Including provisions that increase the crime victim compensation fee by \$10 based upon the class of the criminal offense; and
- (3) Establishing a priority schedule regarding the payment of court-ordered fees to ensure that the victim of a defendant's crime receives the first amount of compensation paid by the defendant.

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. 278, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 278, 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, 6. Noes, none. Excused, none.

SCRep. 1211 Judiciary and Hawaiian Affairs on H.B. No. 384

The purpose of this measure is to increase the amount of compensation payable to an attorney who is appointed by the court to represent an indigent criminal or juvenile defendant in any judicial or administrative proceeding in the courts.

Testimony in support of the measure was submitted by the Judiciary, the Hawaii State Bar Association, the Department of the Attorney General, the Office of the Public Defender, the Department of the Prosecuting Attorney for the City and County of Honolulu, and the Hawaii Association of Criminal Defense Lawyers. The Department of Budget and Finance offered comments on the measure.

Under current law, court-appointed attorneys for indigent criminal and juvenile defendants are paid \$40 per hour for out-of-court services and \$60 per hour for services performed in court. Current law also sets a maximum amount that can be paid to the attorney

based on a schedule of cases. For example, the maximum amount for a felony case is currently \$3,000, while the maximum amount for a petty misdemeanor case is \$450.

Your Committee finds that the current rates, which were last increased in 1987, are too low, far below prevailing rates. The courts have found it difficult to find competent attorneys to accept complex cases, and cases on appeal. The difficulty has created serious concerns among those who prosecute and those who defend indigent defendants, citing increased cases on appeal and cases of ineffective assistance of counsel.

Justices of the Hawaii Supreme Court have commented on the inadequacy of the current fee schedule for court appointed attorneys. In In re Attorney's Fees of Reinhardt Mohr, 97 Haw. 1, 32 P.3d 647 (2001), Justice Ramil wrote:

In my view, the patently inadequate hourly rate paid to state court-appointed private counsel is endangering the right of indigent criminal defendants to adequate representation. The current rate does little to encourage private counsel to participate enthusiastically in the defense of indigent criminal defendants.

Justice Acoba wrote:

The hourly rate under HRS Section 802-5 is no longer reasonable. . . Insofar as compensation is inadequate, those attorneys who represent indigent clients, . . . personally subsidize the financial obligation imposed upon the State by the United State and Hawai'i constitutions' mandate that such defendants be represented by counsel.

Your Committee concurs with the comments of the Justices of the Hawaii Supreme Court and believes that the rates should be increased as provided in the bill.

Your Committee has amended this measure by:

- (1) Modifying the amounts listed in the court-appointed fee schedule for various criminal cases; and
- (2) Changing the effective date to July 1, 2007.

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. 384, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 384, 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, 6. Noes, none. Excused, none.

SCRep. 1212 (Joint) Judiciary and Hawaiian Affairs and Intergovernmental Affairs on H.B. No. 434

The purpose of this measure is to appropriate funds as grants-in-aid to the county prosecutors' offices for career criminal prosecution units and victim assistance programs.

The Department of the Prosecuting Attorney for the City and County of Honolulu, the Honolulu Police Department, the Office of the Prosecuting Attorney for the County of Hawaii, the Office of the Prosecuting Attorney for the County of Kauai, and the Department of the Prosecuting Attorney for the County of Maui testified in support of the measure.

Your Committees find that supporting career criminal prosecution units and victim witness assistance programs on all the islands are vital to the prosecution of habitual offenders as well as providing crime victims and witnesses access to trained counselors to assist them as their case progresses through the criminal justice system.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 434, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair and President of the Senate on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 2 (Baker, Kim).

SCRep. 1213 Judiciary and Hawaiian Affairs on H.B. No. 447

The purpose of this measure is to give the Office of Hawaiian Affairs the authority to make all necessary and appropriate disbursements of its moneys.

Testimony in support of the measure was submitted by the Office of Hawaiian Affairs and the Vice Chair of the Maui County Council.

Your Committee finds that this measure is designed to give the Office of Hawaiian Affairs greater control in managing its financial resources. This measure enables the Office of Hawaiian Affairs to make disbursements of its moneys by issuing checks in its own name as well as depositing any of its moneys in any in-state or out-of-state banking institution.

Your Committee has amended this measure by:

- (1) Making technical, non-substantive changes for purposes of clarity; and
- (2) Changing the effective date to July 1, 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. 447, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 447, 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, 6. Noes, none. Excused, none.

SCRep. 1214 Judiciary and Hawaiian Affairs on H.B. No. 466

The purpose of this measure is to appropriate matching funds to make the State eligible to receive federal funding under the Help America Vote Act of 2002.

Testimony in support of this measure was submitted by the Office of Elections, the League of Women Voters of Hawaii, and Safe Vote Hawaii.

This measure appropriates funds to meet the five per cent matching fund requirement for the State to be eligible to receive federal funding under the Help America Vote Act of 2002. Your Committee finds that these federal funds can be used for various purposes including improving the administration of elections, replacing punch card and lever machines, and providing voter education.

Your Committee has amended this measure by;

- (1) Appropriating \$372,341 for one fiscal year to meet the five per cent matching fund requirement under the Help America Vote Act of 2002; and
- (2) Changing the expending agency to the Department of Accounting and General Services.

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. 466, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 466, 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, 6. Noes, none. Excused, none.

SCRep. 1215 Judiciary and Hawaiian Affairs on H.B. No. 497

The purpose of this measure is to broaden the scope of delinquent receivables that the Judiciary is able to write off as uncollectible.

The Judiciary testified in support of this measure.

Your Committee finds that the current statute enables the Judiciary to write off uncollectible fines and restitution that have been delinquent for two years. This measure broadens the scope of delinquent receivables that the Judiciary is able to write off as being uncollectible and includes fines, restitution, monetary assessments, fees, surcharges, penalties, sanctions, and court costs.

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. 497, 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, none.

SCRep. 1216 Judiciary and Hawaiian Affairs on H.B. No. 1123

The purpose of this measure is to appropriate funds to enable work release programs to provide more opportunities for qualifying inmates to work on county projects.

Testimony in support of this measure was submitted by the Department of Public Safety, the Community Alliance on Prisons, A Woman's Voice International, and four individuals.

This measure appropriates funds for work release programs for qualifying inmates to work on county projects. Your Committee finds that these programs are vital to breaking the cycle of recidivism and providing the critical life and job skills necessary for inmates to succeed in a post-incarceration setting.

Your Committee has amended this measure by:

- (1) Substituting “community service worklines” and “community service workline programs” in place of “work release” and “work release programs” to more accurately reflect work projects in the community being undertaken by inmates; and
- (2) Making technical, non-substantive changes for purposes of clarity.

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. 1123, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1123, 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, none.

SCRep. 1217 Judiciary and Hawaiian Affairs on H.B. No. 1393

The purpose of this measure is to transfer the Hawaii State Commission on the Status of Women to the Department of Human Services for administrative purposes and modify the appointment process to the Commission.

Testimony in support of the measure was submitted by the Kokua Council, the Honolulu County Committee on the Status of Women, and two individuals. Testimony in opposition to the measure was submitted by the Office of the Governor and the Department of Human Services. Two individuals offered comments on the measure.

Your Committee has amended this measure by making the State Commission on the Status of Women a permanent entity within the Department of Human Services for administrative purposes. Your Committee finds that in light of the mission and goals of the Hawaii State Commission on the Status of Women it is appropriate to make it permanent and to place it within the Department of Human Services.

In addition, your Committee has amended this measure by:

- (1) Eliminating the requirement that the Governor nominate members to the Commission from a list of candidates submitted by the Women’s Legislative Caucus; and
- (2) Inserting language effectuating the transfer of functions, personnel, appropriations, and equipment of the Hawaii State Commission on the Status of Women from the Office to the Lieutenant Governor to the Department of Human Services.

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. 1393, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1393, 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 (Whalen).

SCRep. 1218 Judiciary and Hawaiian Affairs on H.B. No. 1737

The purpose of this measure is to appropriate funds for Hawaii’s contribution to the National Conference of Commissioners on Uniform State Laws as well as defray the registration costs and travel expenses of members of the Commission to Promote Uniform Legislation attending the National Conference of Commissioners on Uniform State Laws annual meeting.

Testimony in support of the measure was submitted by the Commission to Promote Uniform Legislation.

Your Committee finds that members of the Commission to Promote Uniform Legislation should be afforded the opportunity to attend the annual national meeting of the National Conference of Commissioners on Uniform State Laws. The attendance of a delegation from Hawaii will ensure that individuals from Hawaii are actively involved in the drafting and adoption of uniform acts that may be introduced and enacted by the Legislature at a later date.

Your Committee has amended this measure by including the appropriation amount of \$44,100 to pay for Hawaii’s contribution to the National Conference of Commissioners on Uniform State Laws as well as defray the anticipated travel costs and expenses of members of the Commission to Promote Uniform Legislation to attend the National Conference of Commissioners on Uniform State Laws.

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. 1737, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1737, 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, 6. Noes, none. Excused, none.

SCRep. 1219 Judiciary and Hawaiian Affairs on H.B. No. 1740

The purpose of this measure is to make amendments to Hawaii’s electronic voting law.

Specifically, this measure:

- (1) Prohibits the use of an electronic voting system in any election unless the system produces a paper ballot that may be inspected and verified by the voter before that voter's vote is cast;
- (2) Establishes conditions under which the Chief Election Officer may rely on electronic tallies generated by an electronic voting system;
- (3) Creates a new election fraud offense to include individuals who directly or indirectly, personally or through another, willfully design, alter, access, or program any electronic voting system to inaccurately record, tally, or report votes cast; and
- (4) Makes an appropriation to the Office of Elections to acquire electronic voting systems capable of producing a verifiable paper ballot.

Testimony in support of the measure was submitted by the Office of the Governor, the League of Women Voters of Hawaii, Safe Vote Hawaii, and six individuals. The Office of Elections and the Disability and Communication Access Board provided comments on the measure.

This measure requires that any electronic voting system be capable of producing a verifiable paper ballot that may be inspected and corrected by a voter prior to that voter's vote being cast. Your Committee finds that this measure also imposes specific requirements on the use of electronic tallies to ensure both the accuracy and reliability of these results.

Your Committee has amended this measure by:

- (1) Establishing four distinct requirements that must be satisfied if the Chief Election Officer wishes to utilize or rely upon electronic tallies generated by an electronic voting system. These include:
 - (a) Subjecting the electronic voting system to inspections, audits, and experimental testing by qualified individuals;
 - (b) Prohibiting any upgrade, patches, fixes, or alterations to an electronic voting system thirty days after an election;
 - (c) Requiring the Chief Election Office to conduct a post-election, pre-certification audit of a random sample of at least ten per cent of the precincts employing an electronic voting system; and
 - (d) Permitting the Chief Election Officer to conduct an expanded audit in the event discrepancies appear in order to determine the extent of misreporting in the system; and
- (2) Changing the expending agency to the Department of Accounting and General Services.

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. 1740, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1740, 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, 6. Noes, none. Excused, none.

SCRep. 1220 Judiciary and Hawaiian Affairs on H.B. No. 1750

The purpose of this measure is to appropriate funds for community-based programs that assist female offenders in transitioning back into the community.

Testimony in support of this measure was submitted by the Department of Public Safety, the Hawaii Paroling Authority, the Office of Hawaiian Affairs, TJ Mahoney and Associates, the ACLU of Hawaii, the Community Alliance on Prisons, A Woman's Voice International, and thirty-six individuals.

This measure appropriates funds for important community-based programs that assist female offenders transitioning back into the community. These programs play a significant role in breaking the cycle of recidivism by providing important life and job training skills for female inmates to succeed in a post-incarceration setting. Your Committee notes that if an appropriation in the amount of \$800,000 was made, TJ Mahoney and Associates would be able to provide important social services to recently released female inmates in a thirty bed facility at a rate of \$72 a day for a year.

Your Committee has amended this measure by making technical, non-substantive amendments for purposes of clarity.

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. 1750, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1750, 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, none.

SCRep. 1221 (Joint) Judiciary and Hawaiian Affairs and Labor on H.B. No. 460

The purpose of this measure is to clarify that the Chief Election Officer may fill Office of Elections staff positions with civil service or exempt employees.

The Chief Election Officer testified in support of the measure.

Your Committees find that this measure affords the Chief Election Officer with the flexibility to hire civil service or exempt employees to handle important election-related duties. This measure permits the Office of Elections to hire qualified professional staff to administer the elections system in an impartial manner.

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 H.B. No. 460, 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, 3 (English, Taniguchi, Whalen).

SCRep. 1222 Energy, Environment, and International Affairs on H.B. No. 1018

The purpose of this measure is to increase the maximum capacity of an eligible customer-generator from 50 kilowatts to 300 kilowatts, extend the billing period from monthly to an annual basis, and allow customer-generators to pay monthly for the net energy consumed.

Testimony in support of the measure was received from the Department of Business, Economic Development, and Tourism; PowerLight Corporation; Hawaii Renewable Energy Alliance; Hawaii Solar Energy Association; and Hawaii PV Coalition. Testimony in opposition to the measure was received from the Department of Commerce and Consumer Affairs, Hawaiian Electric Company, Inc., and the Kauai Island Utility Cooperative. The Public Utilities Commission offered comments.

Your Committee finds that the net energy metering program, which provides incentives to those who produce renewable energy fed into the power grid, needs to be further encouraged by making it easier for a customer-generator to participate in the program. Your Committee finds that in order to maximize participation in the program the cap on the maximum capacity of an eligible customer-generator should be eliminated. In order to accommodate increased participation in the program, your Committee believes that incremental increases in the percentage of an electric utility's generating capacity produced by customer-generators will provide a fair standard to follow while providing predictability to electric utilities for planning and implementation purposes.

Your Committee has amended this measure by substituting the provisions in S.B. No. 1003, S.D. 1, in order to address your Committee's concerns. The amendment removes the cap on the allowable customer-generator generating capacity provided under the net energy metering law. The amendment also provides for incremental increases in the percentage of an electric utility's generating capacity produced by customer-generators, from one percent in 2006 to five percent in 2022. The amendment eliminates a proposed change giving an eligible consumer-generator the option to pay net energy usage on a monthly basis. When additional customer-generators must be added by an electric utility will be governed by the percentage of generating capacity provided for in section 269-102(a).

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1018, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1018, 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, 3. Noes, none. Excused, 2 (Hanabusa, Hemmings).

SCRep. 1223 (Joint/Majority) Energy, Environment, and International Affairs and Business and Economic Development on H.B. No. 1784

The purpose of this measure is to create a task force to study Hawaii's role in international affairs and business that will make recommendations regarding the establishment of an Office of International Affairs.

Testimony in opposition to this measure was received from the Department of Business, Economic Development, and Tourism.

Your Committees find that there is a need for an Office of International Affairs. Your Committees find that, while the Department of Business, Economic Development, and Tourism has made strides in developing business and trade relationships abroad, the Office of International Affairs is envisioned as encompassing a wider range of responsibilities. Hawaii is uniquely positioned, geographically and culturally, to provide mutual opportunities and benefits to other countries. Your Committees envision that Hawaii can also serve as a place where the international community can develop peace initiatives and modes of international conflict resolution. Your Committees thus find that a separate office is necessary to focus on carrying out the purpose of this measure.

Your Committees have amended this measure by replacing the current language of this measure with the provisions of Senate Bill 1709. The amendment would eliminate the task force and instead establish the Office of International Affairs. The amendment would also delineate the duties of this office.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1784, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1784, 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, 1 (Trimble). Excused, 4 (Hanabusa, Menor, Sakamoto, Hemmings).

SCRep. 1224 (Joint/Majority) Media, Arts, Science and Technology and Business and Economic Development on H.B. No. 1723

The purpose of this measure is to encourage the growth of high technology companies in Hawaii by increasing the amount of venture capital available through the use of the State Private Investment Fund (Fund).

Specifically, the measure increases the availability of venture capital in Hawaii by:

- (1) Authorizing the issuance of tax credits in an unspecified amount to the Hawaii Strategic Development Corporation (Corporation);
- (2) Allowing the tax credits transferred by the Corporation to taxpayers to be used to reduce taxes imposed by insurance regulation laws in addition to income taxes and taxes on financial institutions;
- (3) Authorizing the Corporation to transfer the tax credits as needed, up to an aggregate total of \$20,000,000 per fiscal year;
- (4) Authorizing the Corporation to extend guarantees and incur debt; and
- (5) Appropriating funds from the Capitol Formation Revolving Fund for the Corporation to carry out the purposes of the State Private Investment Fund.

The Hawaii Strategic Development Corporation, Hawaii Technology Trade Association, Hawaii Venture Capital Association, and Hawaii Biotech, Inc., testified in support of the measure. The Department of Business, Economic Development, and Tourism and the Hawaii Strategic Development Corporation supported the intent of this measure. The Tax Foundation of Hawaii provided comments.

Your Committees find that there is a critical shortage of seed and venture capital resources in Hawaii and that such a shortage is impairing the growth of commerce in the State. The availability of venture equity capital must be increased if Hawaii is to support its emerging high technology enterprises and allow them to expand, relocate to the State, and restructure. Your Committees believe that the issuance of tax credits under this measure will ameliorate this shortage.

Your Committees have amended the measure by:

- (1) Inserting \$120,000,000 as the tax credit ceiling;
- (2) Adding provisions to the measure that amend sections of chapter 211G, Hawaii Revised Statutes, to properly authorize the use of the tax credits transferred by the Hawaii Strategic Development Corporation to taxpayers for the reduction of Insurance Code-imposed taxes;
- (3) Adding a section that amends section 211G-15, Hawaii Revised Statutes, to require the Corporation to include information on the disbursement of funds and the issuance, transfer, and administration of tax credits issued by Corporation in its annual report;
- (4) Adding a provision that requires the Corporation to establish and maintain a reasonable reserve as a condition of any extension of a financial guarantee; and
- (5) Making technical nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1723, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1723, 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, 1 (Trimble). Excused, 2 (Menor, Sakamoto).

SCRep. 1225 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on H.B. No. 1033

The purpose of this measure is to provide a tax credit to farmers who do not have access to a state irrigation project and who are forced to purchase water from the county at higher rates.

The Big Island Farm Bureau, the Hawaii Agriculture Research Center, the Hawaii Farm Bureau Federation, the Land Use Research Foundation of Hawaii, the Maui County Farm Bureau, and the Maui Land and Pineapple Company, Inc. submitted testimony in

support of this measure. The Department of Taxation submitted testimony in opposition to this measure. The Department of Agriculture and the Tax Foundation of Hawaii submitted comments on this measure.

The state irrigation systems provide water to many farmers throughout the State. However, they do not provide water to all farmers, and as a result, many of them are forced to purchase water at higher rates from the counties. Your Committees find that offering a tax credit to farmers who must purchase county water equilibrates the difference in price that farmers have to pay for county water, providing equitable treatment to all farmers.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2050 to facilitate further discussion on this measure; and
- (2) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1033, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1033, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and President of the Senate on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Baker, Fukunaga, Kim, Hemmings).

SCRep. 1226 (Joint) Water, Land, and Agriculture and Higher Education on H.B. No. 1280

The purpose of this measure is to fund a comprehensive watershed management pilot project at the Center for Conservation Research and Training (CCRT) of the University of Hawaii to identify, design, and implement flood-control strategies consistent with comprehensive watershed management to control storm water runoff and to appropriate matching funds.

Your Committees received testimony in support of this measure from the CCRT and one individual.

Your Committees find that CCRT is competent to study and address the flood issues outlined in this measure, to develop a comprehensive watershed management plan during Phase I, and to identify and implement the flood management strategies and plans in two of the most flood prone areas in the State during Phase II. The pilot project established by this measure will ensure the development of flood control strategies, demonstrate their effectiveness, enhance ecosystem functions, and protect Hawaii's natural resources.

Your Committees have amended this measure by making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1280, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1280, 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, none. Excused, 3 (Fukunaga, Hooser, Sakamoto).

SCRep. 1227 (Joint) Water, Land, and Agriculture and Higher Education on H.B. No. 1360

The purpose of this measure is to authorize the issuance of general obligation bonds for the design, planning, and construction of an agribusiness incubator in the Waialua District.

Your Committees received testimony in support of this measure from the Department of Agriculture, the University of Hawaii, the Hawaii Farm Bureau, Castle and Cook Hawaii, and one individual.

Your Committees find that businesses developed in an incubator environment have a significantly greater success rate than those developed without the benefits of incubation. Your Committees further find that an agribusiness incubator is an effective means by which the State can support the growth and expansion of Hawaii's agriculture sector, and aid entrepreneurs in the development and manufacture of new agricultural products.

Your Committees have amended this measure by:

- (1) Changing the amount of the bonds to \$300,000;
- (2) Deleting the issuance of bonds for fiscal year 2006-2007; and
- (3) Modifying the purpose of the appropriation to project planning only.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1360, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1360, 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 (Chun Oakland, English, Fukunaga, Sakamoto).

SCRep. 1228 Judiciary and Hawaiian Affairs on H.B. No. 488

The purpose of this measure is to appropriate funds to expand work release opportunities for qualifying women inmates.

Testimony in support of the measure was submitted by the Department of Public Safety, the Office of Hawaiian Affairs, the ACLU of Hawaii, the Community Alliance on Prisons, A Woman's Voice International, and three individuals.

This measure appropriates funds for the expansion of work release programs for eligible female inmates. Your Committee finds that these programs play a significant role in breaking the cycle of recidivism among female inmates by providing them with the necessary life and job skills that will enable them to succeed in a post-incarceration setting.

Your Committee has amended this measure by:

- (1) Substituting "community service worklines" and "community service workline programs" in place of "work release" and "work release programs" to more accurately reflect work projects being undertaken in the community by female inmates; and
- (2) Making technical, non-substantive amendments for purposes of clarity.

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. 488, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 488, 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, none.

SCRep. 1229 Judiciary and Hawaiian Affairs on H.B. No. 1378

The purpose of this measure is to amend Hawaii's temporary restraining order (TRO) and protective order (PO) laws.

Specifically, this measure:

- (1) Mandates the disclosure of a pending divorce, separation, annulment, maintenance, or any other Family Court proceeding on a petition for a TRO or PO;
- (2) Requires that a petition for a PO or TRO be filed in any ongoing suit for divorce or a child custody proceeding between the parties and that any finding of fact or ruling made in connection with granting or denying a PO or TRO shall not be res judicata or collateral estoppel in a subsequent proceeding between the parties;
- (3) Allows, but does not require, documentation such as medical or police records be submitted along with a petition for a TRO and permits a judge to meet in camera with the petitioner prior to granting or denying a TRO petition;
- (4) Permits a court to allow supervised visitation of children shared by the petitioner and respondent even after a TRO petition has been granted provided that the children are not named in the TRO petition and visitation is in the children's best interests; and
- (5) Requires a court to make findings of fact in granting a petition for a TRO.

Testimony in support of this measure was submitted by the Office of the Public Defender, the Legal Aid Society of Hawaii, the Children's Rights Council, and six individuals. The Hawaii State Coalition Against Domestic Violence and the Department of the Prosecuting Attorney for the City and County of Honolulu testified in opposition to the measure. The Judiciary offered comments on the measure.

This measure amends provisions of Hawaii's TRO and PO laws. Your Committee finds that many of these amendments to the TRO and PO statutes are the result of the work of the Senate Resolution 40 Task Force members who analyzed these issues and proposed changes to the manner in which TRO and PO petitions are adjudicated.

Your Committee has amended this measure by:

- (1) Specifying that abuse allegations to support a PO or TRO involve actual physical abuse or threats of physical abuse that would likely result in actual physical abuse;
- (2) Removing provisions authorizing the Family Court to designate an employee or appropriate non-judicial agency to assist a petitioner in completing the petition for a PO;
- (3) Making it discretionary for a petition for a PO or TRO to be filed in the same divorce, child custody, or other Family Court proceeding between the parties;
- (4) Deleting language that permitted documentation to be submitted along with a petition for a TRO;

- (5) Endowing a Family Court judge with the discretionary authority to meet in camera with the a TRO petition if that judge deems it appropriate; and
- (6) Requiring a Family Court judge to include a concise written statement providing a factual basis for issuing the TRO as opposed to making specific findings of fact.

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. 1378, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1378, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Whalen).

SCRep. 1230 (Joint) Judiciary and Hawaiian Affairs and Health on H.B. No. 1739

The purpose of this measure is to establish the Drug Busters program within the Department of the Attorney General and appropriate funds for state and county level substance abuse, treatment, and prevention programs as well as the Nuisance Abatement Unit within the Department of the Attorney General.

Testimony in support of the measure was submitted by the Department of the Attorney General, the Kalihi YMCA, Hina Mauka, Drug Addiction Services of Hawaii, Inc., the Salvation Army, the Community Alliance on Prisons, the Hawaii Juvenile Justice Project, the Coalition for a Drug-Free Hawaii, Blueprint for Change, and one individual. The Department of Health and the Department of Education offered comments on the measure.

This measure establishes the Drug Busters program within the Department of the Attorney General to combat the manufacture, distribution, and sale of crystal methamphetamine within Hawaii. This measure also appropriates funds for various substance abuse, treatment, and prevention programs at both the state and county levels, including student substance abuse assessments by certified substance abuse counselors. Your Committees note the concerns of the Department of Education in being the designated state agency responsible for student substance abuse referrals for purposes of obtaining assessments by certified substance abuse treatment counselors.

Your Committees have amended this measure by:

- (1) Appropriating funds to establish and sustain school-based treatment in all public high schools and all public intermediate and middle schools;
- (2) Including assessments of student substance abuse by qualified mental health, alcohol, and drug abuse treatment professionals as an additional purpose for the appropriation; and
- (3) Making technical, non-substantive amendments for purposes of clarity.

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. 1739, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1739, 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, 1 (Whalen).

SCRep. 1231 Health on H.B. No. 1141

The purpose of this measure is to prohibit the development of state-owned land on Waimano ridge until an updated master plan is developed. It also establishes reporting requirements for the Department of Health and a process for developing the master plan.

The Pearl City Community Association, the vice-president of the Pearl City Community Association, the president of the Momilani PTSA, and two members of Pearl City Neighborhood Board No. 21 submitted testimony in support of this measure. The Department of Health and the State Attorney General submitted testimony in opposition.

Your Committee finds that certain uses of state-owned lands in the Waimano Ridge area of Oahu have created unnecessary friction between the state administration and the surrounding community residents. In 2000, the state administration announced that it would be operating a juvenile sex offender treatment facility at the site of the former Waimano home for the developmentally disabled without giving any prior notice to the surrounding community. Residents were understandably upset because they did not have an opportunity to raise their concerns regarding the proximity of the facility to area schools.

More recently testing of viruses and other potentially dangerous specimens at the Department of Health's laboratory have prompted community boards and associations to demand a voice in how the state-owned lands are utilized and for an update to the master plan that the community and the Department of Health prepared years ago.

Upon further consideration, your Committee has amended this measure to reflect the substance of S.B. No. 1473 S.D. 1 by:

- (1) Deleting the provision that required the development and approval of a master plan before any new or expanded use or further development of existing leased lands or facilities on state-owned land in the Waimano ridge area could be granted or approved; and
- (2) Requiring any state or county agency, commission, or department to give the community associations and community boards surrounding the Waimano Ridge area at least ninety days notice of any new or expanded use or further development of existing leased lands or facilities on state-owned land in the Waimano ridge area.

Your Committee further amended this measure by:

- (1) Specifically designating the Pearl City Community Association and Pearl City Neighborhood Board No. 21, along with any other community associations and community boards surrounding the Waimano ridge area of Oahu, as entitled to notice under section 2; and
- (2) Specifically designating the Pearl City Community Association and Pearl City Neighborhood Board No. 21, along with any other neighborhood board or boards representing the Waimano ridge area, as entitled to participation in the preparation of an updated master plan under section 3.

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. 1141, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1141, 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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1232 (Majority) Human Services on H.B. No. 146

The purpose of this measure is to exempt from the general excise tax operators of a licensed adult residential care home, licensed group child care home, and group child care center on income received from the State for services provided.

Your Committee received testimony in support of this measure from the Baris Care Home and Alliance of Residential Care Administrators. Your Committee received testimony in opposition to this measure from the Department of Taxation. Comments were received from the Tax Foundation of Hawaii.

Your Committee finds that this measure provides a much needed incentive to increase the number of adult residential care home operators and licensed group child care home and group child care center operators. Furthermore, because these operators are assisting the State in performing necessary services for the State, it is appropriate that the operators be exempt from the excise tax.

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. 146, 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 (Trimble). Excused, 2 (Hooser, Kokubun).

SCRep. 1233 Human Services on H.B. No. 1060

The purpose of this measure is to allow the Department of Human Services (DHS) to apply for waivers of applicable federal laws and regulations, following legislative approval.

Your Committee received testimony in support of this measure from Hawaii Primary Care Association and Hawaii Government Employees Association. Testimony was received in opposition to this measure from the Department of Health, DHS, and the Attorney General. Comments were received from Hawaii Medical Service Association.

Your Committee finds that federally qualified health centers (FQHCs) and rural health centers (RHCs) provide health care to thousands of needy residents covered by Medicaid who do not have primary care physicians, and who would not otherwise have access to health care. Section 6404 of the Omnibus Budget Reconciliation Act of 1989 (P.L. No. 101-239) provides Medicaid reimbursement to FQHCs and RHCs for medical services and ambulatory services.

In January 2005, the DHS submitted a Section 1115 Waiver Amendment Application to the Centers for Medicare and Medicaid to provide services offered by FQHCs and RHCs only through managed care providers. Should a managed care provider choose not to contract with a FQHC or RHC, the unintended result of the waiver is the exclusion of services provided by FQHCs and RHCs from being eligible for Medicaid reimbursement, to the detriment of the beneficiaries of the FQHCs and RHCs. This measure protects the FQHCs and RHCs reimbursement through Medicaid and will clarify that the health centers may continue to serve the needy in the community.

Your Committee has amended this measure by deleting subsections (a) and (b) of the new section added to chapter 346, Hawaii Revised Statutes, and retaining language pertaining to preserving the eligibility for reimbursement of FQHCs and RHCs, and by changing the section title accordingly.

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. 1060, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1060, H.D. 2, S.D. 1, and be referred to the Committees on Judiciary and Hawaiian Affairs and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Fukunaga, Trimble).

SCRep. 1234 (Joint/Majority) Business and Economic Development and Transportation and Government Operations on H.B. No. 994

The purpose of this measure is to establish an investment tax credit for taxpayers that invest in the development of the motor sports recreation, public safety training, educational, and medical facility at Kalaeloa, parcel 9.

Your Committees received testimony in support of this measure from the Honolulu Police Department, Race Events Hawaii, LLC, Hawaii Motorsports Center, and fourteen individuals. Your Committees received testimony in opposition to this measure from the Department of Taxation and the Chamber of Commerce of Hawaii. Your Committees also received comments from the Department of Business, Economic Development, and Tourism; the Hawaii Community Development Authority; and the Tax Foundation of Hawaii.

Your Committees find that the existing motor sports facility in Leeward Oahu was built over forty years ago and meets the minimum safety standards for facilities of its kind. The facility, however, does not include many of the more desirable safety standards that are part of modern motor sports facilities. A new motor sports facility will not only provide a modern and safe racing environment for racing motorists, but will also provide a temporary boost in construction activity and permanent jobs after the new facility is completed.

This measure provides the incentive to raise the necessary capital to build a new motor sports recreation and public safety training and educational facility at Kalaeloa, parcel 9.

Your Committees believe that S.B. No. 1734, S.D. 2, which earlier was passed by the Senate, addresses the concerns raised in subsequent hearings on this measure by:

- (1) Prohibiting a taxpayer from taking more than one tax credit for the same qualified costs;
- (2) Replacing Kalaeloa, parcel 9 with an unspecified site; and
- (3) Changing the effective date for purposes of furthering discussion.

Accordingly, your Committees have amended this measure by replacing its contents with the contents of S.B. 1734, S.D. 2.

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 994, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 994, 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, 1 (Trimble). Excused, 3 (Kanno, Sakamoto, Whalen).

SCRep. 1235 (Joint/Majority) Labor and Education and Military Affairs on H.B. No. 1614

The purpose of this measure is to provide employees who are members of the Department of Education (DOE) civil service system with civil service benefits in the executive branch civil service system.

Testimony in support of this measure was submitted by the Department of Education and the Hawaii Government Employees Association. Testimony in opposition to this measure was submitted by the Department of Human Resources Development.

Your Committees find that pursuant to Act 51, Session Laws of Hawaii (SLH) 2004, the transfer of certain functions from various state departments or agencies to the DOE was mandated. Act 51, SLH 2004, also provided for the DOE to establish a separate personnel system to be under the control of the Board of Education. Your Committees believe that the rights and benefits of DOE civil service employees, whether or not transferred pursuant to Act 51, SLH 2004, should be retained and not diminished due to the transfer or the institution of a separate personnel system.

Your Committees recognize that as it is currently unclear what form the DOE's personnel system will take come July 1, 2005 and thereafter, many questions and concerns remain regarding whether this measure sufficiently accomplishes the preservation of rights for the DOE employees, transferred or otherwise. The exploration of alternative approaches or alternative language may be necessary in order to effectuate the measure's purpose.

Accordingly, your Committees have amended this measure by:

- (1) Clarifying the language regarding the retention of benefits by DOE employees;

- (2) Changing the effective date of the Act from July 1, 2010 to July 1, 2050 to ensure further discussion on the matter as session progresses and through conference; 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 Labor and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1614, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1614, 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, 1 (Slom). Excused, 2 (Taniguchi, Tsutsui).

SCRep. 1236 (Joint) Education and Military Affairs and Labor on H.B. No. 844

The purpose of this measure is to clarify that each school community council shall approve a school's academic plans and recommend those plans for approval by the complex area superintendent.

Your Committees find that the State is experiencing a teacher shortage. As effective teaching is of high importance in the development of a successful education system, your Committees replaced the contents of this measure with S.B. 1642, S.D. 1 and held a hearing on the proposed senate draft. The proposed senate draft contained language that implements various programs and amendments to encourage teacher retention and recruitment and appropriates funds.

Testimony in support of the proposed measure was submitted by the Department of Education, University of Hawaii, and Hawaii State Teachers Association. Comments were submitted by the Department of Budget and Finance, Department of Taxation, Hawaii Teacher Standards Board, Tax Foundation of Hawaii, and two individuals.

As new federal mandates require states to achieve certain educational goals, without proper staffing of instructors, the State will certainly fall behind in meeting the national standards. Your Committees found that many of the proposed initiatives were received with supportive testimony and creative suggested amendments. Thus, your Committees believe that the contents of the proposed measure represents a step in the right direction to assist in the control of the teacher shortage crisis.

Your Committees have added the following amendments suggested in the testimony to the proposed measure:

- (1) Deleting the unnecessary provisions regarding the education loan forgiveness program;
- (2) Requiring the Hawaii Teacher Standards Board to conduct a broader study regarding teacher licensing; and
- (3) Making technical amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 844, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 844, 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, 1 (Taniguchi).

SCRep. 1237 Education and Military Affairs on H.B. No. 843

The purpose of this measure is to establish the price of school lunches in proportion to the total cost of operating the school food services program and to allow the Department of Education to adjust the price to maintain this proportion.

Testimony in support of the measure was submitted by the Department of Education.

Your Committee finds it necessary to adjust the student's share of school lunches due to the economic changes that affect the costs of preparing school lunches. Furthermore, your Committee finds the current language to be confusing and inappropriately placed in the statutes. Therefore, your Committee has amended this measure to clearly allow the department to set the price of school lunches with the Board of Education's concurrence to ensure that the price is in accord with average costs of its preparation.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 843, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 843, 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 (Chun Oakland, Hogue).

SCRep. 1238 (Joint) Health, Human Services and Commerce, Consumer Protection and Housing on H.B. No. 31

The purpose of this measure is to require manufacturers of prescription drugs to provide quarterly reports that disclose the average wholesale price, the wholesale acquisition cost, the average manufacturer price, and the best price of prescription drugs dispensed in the State.

AARP Hawaii, the Kokua Council, and five individuals submitted testimony in support of this measure. The Department of Human Services, the Attorney General, and the Pharmaceutical Research and Manufacturers of America submitted testimony in opposition.

Your Committees agree that quarterly reports would assist the State to better negotiate discounts for state prescription drug programs. However, much of the information called for in this bill is already in the public domain.

Your Committees find that there is a need for drug marketing disclosure and pharmacy benefit manager transparency. Drug marketing disclosure laws can help policymakers determine the need for, and evaluate, countervailing measures such as evidence-based research, preferred drug lists, and counterdetailing. A pharmacy benefit manager transparency provision will help broaden the understanding of the role of pharmacy benefit managers and the incentives they receive from manufacturers. Your Committees agree that disclosure will give employers and health plans greater leverage to negotiate better agreements and achieve lower costs.

Upon further consideration, your Committees have amended this measure by deleting all of its provisions and adding sections 1 and 2 from S.B. No. 1440, S.D. 1, thereby requiring marketing disclosures by drug manufacturers and requiring transparency in pharmacy benefit managers. Your Committees have deferred the date to July 1, 2009 to encourage further discussion of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services 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. 31, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 31, H.D. 2, S.D. 1, and be referred to the Committees on Judiciary and Hawaiian Affairs and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 5 (Hanabusa, Kokubun, Sakamoto, Trimble, Whalen).

SCRep. 1239 Education and Military Affairs on H.B. No. 138

The purpose of this measure is to appropriate funds for the Hawaii State Public Library bookmobile services.

Testimony in support of the measure was submitted by the State Librarian and three individuals.

Unfortunately, the bookmobiles have fallen into various states of disrepair since being taken off the road. However, your Committee finds that bookmobile services provide important access to education and information in communities where library branches are far apart, especially on neighbor islands. This measure will provide funding to ensure that the bookmobile program is operational again.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 138, 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, 2 (Chun Oakland, Hogue).

SCRep. 1240 Education and Military Affairs on H.B. No. 1583

The purpose of this measure is to exempt from income tax the basic military pay of active military personnel based in Hawaii but assigned outside the State by military order for the time spent outside the State.

Testimony in support of the measure was submitted by the Department of Taxation, Department of Defense, and an individual. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that other qualified military benefits are already exempt from taxation under the Internal Revenue Code, to which Hawaii conforms. Without this exemption, many military personnel change their Hawaii residency in their military records to show that they are assigned to a state where income tax is exempt for military personnel. Benefits such as this tax exemption will encourage members of the National Guard and reserves to continue serving and protecting our homeland.

Upon further consideration, your Committee has amended this measure to:

- (1) Increase the amount of the exemption available to Hawaii National Guard and reservists;
- (2) Provide a set amount for the exemption for the first four years;
- (3) In the fifth year of the exemption, clarify the amount of the tax exemption by providing a definite method of calculation;
- (4) Exclude the basic pay of military personnel who leave Hawaii on orders and serve in a non-combat zone; and
- (5) Change the effective date to 2050 to facilitate further discussion on this measure.

Your Committee is concerned with declining revenues, but the Department of Taxation has assured your Committee that this measure is revenue-neutral. Analysis has concluded that initial revenue loss from the exemptions will be offset by the increase in retention of Hawaii residents filing taxes and their additional sources of income tax such as dividends, interest, and certain capital gains.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1583, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1583, 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, 6. Noes, none. Excused, none.

SCRep. 1241 (Joint) Energy, Environment, and International Affairs and Transportation and Government Operations on H.B. No. 422

The purpose of this measure is to enact a new part to the water pollution law to regulate discharges from commercial passenger vessels.

Testimony in support of the measure was received from the Office of Hawaiian Affairs, which also offered comments; a member of the Maui County Council; Sierra Club-Hawaii Chapter; and the University of Hawaii Environmental Center. Testimony in opposition to the measure was received from the Department of Health, Norwegian Cruise Lines America, and North West Cruiseship Association.

Your Committees find that increased scrutiny of cruise ship and commercial passenger vessel voyages is necessary to protect the waters of the State from environmental degradation due to discharge of graywater and other wastewater, as well as air pollution. Your Committees further find that this measure provides a comprehensive regulatory scheme to protect the marine environment in the State. However, your Committees also find that this measure does not adequately address concerns raised in testimony regarding possible federal preemption issues.

Your Committees have amended this measure by replacing it with the provisions of S.B. No. 1002, S.D.2, which incorporates the work done by your Committees in conjunction with the Environmental Protection Agency, Region 9, to address federal preemption concerns. The amended measure also addresses the concerns raised previously by the Attorney General regarding jurisdictional issues.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 422, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 422, 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, 8. Noes, none. Excused, 4 (Hanabusa, Hee, Kanno, Whalen).

SCRep. 1242 Energy, Environment, and International Affairs on H.B. No. 1331

The purpose of this measure is to authorize the issuance of special purpose revenue bonds not exceeding \$100,000,000 to assist Jacoby Development, Inc., a Georgia corporation, with the planning, designing, constructing, and equipping of, and the acquisition of lands for a plasma municipal solid waste processing system.

Your Committee received testimony in support of this measure from Jacoby Development, Inc., Waianae Valley Homestead Community Association, Nanakuli Hawaiian Homestead Association, Hokuipili Foundations, State Council of Hawaiian Homestead Associations, Association of Hawaiian Civic Clubs-Oahu Council, and four individuals. Testimony in opposition was received from one individual. Comments were received from the Department of Budget and Finance.

The plasma municipal solid waste processing system converts solid waste into electricity, and chemically and biologically inert slag. The facility is to be built on Oahu.

This measure addresses the critical problems of waste disposal from industrial sources. Oahu generates about 1.5 million tons of waste annually from residential, commercial, and industrial sources. Currently, most of Oahu's residential and commercial municipal solid waste is disposed of at the H-Power plants located in Campbell Industrial Park. H-Power cannot eliminate entirely the huge amount of municipal solid waste and ash residue that ends up in the Waimanalo Gulch landfill.

According to testimony, a major business activity of Jacoby Development, Inc., through its subsidiary, Geoplasma, LLC, is the development of plasma arc technology for the remediation of waste materials. Plasma technology is an emerging technology, which uses high power levels of electricity to create a plasma arc (a form of artificial lighting), which is three times hotter than conventional fossil fuels. The technology has opened the door to a wide range of applications not previously possible, including the processing of municipal and industrial waste, medical waste, hazardous and toxic waste, and radioactive waste.

Your Committee finds that plasma arc technology has been successful thus far in its limited use in Japan. However, your Committee is also concerned that the technology is still somewhat unproven and has yet to demonstrate long-term reliability. Nonetheless, your Committee finds that plasma arc technology has the potential to successfully address solid waste concerns in

Hawaii. The result would be a lessened dependence on landfill disposal of waste, which would be the ideal alternative to the Waimanalo Gulch landfill.

Your Committee has amended this measure to change the effective date to upon approval.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1331, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1331, 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, 1 (Hemmings).

SCRep. 1243 Energy, Environment, and International Affairs on H.B. No. 1301

The purpose of this measure is to appropriate additional funds specifically for response and control efforts for programs and initiatives that are found to be most effective in the control or eradication of priority invasive species, including the coqui frog.

The Department of Land and Natural Resources, the Department of Agriculture, the Maui County Mayor, the Hawaii County Mayor, the Maui Invasive Species Committee, the Big Island Invasive Species Committee, the Big Island Farm Bureau, the Hawaii Association of Realtors, the Hawaii Pest Control Association, The Nature Conservancy, the Coordinating Group on Alien Pest Species, a representative of the Board of Directors and Owners at Kihei Akahi, and the Dean of the College of Tropical Agriculture and Human Resources submitted testimony in support of this measure. The Director of the Institute for the Study of Culturogenic Diseases submitted testimony in opposition.

Your Committee finds that more funding is necessary to continue the effort to control or eradicate priority invasive species such as the coqui frog. According to the Department of Land and Natural Resources, it is unlikely that the current level of resources will achieve eradication or lasting control in the most heavily impacted areas. Your Committee agrees that there is a risk of greater infestation if the response is inadequate. The Dean of the College of Tropical Agriculture and Human Resources testified to some of the problems that just one of the priority invasive species called the coqui frog poses to the State.

According to that testifier, “the coqui frog has no predators and reaches population densities three to four times greater than in its native Puerto Rico. It eats insects and spiders, putting native and endemic prey species at risk.” Aside from the male’s loud, shrill mating call disrupting human activities, it also disrupts the nursery industry. That is because “the transportation of potted plants can spread the frogs to new locations” and therefore plants must be disinfected before shipment, adding an additional cost to the industry.

This measure will provide the additional funding needed to assist with control efforts and help contain the invasive species from further spreading across the State.

Upon further consideration, your Committee has amended this measure by changing the expending agency to the counties and providing that the funds be distributed to the county invasive species committee on each island.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1301, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1301, 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 (Hanabusa, Hemmings).

SCRep. 1244 Energy, Environment, and International Affairs on H.B. No. 1430

The purpose of this measure is to deter illegal dumping of waste products by establishing the offense of petty misdemeanor disposal of solid waste for illegally dumping one to ten cubic yards of solid waste in a place other than a permitted solid waste management system.

Your Committee received testimony in support of this measure from the Attorney General, the Department of Health, and Windward Ahupua’a Alliance. Your Committee also received comments regarding this measure from the County of Hawaii Department of Environmental Management.

Your Committee finds that illegal dumping is a statewide concern. Illegal dumping creates eyesores and raises environmental concerns. Your Committee further finds that this measure clarifies what rises to the level of a felony disposal offense. Your Committee believes that this measure will deter illegal dumping throughout Hawaii and preserve the natural beauty of our State.

Your Committee has amended this measure by deleting the fine splitting language in order to provide the authorized agency an incentive to enforce this measure, and to provide it with the resources to do so.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1430, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1430, 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, 1 (Hemmings).

SCRep. 1245 Energy, Environment, and International Affairs on H.B. No. 1536

The purpose of this measure is to appropriate state matching funds for the Ala Wai trash trap cleanup project.

Testimony in support of the measure was offered by the general manager of Banana Plantation, Inc., the awardee of EPA grant monies for the project. Testimony in opposition to the measure was given by the Board of Land and Natural Resources. The Department of Health offered comments.

The trash trap project proposes to use an automated conveyor belt to remove floating trash at the trap by the Ala Moana bridge over the Ala Wai. The Department of Health administers EPA grant money for projects to control nonpoint source pollution. After a competitive process, Banana Plantation, Inc., was selected to receive a \$200,000 EPA grant contingent upon obtaining matching funds. Testimony indicates that while the Department of Land and Natural Resources at one time may have supported the project, it no longer does.

Your Committee finds that the trash removal project on the Ala Wai Canal has merit. However, your Committee is concerned that if the project lacks the support of the executive branch that the project will very likely fail to obtain matching funds. Your Committee recommends to the awardee that it obtain a commitment from the executive branch, prior to a hearing before the Committee on Ways and Means, stating that it supports providing matching funds for the project.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1536, 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, 1 (Hemmings).

SCRep. 1246 Energy, Environment, and International Affairs on H.B. No. 408

The purpose of this measure is to allow the Office of Environmental Quality Control (OEQC) to review an agency's determination, consult with the agency, and make a final determination in cases where a conflict of interest exists because the proposing agency and the agency making the determination are the same.

Testimony supporting this measure was received from the Sierra Club Hawaii Chapter, Waikiki Residents Association, and University of Hawaii Environmental Center. The OEQC supported the intent of the measure but questioned whether the measure was necessary. Testimony in opposition to the measure was received from the Department of Transportation, Honolulu Board of Water Supply, Honolulu Department of Parks and Recreation, and Honolulu Department of Environmental Services. The Land Use Research Foundation offered comments.

Your Committee finds that agency planners consult with the OEQC throughout the environmental assessment process for clarification of requirements and technical issues under the environmental impact statement (EIS) law. Your Committee further finds that current law provides for avenues to contest any determination that may be suspect. Testimony indicated that wastewater facilities, added to the review process by Act 55, Session Laws of Hawaii 2004, was not defined at that time and has created some ambiguity in application of the EIS law to wastewater systems.

Your Committee has amended this measure by deleting references to review by the OEQC of agency determinations under section 343-5, Hawaii Revised Statutes. Your Committee has further amended this measure by adding definitions for "collection system," "disposal system," "individual wastewater system," treatment unit," "treatment works," and "wastewater facility," to section 343-2, Hawaii Revised Statutes, that relate to wastewater facilities. Your Committee has also amended the measure by changing the effective date to July 1, 2005.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 408, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 408, 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 (Hanabusa, Hemmings).

SCRep. 1247 (Joint) Water, Land, and Agriculture and Judiciary and Hawaiian Affairs on H.B. No. 1082

The purpose of this measure is to establish a temporary task force within the Department of Agriculture to develop policies to abate agricultural crime.

The Department of Agriculture, the Big Island Farm Bureau, Growing Creations, LLC, the Hawaii Agriculture Research Center, the Hawaii Aquaculture Association, the Hawaii Crop Improvement Association, the Hawaii Farm Bureau Federation, and the Pineapple Growers Association of Hawaii submitted testimony in support of this measure.

Your Committees find that agricultural theft is a critical problem for Hawaii's farmers, especially in sparsely populated areas that are isolated from law enforcement. This measure establishes a temporary Agricultural Crime Abatement task force to develop policies and programs within the Department of Agriculture to abate agricultural crime.

Your Committees have amended this measure by making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture 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. 1082, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1082, 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, 8. Noes, none. Excused, 2 (Fukunaga, Ihara).

SCRep. 1248 Water, Land, and Agriculture on H.B. No. 328

The purpose of this measure is to appropriate funds to purchase development rights for agricultural lands in Wahiawa, Oahu.

The Office of Hawaiian Affairs submitted testimony in support of this measure.

In 1992, the State purchased approximately five acres of land from the Galbraith trust and made it into a state historic monument. This five-acre property is just a portion of a much larger property with historical and cultural significance on the Wahiawa plateau.

Currently, the Galbraith trust is scheduled, by law, to dissolve in 2007, leaving the agricultural lands surrounding the state historic monument in jeopardy of being developed and negatively impacting the important cultural site.

Your Committee finds that the United States Department of Agriculture, through its Farmland Protection Program, provides money to public and private entities to acquire the development rights of agricultural lands that are prime, unique, or contain historical and archeological resources. The program requires the State to contribute a portion of the money to purchase the property. This measure appropriates the necessary moneys to cover the State's portion for the purchase of the Galbraith trust's 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 H.B. No. 328, 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 (Fukunaga, Hooser).

SCRep. 1249 Commerce, Consumer Protection and Housing on H.B. No. 160

The purpose of this measure is to provide a formula for determining assessments to be paid by each line of insurance regulated under the Insurance Code, to be capped at a total of \$2,000,000 per fiscal year.

This measure also requires the Auditor to perform an annual financial and management audit of the insurance regulation sub-account of the Compliance Resolution Fund.

Testimony in support of this measure was submitted by the Hawaii Insurers Council, State Farm Insurance Companies, and the Hawaii Medical Service Association. Testimony in opposition to this measure was submitted by the Department of Commerce and Consumer Affairs (DCCA). Comments on this measure were also submitted by the National Association of Insurance and Financial Advisors-Hawaii, the American Council on Life Insurers, and the Hawaii Captive Insurance Council.

Your Committee finds that the Insurance Regulation Fund was established as a self-sustaining fund for the purpose of collecting funds from insurers for regulation of the insurance industry. These assessments to insurers have varied and escalated over the years. Your Committee further finds that over the past few years, the Insurance Division has built up cash reserves that have required the transfer of the surplus to the general fund on more than one occasion. Therefore, the concern exists as to whether the amounts of the assessments exceed the amount necessary in order to adequately regulate the industry. This measure creates a formula for the determination of assessments and imposes a cap of two million dollars on the amount of assessments allowable against the whole insurance industry.

Your Committee believes that this measure seeks to promote increased transparency and accountability in the determination of the amount of assessments and fees required to be paid to the Compliance Resolution Fund. However, your Committee recognizes that the DCCA has raised concerns regarding the institution of an assessments cap, indicating that the cap will cripple the fund within the next few years. Therefore, your Committee believes that this measure should continue to progress throughout the session as a vehicle in order to facilitate further discussion on the matter.

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. 160, 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, 1 (Sakamoto).

SCRep. 1250 Commerce, Consumer Protection and Housing on H.B. No. 1721

The purpose of this measure is to increase the income ceiling for taxpayers qualifying for the renter tax credit and to clarify the definition of "adjusted gross income" under the income tax law.

Opposing testimony was presented by an individual. The Department of Taxation and Tax Foundation of Hawaii presented comments on the measure.

This measure raises the adjusted gross income ceiling from \$30,000 to \$35,000 for the purpose of qualifying for the renter tax credit and provides that the term "adjusted gross income" under the state income tax law means the taxpayer's federal adjusted gross income.

Your Committee has amended this measure by replacing its contents with the language of S.B. No. 1854, S.D. 1, a measure previously considered and approved by your Committee. As amended, this measure repeals the current limit of \$160 for the state rent supplement stipend, but leaves unspecified the proposed maximum stipend amount. Your Committee finds that the current stipend maximum of \$160 is too low to provide meaningful financial assistance to property owners who provide rental housing, and that this issue warrants further consideration by the Legislature.

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. 1721, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1721, 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. 1251 (Majority) Commerce, Consumer Protection and Housing on H.B. No. 1217

The purpose of this measure is to limit use of the expedited land use approval process to "lower-cost" housing projects, defined as projects in which all units are at or below one hundred forty per cent of the area median income as determined by the United States Department of Housing and Urban Development.

Testimony in opposition to this measure was received from the Housing and Community Development Corporation of Hawaii (HCDCH), Department of Community Services and Department of Planning and Permitting of the City and County of Honolulu, Office of Housing and Community Development of the County of Hawaii, Kaanapali Development Corp., Maui Contractors Association, and an individual.

Your Committee finds that the proposed limitation upon the use of the expedited land use approval would discourage the development of affordable housing projects, including mixed income housing projects that require the inclusion of market-priced units to generate sufficient revenues to support financing.

Your Committee has amended this measure by replacing its contents with the substance of S.B. No. 117, S.B. No. 179, S.D. 3, S.B. 1717, S.D. 1, and S.B. No. 1851, S.D. 2. Your Committee also inserted the substantive contents of S.B. No. 1010, S.D. 1, but left blank the specific price thresholds that trigger the imposition of the proposed conveyance tax and deleted language requiring the tax revenues to be paid to HCDCH for deposit into the Housing Finance Revolving Fund. All of the above measures were previously considered and approved for passage by your Committee.

As amended, this measure:

- (1) Clarifies the authority of HCDCH to amend developer agreements entered into by one of its predecessor agencies, the Housing Finance and Development Corporation;
- (2) Requires HCDCH to hold public hearings on proposed housing projects in the community, development, or community development plan where the projects are to be located, and extends the period for county review of a project from forty-five days to sixty days;
- (3) Establishes an alternative conveyance tax on the sale of residential condominiums and single family homes that sell at or above a yet to be determined sales price;
- (4) Appropriates unspecified amounts from the Emergency and Budget Reserve fund for homeless and transitional housing projects on Kauai, Hawaii, and Maui, and for self help projects in all counties;
- (5) Appropriates an unspecified amount of general revenues for the homeless shelter stipend program; and
- (6) Takes effect upon approval, subject to the conveyance tax provision taking effect on September 1, 2005, and the appropriation provisions taking effect on July 1, 2005.

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. 1217, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1217, 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 (Hogue). Excused, 1 (Sakamoto).

SCRep. 1252 (Joint) Commerce, Consumer Protection and Housing, Judiciary and Hawaiian Affairs and Water, Land, and Agriculture on H.B. No. 1731

The purpose of this measure is to require the identification and development of public lands suitable for housing and to allocate twenty per cent of housing units developed thereon for purchase by qualified Hawaiians.

The Housing and Community Development Corporation of Hawaii (HCDCH), Office of Hawaiian Affairs (OHA), and an individual testified in support of this measure. The Senior Policy Advisor to the Governor and Life of the Land presented comments.

This measure requires HCDCH to consult with the Department of Land and Natural Resources (DLNR) to identify and prioritize public lands suitable for housing development and to arrange for the transfer of these lands for development. The Corporation would be required to replace transferred lands with assets of equal value once resolution of the public land trust issue resulted in a transfer of assets by the State to OHA. Additionally, the measure requires HCDCH to set aside twenty per cent of all housing units developed on the public lands for purchase by qualified Hawaiians.

Your Committees find that this measure provides a vehicle to address important issues relating to the use of ceded lands by the State and establishes a foundation for greater cooperation and collaboration between the State and OHA on the use and administration of ceded lands.

Your Committees have amended this measure:

- (1) To require HCDCH to consult with OHA, as well as with DLNR, when identifying and prioritizing public lands suitable for housing development;
- (2) To clarify that the preference for the purchase of housing units applies to qualified native Hawaiians, rather than qualified Hawaiians, and shall be in effect for a period up to sixty days from the acceptance of the completion of a housing project, not to exceed one hundred twenty days; and
- (3) To require HCDCH and OHA to collaboratively determine the number of units that should be allocated for sales to native Hawaiians.

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 Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1731, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1731, 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, 13. Noes, none. Excused, 3 (Fukunaga, Hooser, Sakamoto).

SCRep. 1253 Education and Military Affairs on H.B. No. 1295

The purpose of this measure is to require the Department of Education to conduct asbestos tests prior to renovations or painting of school facilities at all public schools and directs the department to maintain a record of all students at King intermediate school who may have been exposed to asbestos.

Testimony in support of the measure was submitted by the Department of Education.

Your Committee finds that asbestos can be found in many school buildings in Hawaii. Most recently, King intermediate school experienced a health scare in December 2004 when asbestos was detected during an exterior renovation project. It is a high priority to ensure that the department provides a healthy and safe environment for educating students. This measure will provide the additional funding to test all school facilities.

Upon further consideration, your Committee has amended this measure to clarify that the testing is to be done only to surfaces that have not previously been inspected.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1295, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1295, 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 (Chun Oakland, Hogue).

SCRep. 1254 Education and Military Affairs on H.B. No. 1132

The purpose of this measure is to create the education design and construction project assessment fund within the Department of Education and to broaden the department's authority over capital improvement projects.

Testimony in support of the measure was submitted by the Department of Education and Hawaii State Teachers Association. The Department of Budget and Finance submitted testimony in opposition.

Your Committee finds that school facilities repair, maintenance, and construction projects have been generally divided between the Department of Accounting and General Services and the Department of Education. Although both departments have been diligent in their duties, the separation has caused bureaucratic complications and delays. Not only are many public school facilities in dire need of repair, but new facilities also need to be constructed to reduce the classroom shortage of three hundred forty-nine classrooms.

Accordingly, your Committee has included the following language:

- (1) Increasing the amount of money deposited into the state educational facilities improvement special fund;
- (2) Transferring all school facilities' repair, maintenance, and construction to the Department of Education;
- (3) Establishing the Department of Education's authority to assess and collect impact fees; and
- (4) Defecting the effective date to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1132, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1132, 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, 6. Noes, none. Excused, none.

SCRep. 1255 (Joint) Education and Military Affairs and Human Services on H.B. No. 1300

The purpose of this measure is to establish an early childhood education task force to develop a ranking system for early childhood education programs.

Testimony in support of the measure was submitted by the Department of Human Services, Department of Education, Good Beginnings Alliance, Hawaii Association of Independent Schools, Hawaii State Teachers Association, Hawaii Business Roundtable, and Hawaii Association for the Education of Young Children.

Your Committees find that there is a rapidly increasing need for quality early childhood education programs. Unfortunately, not all families are able to afford quality programs that ensure their children are prepared for school. Furthermore, there are other proven methods and programs that need assistance to develop and assist in the demand for quality early childhood education.

This measure created a ranking system for early childhood education programs. However, your Committees find that it would be more beneficial to provide incentives to encourage the improvement and development of new and current programs.

Accordingly, your Committees have amended this measure by:

- (1) Replacing the language referring to a ranking system with language referring to an incentives system;
- (2) Establishing a two-year pilot program for universal access to early childhood education;
- (3) Clarifying the task force language and administratively attaching it to Good Beginnings Alliance rather than the Legislative Reference Bureau; and
- (4) Appropriating \$2,000,000 for each year of the two-year pilot program and \$100,000 for the task force.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1300, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1300, 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, 3 (Ihara, Kokubun, Tsutsui).

SCRep. 1256 Education and Military Affairs on H.B. No. 1136

The purpose of this measure is to establish a task force on charter school governance and clarify the funding mechanism for charter schools.

Testimony in support of the measure was submitted by the Department of Education, Charter School Administrative Office, Hawaii State Teachers Association, Hookakoo Corporation, Halau Ku Mana, Kamehameha Schools, Volcano School of Arts and Sciences, and 47 individuals.

Your Committee finds that the concept of new century charter schools provides an alternative approach to education by accommodating individual needs of students. However, a recent audit found that the laws that govern charter schools lack clear authority and responsibility assignments, which results in uncertainty. Most importantly, charter schools are in need of a more equitable and stable funding for their basic operations.

It is the intention of your Committee to assist new century charter schools to achieve a more equitable and fair administrative structure to encourage their growth and assistance to the State in education.

Upon further consideration, your Committee has amended this measure by inserting the contents of S.B. 1643, S.D. 2, and making clarifying amendments. Accordingly, the following are among the amendments that were made:

- (1) Clarifying various accountability issues;
- (2) Establishing a more accurate funding allocation mechanism;
- (3) Allowing charter school employees to participate in the State's workers' compensation system;
- (4) Enabling charter schools to receive federal grant moneys under the Individuals with Disabilities Education Act; and
- (5) Clarifying the circumstances where transfers of additional funds can be made for additional students.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1136, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1136, H.D. 3, 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, none.

SCRep. 1257 Human Services on H.B. No. 140

The purpose of this measure is to require the Legislature to conduct oversight hearings relating to the appropriate implementation of programs funded by federal Temporary Assistance for Needy Families (TANF) moneys.

Your Committee received testimony in support of this measure from the Housing and Community Development Corporation of Hawaii and Hawaii Government Employees Association. Testimony in opposition was received from the Department of Human Services (DHS) and the Department of Health. Comments were received from the Hawaii Medical Service Association and University of Hawaii.

Your Committee finds that Hawaii receives limited TANF funding. TANF was enacted pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. States may set eligibility levels depending on which purpose the funds are to be used. The four purposes of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 are to provide assistance to needy families, end dependence on welfare by promoting jobs, preventing and reducing the incidence of out-of-wedlock pregnancies and establishing annual numerical goals for preventing and reducing the incidence of pregnancies, and encourage the formation and maintenance of two-parent families.

TANF grants typically pay the cost of job training, wage subsidies, travel expenses and childcare for families struggling to become self-sufficient. Federal guidelines mandate that the use of grant money must be for eligible, needy families with a child and qualify on one of the four purposes of the TANF program.

The states are also required to report quarterly on the amount of money they spend on the program. If the states fail to obligate money by October 1st of each year, they lose the funding. Recently it was reported that \$1,000,000 in TANF funds were used for anti-drug advertising featuring local celebrities. This is contrary to what the federal law mandates regarding this program. Thus, legislative oversight is necessary as to the use of TANF funds by conducting oversight hearings on Medicaid waiver applications by the Senate Committees on Ways and Means, Health, and Human Services, and the House Committees on Finance, Health, and Human Services. The committees would evaluate the implementation of programs and fund expenditures and make annual recommendations for appropriations.

Your Committee has amended this measure by:

- (1) Allowing, instead of requiring, the Legislature to conduct oversight hearings, with at least one hearing on each island;
- (2) Requiring the DHS to submit to the Legislature the Medicaid waiver application and other relevant information in preparation for its annual legislative oversight hearing on each island; and
- (3) Deleting section 2 in its entirety.

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. 140, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 140, 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 (Fukunaga, Trimble).

SCRep. 1258 Human Services on H.B. No. 244

The purpose of this measure is to provide that individuals who have not received an eligibility decision on their application for public assistance within the time specified in administrative rules are presumptively eligible until an eligibility decision is made.

Your Committee received testimony in support of this measure from the Legal Aid Society of Hawaii, National Association of Social Workers, a State Representative, and five individuals. Testimony in opposition to this measure was received from the Department of Human Services (DHS).

Your Committee finds that individuals who have applied for public assistance have to wait longer than the required time specified under the administrative rules to receive their public assistance or welfare benefits. The DHS is required to meet the deadlines that it sets for making a decision for public assistance.

Individuals applying for public assistance are already facing difficulties in meeting their basic necessities. A wait of thirty to forty-five days for a decision is too long for many of these individuals. While emergency benefits are available, these benefits are only available for pregnant women for food stamps and medical assistance.

Presumptive eligibility requires issuance of benefits to an applicant before eligibility has been determined. Benefits paid to those who are provided presumptive coverage will assist people in dire circumstances while they await the DHS's determination.

Your Committee has amended this measure to provide the individual with ten calendar days, and the option to request extensions of time, to submit additional medical evidence.

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. 244, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 244, 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 (Fukunaga, Trimble).

SCRep. 1259 (Joint/Majority) Human Services and Labor on H.B. No. 1146

The purpose of this measure is to require the Department of Human Resources Development (DHRD) to preserve the class known as social worker in all its classifications.

Your Committees received testimony in support of this measure from the Hawaii Government Employees Association, National Association of Social Workers, and thirteen individuals. Testimony in opposition to measure was received from the Department of Human Resources Development, Department of Human Services, Department of Health, Department of Public Safety, and the Hawaii Paroling Authority. Comments was received from the Judiciary.

Your Committees find that DHRD reclassified the social work series, in response to departmental necessities to remove the social work classification and replace it with "human service professionals" in order to fill numerous vacancies. It was that particular action that led to the passage of S.C.R. 127, C.D. 1, Regular Session of 2004. Thereafter, DHRD formulated the social work/human services professional series.

Social workers employed by the State have the immense responsibility of providing services and treatment to the most vulnerable population in Hawaii. These clients have the right to assume that those using the social work title have been educated and trained to provide social work services. The interest of the client's protection and the liability of the state are also issues in the reclassification.

Your Committees further find that DHRD has not recognized that the social work profession was founded on a set of core principles that has guided its unique purpose and perspective regardless of whether an employee has a bachelor's or master's degree. These core values are the foundation of social work's unique purpose and perspective and include service, social justice, dignity, and worth of the person that is important in human relationships, integrity, and competence. These core values reflects what is unique to the social work profession and differentiates itself from the fields of counseling, criminal justice, psychology, and sociology. Research has shown that professionally trained social workers provide effective and high quality services to children and families. Further, research has shown that the quality of service provided by professionally trained social workers is higher than those without degrees in social work, and the turnover rates are lower with individuals with social work degrees.

There are a number of studies that have documented the critical connections between training, competency, performance, retention, and the delivery of quality services by those with social work degrees. The specialized training, education, and code of ethics qualify social workers as a distinct and vital discipline. Social work, like medicine and nursing, is a profession.

Your Committees have amended this measure by inserting the provisions of S.B. No. 1773, S.D. 2, and exempting the Judiciary, Department of Public Safety, and Hawaii Paroling Authority.

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 are in accord with the intent and purpose of H.B. No. 1146, H.D. 1, as amended herein, and recommend that it

pass Second Reading in the form attached hereto as H.B. No. 1146, 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, 4. Noes, 2 (Slom, Trimble). Excused, 3 (Hooser, Kokubun, Taniguchi).

SCRep. 1260 (Joint) Water, Land, and Agriculture and Judiciary and Hawaiian Affairs on H.B. No. 1276

The purpose of this measure is to allow the Department of Land and Natural Resources (DLNR) to enter into indemnity and defense agreements to protect landowners and persons associated with landowners.

DLNR, the Office of Hawaiian Affairs, Castle and Cooke Hawaii, and the Hawaii Association of Realtors submitted testimony in support of this measure.

The Poamoho trail on the island of Oahu was constructed in 1934 as a collaborative effort between the Territorial forestry division and the United States Army. Over the years, it has become one of the premier hiking trails on the island and, along with other areas of the Ewa forest reserve, is still critical for watershed protection by providing access for hunters to control the feral pig populations.

In 2002, Dole Foods Hawaii (Dole) installed a gate at the primary entrance to Poamoho and other Ewa forest reserve trails because of increasing property and crop damage, theft, and unauthorized dumping and recreational vehicle use on its property. Since then, DLNR has been negotiating an agreement with Dole to permit regulated hiking and hunting access; however, there has been difficulty in reaching an agreement because of the State's inability to indemnify Dole's affiliates for loss of property and damage claims resulting from public access. Thus, this measure allows DLNR to enter into indemnity and defense agreements to protect the landowner's affiliates from claims made by public users of the owner's land and permit the public to have access to the land.

Your Committees noted testimony from DLNR that requested the authority to reimburse indemnified landowners for small property losses totaling up to \$10,000 per fiscal year. DLNR suggested that the money be provided from its Na `Ala Hele special fund, and the process would be modeled after the one used by the Risk Management Office to settle claims. Your Committees request the Committee on Ways and Means to further evaluate the appropriateness of the DLNR request.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture 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. 1276, H.D. 3, 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 (Fukunaga, Ihara).

SCRep. 1261 Water, Land, and Agriculture on H.B. No. 1308

The purpose of this measure is to establish permanent adequate funding for land conservation.

The Department of Agriculture, the Department of Land and Natural Resources, the University of Hawaii Environmental Center, two council members from the Hawaii County Council, the County of Kauai Planning Department, the American Farmland Trust, the Big Island Farm Bureau, the Conservation Council for Hawaii, the Hanalei Watershed Hui, the Hawaii Agriculture Research Center, the Hawaii Invasive Species Management and Education Corporation, Kauai Public Land Trust, the Kona Land Trust, the League of Women Voters of Honolulu, Malama Maha'ulepu, the Maui Coastal Land Trust, Maui Land and Pineapple Company, Inc., Moanalua Gardens Foundation, Naaluhu Main Street, the Nature Conservancy, Pahala Plantation Cottages, the Rocky Mountain Institute, the Sierra Club, Sustain Hawaii, the Trust for Public land, and one hundred eleven individuals submitted testimony in support of this measure. The Department of Taxation and the Land Use Research Foundation of Hawaii submitted testimony in opposition to this measure. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that Hawaii's natural resources are vital to the State's economy, culture, and quality of life. However, there is very little funding allocated to protect and manage Hawaii's precious natural and cultural assets. Thus, this measure provides a better-equipped funding mechanism for land conservation and allows grants to acquire interests in lands having a value as a resource to the State.

Your Committee finds that a companion measure, S.B. No. 1897, S.D. 1, was heard and approved by this Committee and was subsequently heard and approved, with amendments, by the Committee on Ways and Means. Your Committee has amended this measure to reflect the provisions in S.B. No. 1451, S.D. 2, by:

- (1) Clarifying language in the purpose section of this measure;
- (2) Increasing the conveyance tax imposed by chapter 247, Hawaii Revised Statutes, on a sliding scale;
- (3) Dedicating ten per cent of the annual proceeds from the conveyance tax to the land conservation fund; and
- (4) Making technical nonsubstantive changes for clarity and consistency.

Your Committee also notes that federal funds are available to this State annually to purchase lands for conservation. However, state funds must be dedicated to contribute to a portion of the purchase price of the property in order to receive the federal funds. Some of these programs will match \$3 for every dedicated state dollar. Thus, your Committee amended this measure to appropriate funds from

the general fund and the Land Conservation fund, created by this measure, to purchase two conservation properties, the Honu'apu estuary lands in Ka'u on the island of Hawaii and land located in Moanalua valley on the island of Oahu, in conjunction with the appropriate federal programs.

Your Committee further noted a suggestion to contemplate using another funding source, rather than the conveyance tax, for the Land Conservation fund. Your Committee specifically noted a suggestion that money be used from taxes collected from the tourism industry to pay for the conservation of the State's lands. Thus, your Committee requests that the Committee on Ways and Means examine alternate ways of funding the Land Conservation funds and determine the most adequate funding source.

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. 1308, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1308, 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, 1 (Fukunaga).

SCRep. 1262 Commerce, Consumer Protection and Housing on H.B. No. 1426

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to finance the development of affordable housing.

UniDev, LLC, testified in support of this measure. The Department of Budget and Finance presented comments.

This measure authorizes the issuance of special purpose revenue bonds by the Department of Budget and Finance to assist private nonprofit organizations and public instrumentalities to develop affordable housing for low income and moderate income households, the elderly, and employees of public or nonprofit entities.

Your Committee finds that high housing prices have negatively affected employers' abilities to recruit workers, particularly in professional, technical, and management sectors. This measure would allow nonprofit or public entities to obtain lower cost tax-exempt financing to develop affordable housing for Hawaii's workforce, the elderly, and low income and moderate income households.

Your Committee has amended this measure:

- (1) To designate HCDCH, rather than the Department of Budget and Finance, as the issuing agency for the proposed bond issuance, and to establish the Corporation's authority within chapter 201G, Hawaii Revised Statutes;
- (2) To take effect on July 1, 2050 to ensure continued discussion; and
- (3) 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 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. 1426, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1426, 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 (Ige).

SCRep. 1263 Commerce, Consumer Protection and Housing on H.B. No. 1303

The purpose of this measure is to implement recommendations proposed by the Affordable Housing Task Force and other strategies to improve the affordable housing situation in the State.

Testimony in support of this measure was received from the following: Senior Policy Advisor to the Governor, Housing and Community Development Corporation of Hawaii (HCDCH), Department of Community Services and Department of Planning and Permitting of the City and County of Honolulu, Vice Chair of the Maui County Council, Land Use Research Foundation, Institute for Human Services, Maui Land and Pineapple Company, Inc., Hawaii Catholic Conference, Catholic Charities Hawaii, Affordable Housing and Homeless Alliance, Hawaii Coalition of Christian Churches, The Nature Conservancy of Hawaii, Partners in Care, Kaanapali Development Corp., Blueprint for Change, Hawaii Community Reinvestment Corporation, and two individuals.

The Office of Housing and Community Development of the County of Hawaii, Cendant Timeshare Resort Group, Inc., Fairfield Resorts, Inc., and Hawaii Association of Realtors opposed the measure. Comments were presented by UniDev, LLC, Life of the Land, Pier Management Hawaii, LLC, and two individuals.

This measure incorporates and implements various strategies to provide more affordable housing in the State, including those developed by the Affordable Housing Task Force established under S.C.R. No. 135, S.D. 1 (2004). Among other things, this measure establishes tax incentives, provides the counties with greater flexibility with respect to land use restrictions, provides additional funding for rental housing development, establishes a moratorium on the demolition of decommissioned housing projects, and requires annual audits of housing provider agencies.

Your Committee has amended this measure by replacing its language with the contents of a modified version of S.B. No. 798, S.D. 1, S.B. No. 1844, S.D. 1, S.B. 1852, S.D. 2, and S.B. 1805, S.D. 1. As amended, this measure:

- (1) Prohibits the raiding of housing special funds;
- (2) Establishes a general excise tax exemption for proceeds received in connection with the development of affordable housing projects;
- (3) Dedicates twenty-five per cent of general excise taxes imposed on residential rentals to the Rental Housing Trust Fund (RHTF) and establishes a conveyance tax rate schedule;
- (4) Requires the membership of the HCDCH Board of Directors to include a representative of the continuum of care systems;
- (5) Establishes deadlines for the repair of vacant public housing and the construction of new public housing;
- (6) Exempts from Land Use Commission approval affordable housing projects of fifty acres or less;
- (7) Changes the standard for an affordable housing project from one that requires the project to be primarily designed for lower income persons to one that requires the project to provide a certain percentage of lower income housing units;
- (8) Permits the Dwelling Unit Revolving Fund to be used for permanent financing, in addition to interim financing;
- (9) Repeals specific numerical requirements for RHTF projects relating to the minimum amount of units that must be provided for households within certain income groups;
- (10) Permits nonprofit entities to qualify for RHTF loans;
- (11) Allows use of RHTF financing for mixed finance public housing developments;
- (12) Increases the RHTF's share of conveyance taxes from twenty-five per cent to fifty per cent;
- (13) Abolishes the RHTF Advisory Commission to avoid duplication in the review process for housing development applications;
- (14) Authorizes the issuance of general obligation bonds for the renovation, repair, and construction of low-income housing units;
- (15) Requires HCDCH to convene a committee to consider the bifurcation of the agency into separate public housing and housing finance and development entities, and appropriates funds for the committee; and
- (16) Takes effect on July 1, 2050 to facilitate the continued discussion of affordable housing issues.

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. 1303, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1303, 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. 1264 (Joint) Water, Land, and Agriculture and Business and Economic Development on H.B. No. 852

The purpose of this measure is to exempt Public Utilities Commission proceedings from automatic permit approval provisions.

This measure also specifies that the lack of quorum by an issuing agency shall not:

- (1) Initially be applicable to the automatic permit approval provisions; and
- (2) Give cause for further extension unless agreed upon by all parties.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the Public Utilities Commission (PUC), and the Land Use Research Foundation of Hawaii.

Your Committees find that the automatic permit approval law was intended to expedite the permit approval process so that an unreasonable delay in determining whether a permit should issue would not cause an applicant to suffer unnecessarily. Under the current law, the PUC has the authority to regulate public utilities, motor carriers, and water carriers pursuant to chapters 269, 271, and 271G, Hawaii Revised Statutes. As a result, the PUC is tasked with reviewing numerous applications for permits that often involve extremely technical and complex issues.

Your Committees determine that requiring the PUC to be subject to the automatic permit approval law poses the risk of hasty, ill-advised permit approval in areas that might otherwise require extensive review and analysis by experts in various fields. In support of this conclusion, your Committees recognize that, in 2000, the Legislative Reference Bureau (LRB) published a report entitled

“Hawaii’s Automatic Permit Approval Law,” wherein the LRB opined that the PUC should be exempt from the automatic permit approval law citing numerous reasons.

Additionally, your Committees recognize that the automatic permit approval law has been instrumental in reducing the delay in the issuance of permits without causing undue hardships on the government or the public. Delays are most commonly caused by a failure to obtain a quorum for voting, and this measure attempts to balance the interests of timeliness and fairness by allowing for the issue of a lack of quorum to be addressed prior to automatic permit approval.

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 Water, Land, and Agriculture and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 852, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 852, H.D. 2, 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 (Ige, Menor).

SCRep. 1265 Health on H.B. No. 1051

The purpose of this measure is to clarify the procedures by which unused prescription drugs dispensed within health care institutions may be returned for credit to the payer and subsequent reuse, or may be donated to a drug repository.

The Department of Health, Kaiser Permanente, and the Medicine Bank Hawaii Primary Care Association submitted testimony in opposition. The Board of Pharmacy submitted comments.

Your Committee agrees with the Department of Health that it is unclear whether the goal of harmonizing chapters 328B, 328C, and 461, Hawaii Revised Statutes, is appropriate and finds that this measure does not achieve that goal. It is questionable whether this bill clarifies the procedures as intended.

Upon further consideration, your Committee has amended this measure by deleting all of its provisions and inserting the language of S.B. No. 1420, S.D. 2, to encourage further discussion and consideration of that measure. The purpose of S.B. No. 1420, S.D. 2 is to prohibit the Department of Human Services from restricting payment for or a recipient’s access to psychotropic medication. It also requires the Department of Human Services to establish presumptive eligibility for psychotropic medication coverage until a decision is made, and exempts licensed providers from preauthorization for prescription psychotropic medication.

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. 1051, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1051, 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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1266 (Joint) Energy, Environment, and International Affairs and Water, Land, and Agriculture on H.B. No. 895

The purpose of this measure is to protect seabirds and marine life from light pollution.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, the Office of Hawaiian Affairs, Conservation Council for Hawaii, Hawaii’s Thousand Friends, Kahea, Life of the Land, the Sierra Club, and eight individuals. Your Committees received testimony in opposition from the Land Use Research Foundation of Hawaii, and also received comments from the Department of Transportation, Hawaii Hotel and Lodging Association, and two individuals.

Your Committees find that artificial lights illuminating Hawaii’s coastal areas and shining on the water can mimic the full moon, and sometimes even daylight, to such an extent that nesting turtles and their progeny can be led astray, nocturnal and migrating birds can be fatally confused, and coral may be induced to spawn artificially. Artificial light shining on ocean waters also affects the feeding, mating, and resting cycles of many species of fish. Your Committees further find that this measure focuses on outdoor lighting that is for scenic purposes only, and excludes lighting necessary for safety and navigation. Your Committees believe that this measure will mitigate the impact of artificial lights on coastal areas and ocean waters and safeguard native Hawaiian wildlife from their harmful effects.

Your Committees note that light travels in accordance with the laws of physics and cannot, therefore, “trespass.” To prevent any misinterpretation of the term “light trespass” with respect to civil or criminal liability, your Committees have amended this measure to substitute “light displacement” for “light trespass” and “travel” for “trespass” wherever they appear in this measure. Your Committees have also amended this measure to indicate that lighting in a condo or hotel/condo in a shoreline or nearshore area, while permissible, must also be the only practicable way to help ensure the safety and security of guests and visitors.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs 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. 895, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 895, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 3. Noes, none. Excused, 3 (Fukunaga, Hanabusa, Hemmings).

SCRep. 1267 Energy, Environment, and International Affairs on H.B. No. 1017

The purpose of this measure is to reduce restrictions on installing solar energy devices on specified single-family residences and townhouses.

Specifically, this bill would:

- (1) Allow owners of single-family residential dwellings and townhouses to install solar energy devices without board approval, provided that the devices are registered with the appropriate homeowner, community or condominium association, or cooperative; and
- (2) Require "private entities" such as homeowner, community, condominium associations, and cooperatives to adopt rules regarding the placement of solar energy devices.

To effectuate its purpose, this measure:

- (1) Requires every private entity to adopt rules by December 31, 2006, to provide for the placement of solar energy devices so as not to unduly restrict that placement as measured by not more than twenty-five per cent less efficiency in the placement; and
- (2) Allows any person to place a solar energy device on any single-family residential dwelling or townhouse owned by that person under specified conditions.

Testimony in support of the measure was received from the Department of Business, Economic Development and Tourism, a member of the Maui County Council, The Sierra Club Hawaii Chapter, Hawaii Renewable Energy Alliance, University of Hawaii Environmental Center, Affordable Solar Contracting, Inter-Island Solar Supply, and R&R Solar Supply. Testimony in opposition to the measure was received from the Hawaii Chapter of the Community Associations Institute – Legislative Action Committee, Mililani Town Association, Makakilo Hale I homeowners association, and two individuals.

Your Committee finds that fostering greater use of alternative energy sources is an important environmental objective, and that many homeowners in a single-family dwelling or townhouse in a condominium or cooperative would take advantage of the opportunity to have a solar energy system if it were allowed.

Your Committee has amended this measure by:

- (1) Clarifying that the provisions for solar energy systems apply only to single-family residential dwellings and townhouses;
- (2) Changing the definition of "townhouse" to conform with the definition of "townhouse" in chapter 196, Hawaii Revised Statutes, regarding energy resources;
- (3) Limiting the persons who may install a solar energy device to licensed contractors; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, style, and to avoid redundancy.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1017, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1017, H.D. 3, S.D. 1, and be referred to the Committees on Commerce, Consumer Protection, and Housing and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 1268 (Joint/Majority) Commerce, Consumer Protection and Housing and Intergovernmental Affairs on H.B. No. 784

The purpose of this measure is to require cable franchise fees paid in connection with the provision of cable service in the County of Maui to be distributed in thirds to Maui Community College and the Department of Education, the County of Maui, and Maui's public, educational, and governmental (PEG) access entity.

This measure also appropriates funds for the infrastructure upgrades to telecommunications systems within the Department of Education.

The Department of Education (DOE)-Maui, Maui Community College (MCC), and two individuals presented testimony in support of this measure. The Department of Commerce and Consumer Affairs (DCCA), Akaku: Maui Community Television (Akaku), the League of Women Voters of Hawaii, the Office of Hawaiian Affairs, the Society of Professional Journalists Hawaii Chapter, the Alliance for Community Media, Olelo Community Television, and three individuals presented testimony in opposition to this measure.

In 1983, MCC initially began distance learning services on cable television. Subsequently, SkyBridge was built through a federal grant linking Moloka'i, Lanai, and Hana to the MCC campus in Kahului with live two-way video. The DCCA established the Maui PEG Planning Committee in 1989, comprised of MCC, the DOE, the County of Maui, and non-profit agency representatives. Later, in 1992, the DCCA established the Maui PEG Consortium as an advisory board for distribution of PEG franchise fees and a public channel was started on Maui. The Maui PEG Consortium was then dissolved in 1997 and Akaku became the agency for PEG management on Maui. In 1998, Akaku entered into negotiations with MCC and DOE-Maui wherein an agreement was reached that ensured the distribution of one-third of the total funds available for education to MCC and DOE-Maui.

In the formal agreement between DCCA and Akaku, which became effective in 1999, Akaku was designated as the PEG access entity for the County of Maui. The agreement also memorialized the understanding that MCC and the DOE-Maui, through agreements with Akaku, would be responsible for their own educational access programming, and the management and operation of access facilities and equipment. Additionally, this agreement indicated that Akaku was required to provide financial resources for educational access, as well as the reporting requirements for educational access under the agreement.

Your Committees find that over the years, funding received by public and higher education institutions in the County of Maui to provide educational access programming on cable television has declined to the point of being eliminated. While funding for educational access programming averaged twenty-nine per cent of franchise fees during the period of 1993 to 1999, allowing MCC and DOE-Maui to provide distance education and outreach services, after the establishment of the County's PEG access organization, funding dropped to fifteen per cent and was discontinued by 2000. In 2003, the access organization's board of directors voted to cease providing operating funds for any state agency, including MCC and DOE-Maui.

The cessation of funding for educational access programming has led to a reduction in staff and operations, and in the quality of services and instruction provided to residents throughout the County. MCC has been unable to meet the increasing demand for distance learning services and to upgrade physical plant operations, and plans for studio facilities on Maui's West Side have come to a standstill.

This measure proposes to restore distribution of PEG financial resources for the educational component of PEG programming by providing that the fees collected by the cable provider in Maui County be allocated equally among public, educational, and governmental access programming. Although there is a long history regarding this issue and resolution is much overdue, your Committees believe that this measure has provided a catalyst for encouraging active negotiations between the parties. Your Committees further believe that progress in negotiations has been made and that continued movement of this measure throughout the session will continue to facilitate progress and eventually result in the successful resolution of the issues involved.

Finally, your Committees believe that technology plays an important role in the education of our students and supports efforts to increase access to technology in the learning environment. This measure also provides for the appropriation of funds to assist the DOE in upgrading its telecommunications systems infrastructure to allow our students to benefit from the increased utilization of technology in the schools.

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 Commerce, Consumer Protection, and Housing and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 784, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 784, 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, 2 (Hogue, Slom). Excused, 4 (English, Inouye, Kim, Sakamoto).

SCRep. 1269 Judiciary and Hawaiian Affairs on H.B. No. 450

The purpose of this measure is to appropriate funds for the biennial budget of the Office of Hawaiian Affairs.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, Alu Like, Inc., and nineteen individuals.

Your Committee finds that this measure appropriates necessary funds for the operation and administration of the Office of Hawaiian Affairs as well as outreach programs funded by the Office of Hawaiian Affairs.

Your Committee has amended this measure by inserting moneys for a capital improvement project to plan, design, and construct an Office of Hawaiian Affairs building and Hawaiian community center.

Your Committee, in response to a letter from the Attorney General, has amended this measure to require the Office of Hawaiian Affairs to expend appropriated funds pursuant to Chapter 103D, Hawaii Revised Statutes, for legal services involving native Hawaiian rights and land title projects. With respect to the two remaining programs, Alu Like and Na Pua No'eau, your Committee defers to the Committee on Ways and Means as to whether these two entities are also subject to the Procurement 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 H.B. No. 450, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 450, 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, 6. Noes, none. Excused, none.

SCRep. 1270 Judiciary and Hawaiian Affairs on H.B. No. 500

The purpose of this measure is to provide the necessary appropriations and authorizations for the operations and capital improvement projects of the Judiciary for the fiscal biennium 2005-2007.

Testimony in support of the measure was submitted by the Judiciary, the Office of Youth Services for the State of Hawaii, a City Council Member for the City and County of Honolulu, Makakilo/Kapolei/Honokai Hale Neighborhood Board No. 34, the Palehua Community Association, Child and Family Services, and five individuals. One individual testified in opposition to the measure. Three individuals offered comments on the measure.

This measure appropriates funds and makes necessary authorizations for the operations and various capital improvement projects of the Judiciary. Your Committee finds that this measure will fund critical services, facilities, and operations of the Judiciary.

Your Committee has amended this measure by increasing the appropriation for capital improvement projects by \$95,000,000 to reflect the addition of funds for the Kapolei Judiciary Complex.

Your Committee finds that the Kapolei Judiciary Complex has been the subject of much discussion since it was first proposed in 1989 and that funding for this facility has been included in the budgets for the last three fiscal bienniums. Your Committee notes that concerns were raised with respect to the Kapolei Judiciary Complex and center on whether an environmental impact statement should be conducted before this project moves forward, as well as the absence of specific information from the Judiciary relating to the transfer of personnel, types of cases, and potentially the entire Hawaii Family Court to this complex. A representative from the Judiciary testified that tentatively at least one courtroom would be available in Honolulu to handle emergency Family Court petitions or hearings as needed and that these concerns would be addressed, in part, with the advent of the JIMS system, teleconferencing, and video conferencing.

Your Committee notes that a member of the Committee expressed concern over the lack of information provided by the Judiciary on the Kapolei Court complex and requested that the following proviso be included in the measure. The proposed proviso reads as follows:

Provided that court space and resources be retained for family court services in the existing Honolulu court location; and provided further that the Judiciary create a public participation process that allows stakeholder group representatives the opportunity to be involved in the planning process for the Kapolei Court Complex, and the Honolulu-based Family Court.

Your Committee defers to the Committee on Ways and Means as to the necessity of including this proviso within 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. 500, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 500, 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 (Whalen).

SCRep. 1271 (Joint) Judiciary and Hawaiian Affairs and Education and Military Affairs on H.B. No. 875

The purpose of this measure is to provide a six-year statute of limitation for claims against the State for unpaid wages and to allow for payment of interest on these claims.

Testimony in support of the measure was submitted by twenty-six individuals. The Department of the Attorney General and the Superintendent of Education testified in opposition to the measure.

Your Committees find that this measure creates a six-year limitations period for claims for unpaid wages and benefits and permits the collection of pre-judgement interest on these claims.

Your Committees have amended this measure by:

- (1) Expressly endowing the Legislature with the authority to determine the appropriate per diem rate for substitute teachers for the fiscal year 2005-2006 and thereafter; and
- (2) Appropriating funds in the event of a settlement between the Department of Education and the plaintiffs in the cases of Garner v. Department of Education and Kliternick v. Hamamoto as plaintiff's counsel indicates that the plaintiffs are flexible in regard to a settlement structure.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Education and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 875, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 875, 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, 2 (English, Whalen).

SCRep. 1272 (Majority) Judiciary and Hawaiian Affairs on H.B. No. 1713

The purpose of this measure is to establish a comprehensive public funding program for candidates running for state legislative offices as well as the offices of Governor and Lieutenant Governor.

Specifically, this measure:

- (1) Utilizes the Hawaii Election Campaign Fund as the mechanism to publicly fund qualifying candidates for the Offices of Governor and Lieutenant Governor as well as state legislative office;
- (2) Establishes qualifications and conditions that a candidate must satisfy before being eligible to receive comprehensive public funding;
- (3) Enacts standards relating to the use of seed money by candidates;
- (4) Imposes restrictions on the use of surplus campaign funds;
- (5) Establishes reporting requirements on publicly funded candidates relating to documenting qualifying contributions, seed money contributions, and expenditures;
- (6) Establishes the criteria as well as the process and procedure for a qualified candidate to receive equalizing funds; and
- (7) Enacts penalty provisions, including criminal sanctions for violations of this program.

Testimony in support of this measure was submitted by the Mayor of the County of Hawaii, the Vice Chair of the Hawaii County Council, the Vice Chair of the Maui County Council, the Hawaii State Coalition Against Domestic Violence, Life of the Land, the Sierra Club Hawaii Chapter, Clean Elections Hawaii, the AARP of Hawaii, the Conservation Council for Hawaii, and twenty-six individuals. Testimony in opposition to the measure was submitted by the Department of Taxation, the Campaign Spending Commission, the Department of Budget and Finance, the Department of Accounting and General Services, the Libertarian Party of Hawaii, and one individual. The Office of Elections and the League of Women Voters of Hawaii offered comments on the measure.

Your Committee finds that this measure enacts a comprehensive public funding program for candidates for state elective office who are willing to abide by campaign contribution and expenditure limits. This measure is designed to address concerns within the community with respect to addressing the issue of campaign spending reform.

Your Committee has amended this measure by:

- (1) Limiting the comprehensive public funding program to candidates for the offices of the Governor, Lieutenant Governor, and Prosecuting Attorney;
- (2) Establishing standards and eligibility requirements with respect to candidates seeking to obtain comprehensive public funding for the office of the Prosecuting Attorney, including limits relating to seed money contributions and qualifying campaign contributions;
- (3) Utilizing general funds of the State as opposed to funds from the Hawaii Election Campaign Fund as the primary source of funding for this program;
- (4) Removing specific dollar amounts and percentages contained throughout the measure with respect to seed money contributions, qualifying contributions, amount of base public funding, and equalizing funds for purposes of promoting continuing discussion on the measure; and
- (5) Making technical, non-substantive amendments 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 H.B. No. 1713, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1713, 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, 1 (Ihara). Excused, none.

SCRep. 1273 Judiciary and Hawaiian Affairs on H.B. No. 1733

The purpose of this measure is to establish a statewide DNA database and databank identification program administered by the Honolulu Police Department that will include the DNA of all convicted felons.

Specifically, this measure:

- (1) Establishes procedures and processes relating to the collection, analysis, and storage of blood specimens, buccal swab samples, and fingerprint impressions;
- (2) Specifies which offenders must provide blood specimens, buccal swab samples, and fingerprint impressions as well as the time period for providing these samples and the penalties for noncompliance;
- (3) Enacts procedures for the destruction of biological and fingerprint samples as well as the expungement of this information from the DNA database;
- (4) Authorizes a court to order postconviction relief DNA testing and to take appropriate action based on the results of the testing;
- (5) Extends by ten years the statute of limitations in any felony case in which DNA evidence is recovered and tested prior to the expiration of the standard limitation period for the class of felony; and
- (6) Appropriates funds to carry out of the purposes of the measure, including reimbursement to the county police departments and the Department of Public Safety.

Testimony in support of this measure was submitted by the Department of the Attorney General, the Department of Public Safety, the Department of the Prosecuting Attorney for the City and County of Honolulu, and the Honolulu Police Department. Testimony in opposition to the measure was submitted by the Office of the Public Defender. The Judiciary and the Office of Information Practices offered comments on the measure.

Your Committee finds that this measure mandates DNA testing for all convicted felons which will enable the State to collect and maintain profiles of convicted offenders for identification purposes as well as utilization in ongoing criminal investigations. This measure also incorporates the use of DNA testing to provide post-conviction relief to individuals wrongly convicted.

Your Committee has amended this measure by replacing the contents of this measure with the contents of Senate Bill No. 470, S.D. 2. In addition, your Committee has amended this measure by:

- (1) Excluding individuals who have been granted a deferral by the court from providing a DNA sample;
- (2) Deleting provisions that insulate a conviction, arrest, detention, or any adjudication of a person from legal challenge if it is determined that DNA samples were obtained, placed, or retained in a data bank or database by mistake;
- (3) Removing the ten year extension of the statute of limitations in any felony case where DNA evidence is recovered and tested prior to the expiration of the standard limitation period for a class of felony and making that time period blank; and
- (4) Making technical, non-substantive amendments for purposes of clarity.

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. 1733, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1733, 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, 6. Noes, none. Excused, none.

SCRep. 1274 (Joint) Education and Military Affairs and Labor on H.B. No. 841

The purpose of this measure is to repeal the school-to-work executive council, as the program's key initiatives have been established under other public and private entities.

Your Committees find that the smooth implementation of Act 51, Session Laws of Hawaii 2004, would be greatly facilitated by enhanced access to information technology by the Department of Education, as well as by the additional personnel and training related to such an initiative. These provisions were contained in S.B. 1661, S.D. 2.

Your Committees further find that fostering civic responsibility is one of the important functions of public education. This objective would be greatly aided by the establishment of a competitive grant program designed to encourage the creation of effective educational materials on this topic. There is also a need to enhance science education by providing additional funding for science textbooks. This would complement the appropriations for mathematics textbooks that was contained in Act 51, Session Laws of Hawaii 2004. These provisions were contained in S.B. 1258, S.D. 1.

Your Committees further find that the Core Knowledge program created by Professor E.D. Hirsch, Jr. of the University of Virginia has been used by hundreds of schools across the nation and can help improve students' reading, verbal reasoning, and critical thinking skills. However, to mandate the use of any single curriculum would be too prescriptive and unfair to the myriad of other effective curriculums which may be as or more effective than Core Knowledge in serving the educational and developmental needs of the Department of Education's diverse student population. Furthermore, these questions should be considered in the larger context as to whether the Department of Education should at some point in the future consider moving towards the establishment of a state-wide curriculum. Nevertheless, a rigorous, research-based curriculum designed to develop students' critical and creative thinking skills should be established and implemented throughout the public school system, albeit not to the exclusion of other diverse curricula. These provisions were contained in S.B. No. 451, S.D. 1.

Your Committees find that ongoing adjustments must be made to sustain and improve the education-workforce development pipeline, to constantly fine-tune the alignment between the evolving needs of employers and education and job training offered by the public educational system. These provisions were contained in S.B. No. 1865, S.D. 1.

Your Committees further find that many caring people volunteer in the public schools through a wide variety of initiatives, which provides a great benefit to the system. Many more people would also be inclined to volunteer if only the system could be made more accommodating. Several means of providing such accommodation could include the establishment of a position in the Department of Education dedicated to facilitating volunteerism, the development of a pilot project, and providing the department with the capability of offering volunteers medical, hospital, and surgical benefits to volunteers. These provisions were contained in S.B. No. 1812, S.D. 1.

Your Committees deleted the measure's contents and replaced it with the language contained in the S.B. No. 1661, S.D. 2, S.B. No. 1258, S.D. 1, S.B. No. 451, S.D. 1, S.B. No. 1865, S.D. 1, and S.B. No. 1812, S.D. 1 and held a hearing on the proposed contents.

Testimony in support of the proposed measure was submitted by the Department of Labor and Industrial Relations, Department of Education, Department of Human Resources Development, Workforce Development Council, Hawaii Government Employees Association, Hawaii Business Roundtable, and Hawaii State Teachers Association.

Your Committees find that in comparing other public school districts' spending on information technology infrastructure, Seattle spends \$304 per student and Wisconsin \$309 per student, while Hawaii's projected technology budget is merely \$157 per student.

Upon further consideration, your Committees have amended the proposed draft by deleting provisions regarding the department's authorization to carry over unencumbered funds.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 841, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 841, 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, 1 (Taniguchi).

SCRep. 1275 (Joint/Majority) Human Services and Health on H.B. No. 1317

The purpose of this measure is to prohibit the Department of Human Services (DHS) from taking any action or expending state resources to remove prescription drug benefits from managed care plans under medicaid.

Your Committees received testimony in support of this measure from the Hawaii Association of Health Plans, Kaiser Permanente (Kaiser), and two individuals. Testimony in opposition was received from the DHS, the Attorney General, and the Department of Health. Comments were received from the First Health Services Corporation.

Your Committees find that managed care organizations such as Kaiser are responsible providers of the medicaid program, including drug coverages. Kaiser is a pioneer in managed care in Hawaii and preceded the advent of the MedQUEST program. Kaiser has managed its patients' use of pharmaceuticals from diagnosis and prescribing by the doctors to filling the prescription in their pharmacies.

On the other hand, the DHS testified that this measure would unduly restrict its ability to implement new programs that would result in significant cost savings under the medicaid programs. The DHS joined a multi-state drug purchasing pool to increase the State's negotiating strength with drug manufacturers in order to get better rebates. The pooling arrangement does not remove prescription drug benefits from managed care plans. These are two separate drug purchasing plans.

Testimony of the DHS indicates that the pool purchasing of preferred drug list medications provides increased negotiating strength with drug manufacturers.

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 H.B. No. 1317, 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, 4 (Hanabusa, Hooser, Kokubun, Whalen).

SCRep. 1276 Human Services on H.B. No. 802

The purpose of this measure is to encourage contributions to Individual Development Accounts (IDA) by increasing the IDA contribution tax credit from fifty per cent to one hundred per cent of the amount contributed.

Your Committee received testimony in support of this measure from the Hawaii Alliance for Community Based Economic Development, Chaminade University, Pacific Gateway Center, Hawaii HomeOwnership Center, Legal Aid Society, National Association of Social Workers, Aloha United Way, and an individual. Comments was received from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that providing a tax credit equal to the amount contributed by the taxpayer towards an individual development account would encourage more people to establish such accounts.

Your Committee has amended this measure by extending the sunset tax credit from December 31, 2004 to December 31, 2009.

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. 802, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 802, 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 (Fukunaga, Trimble).

SCRep. 1277 (Joint/Majority) Human Services, Health and Commerce, Consumer Protection and Housing on H.B. No. 97

The purpose of this measure is to provide individual and employer long-term care tax credits for long-term care premium costs.

Your Committees received testimony in support of this measure from the Governor, Department of Taxation, Department of Health, Department of Commerce and Consumer Affairs, HealthCare Association of Hawaii, Chamber of Commerce of Hawaii, Hawaii State Teachers Association, Hawaii Association of Health Underwriters, Hawaii Long Term Care Association, National Association of Insurance and Financial Advisors, and American Council of Life Insurers. Testimony in opposition was received from the Kokua Council. Comments were received from the Attorney General and Tax Foundation of Hawaii.

Your Committees find that the rapid growth of the elderly and disabled populations will result in extraordinary demands on the delivery of services. Persons sixty years of age and older will increase from one fifth to more than one-fourth of the adult population by 2020. While the majority of persons receiving long-term care are older adults, their entire families are affected by the psychological, financial, and social costs of long-term care provided to those who are limited in the activities of daily living. A tax credit may encourage the community to buy long-term care insurance, because in the long term, the State could save hundreds of thousands of dollars in Medicaid coverage as their limited resources disappeared paying for nursing homes. The tax credit under this measure targets the lower and middle income bracket and these groups will most likely qualify for Medicaid coverage because of their limited resources.

Your Committees further find that the individual tax credit is structured to accomplish two specific goals: to help residents with lower incomes afford the cost of long-term care insurance, and to provide a financial incentive for residents with moderate incomes to purchase their own private long-term care insurance. Another goal of tax credits is to encourage employers to purchase qualified long-term care insurance contracts for their employees, and to ensure that such qualified long-term care insurance contracts cover both home and community-based care in addition to coverage for long-term care in intermediate care facilities and skilled nursing facilities.

Your Committees further find that the dependency on ever shrinking Medicaid dollars seriously limits the choice of venue for long-term care services, and only by taking a proactive position to purchase long-term care insurance or other similar approach will our elderly be able to receive necessary care in a manner of their own choosing.

Your Committees have amended this measure by changing the term "resident taxpayers" to "taxpayers" to address a potential constitutional challenge based on the Equal Protection Clause of the United States Constitution.

As affirmed by the records of votes of the members of your Committees on Human Services and 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. 97, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 97, 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, 1 (Trimble). Excused, 5 (Fukunaga, Hanabusa, Kokubun, Sakamoto, Whalen).

SCRep. 1278 Water, Land, and Agriculture on H.B. No. 109

The purpose of this measure is to restrict the types of uses permitted on land in agricultural districts.

The Department of Agriculture, the Office of Hawaiian Affairs, the Office of Planning, C&H Farms, Hawaii's Thousand Friends, Life of the Land, Native Hawaiian Legal Corporation, the Sierra Club, and two individuals submitted testimony in support of the measure. The Department of Land and Natural Resources, the Hawaii Agriculture Research Center, the Hawaii Association of Realtors, the Hawaii Resort Developers Conference, the Land Use Research Foundation of Hawaii, Maui Land and Pineapple Company, Inc., Protect Keopuka Ohana, and one individual submitted testimony in opposition to this measure. The Land Use Commission and the Mayor of the County of Hawaii submitted comments on this measure.

Your Committee finds that the agricultural industry and agricultural lands are a great resource to this State. This measure protects Hawaii's farmers and agricultural lands from increased land speculation and development of fake farms or gentlemen's estates, which are often done for the purposes of gaining unfair tax benefits. This measure:

- (1) Ensures lands designated for agriculture will appropriately be used for agricultural purposes;

- (2) Specifies prohibited activities and uses in the agricultural district, including golf courses, covenants restricting otherwise permitted agricultural uses, hotels, and homes that are not compatible with or are not accessories to agricultural activities;
- (3) Restricts land in agricultural districts to be used only for compatible statutorily permitted activities in the district and repeals the county's authority to further define accessory agricultural uses and services; and
- (4) Grandfathers lawful land uses and buildings as of the date this measure is enacted.

Your Committee has amended this measure by:

- (1) Clarifying that rural districts shall include open area recreational facilities including golf courses and golf driving ranges;
- (2) Clarifying that other resort facilities, including hotels and resort-related commercial uses, are prohibited agricultural uses;
- (3) Providing that the zoning or subdivision of land or condominium property regimes will be approved by a county or the Real Estate Commission, respectively, only if the zoning, subdivision of land, or creation of a condominium property regime is made subject to the permissible uses within agricultural districts;
- (4) Deleting provisions that presume a subdivision or development is not agricultural if there is a gated entry limiting access to the general public;
- (5) Deleting the provision that may rebut a presumption that a subdivision or development is not agricultural if the subdivision or development has developed and maintained an agricultural plan; and
- (6) Allowing the Land Use Commission to determine the permitted uses that are compatible with the activities described in section 205-2, Hawaii Revised Statutes.

Your Committee also recognized that rural districts are also a special resource within our State, and by creating more opportunities to utilize the rural designation, citizens will look at their land not just as real estate but as a means to build communities. Thus, your Committee further amended this measure by:

- (1) Allowing counties to work with the Executive Officer of the Land Use Commission to develop policy and recommend statutory amendments to the land use law and petition for district boundary amendments which would expand and enhance the use of rural districts;
- (2) Convening an advisory group for redefining rural districts;
- (3) Allowing counties an opportunity to identify areas of land that may be suitable for reclassification into rural land use districts; and
- (4) Appropriating the necessary funds to accomplish these tasks.

Your Committee also amended this measure to make technical, nonsubstantive changes for style, clarity, and consistency.

Your Committee noted concerns that when zoning laws were created in some counties, such as Maui County, rurally zoned areas were specifically meant to exclude golf courses. However, they were contemplated to be permissible in agriculturally zoned areas, which was in compliance with state laws at the time. As mentioned above, amendments to this measure now permit golf courses and golf driving ranges in rural district lands. Thus, your Committee notes that a process may be needed to reconcile the differences that may exist between county zoning laws, community master plans, and the provisions in this 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 H.B. No. 109, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 109, 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, 1 (Fukunaga).

SCRep. 1279 (Joint) Water, Land, and Agriculture and Business and Economic Development on H.B. No. 128

The purpose of this measure is to allow the Department of Land and Natural Resources (DLNR) to negotiate beach services concessions with qualified Hawaiian Beachboys with special exemptions.

The Office of Hawaiian Affairs, C&K Beach Services, Inc., and six individuals presented testimony in support of this measure. The Department of Accounting and General Services, the Department of Land and Natural Resources, Hale Kaiko, and one individual presented testimony in opposition to this measure. Two individuals presented comments on this measure.

Services customarily provided by the beachboys in the Hawaiian tradition are a valued economic and cultural resource. Your Committees find one way to perpetuate this resource is to ensure that beachboy concessions are maintained at a consistent level and are operated by personnel that are not only knowledgeable in traditional Hawaiian beachboy services, but have a proven record of financial

responsibility and service to the community. Accordingly, this measure allows DLNR to negotiate with Hawaiian beachboy services without going through the sealed bidding process required for concessions on public property.

Your Committees have amended this measure by:

- (1) Blanking out the minimum number of years required for the principal of the concession to have:
 - (a) Experience and be versed in the Hawaiian beachboy tradition;
 - (b) Been engaged in traditional Hawaiian beachboy services;
 - (c) Experience in ocean survival within the State;
- (2) Providing that DLNR may award ____ contracts per year;
- (3) Providing that the negotiated contracts will be for a period of not more than one year;
- (4) Providing that the concessions will be located between San Souci (Kaimana) beach and the Ala Wai boat harbor;
- (5) Clarifying that employees of the prospective concessionaire shall possess valid surfing, instructor, canoe captain licenses, and any other license or certification as required by law;
- (6) Providing criteria for choosing between two or more qualified beachboy applicants; and
- (7) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 128, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 128, 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, 8. Noes, none. Excused, 2 (Ige, Menor).

SCRep. 1280 Water, Land, and Agriculture on H.B. No. 330

The purpose of this measure is to authorize the Agribusiness Development Corporation to issue revenue bonds to obtain agricultural land in Waialua from the Galbraith Trust and enable them to contract with banks to provide lease management services.

The Agribusiness Development Corporation, the University of Hawaii College of Tropical Agriculture and Human Resources, the Big Island Farm Bureau, the Hawaii Agriculture Research Center, and the Hawaii Farm Bureau submitted testimony in support of this measure.

The area from Waialua to Central Oahu is considered prime agricultural land with optimum growing conditions and access to affordable agricultural water. Your Committee believes that, as much as possible, these lands should be kept in use for agriculture. This measure secures a portion of these lands to ensure that farming will continue in the future.

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

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. 330, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 330, 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 (Fukunaga, Hooser).

SCRep. 1281 Water, Land, and Agriculture on H.B. No. 1640

The purpose of this measure is to establish policies and procedures for identifying important agricultural lands (IALs) and for developing state and county incentives to promote IAL viability.

The Department of Agriculture, the Office of Planning, the Big Island Farm Bureau, the Hawaii Agriculture Research Center, the Hawaii Aquaculture Association, the Hawaii Association of Realtors, the Hawaii Crop Improvement Association, the Hawaii Farm Bureau Federation, the Land Use Research Foundation, Life of the Land, the Maui County Farm Bureau, the Sierra Club, and one individual submitted testimony in support of this measure. The Department of Taxation, the City and County of Honolulu Department of Planning and Permitting, Hawaii's Thousand Friends, Kamehameha Schools, the Native Hawaiian Legal Corporation, Protect Keopuka Ohana, and one individual submitted testimony in opposition to this measure. The Department of Land and Natural Resources and the Land Use Commission (Commission) submitted comments on this measure.

This measure establishes:

- (1) A new part in chapter 205, Hawaii Revised Statutes, that sets forth policies and procedures for the identification of IALs, including:
 - (a) Policies and objectives to assure the conservation and availability of IALs for long-term agricultural use;
 - (b) Standards and criteria for the identification of IALs;
 - (c) Procedures for the identification, designation, and retention of IALs;
 - (d) Standards and criteria for reclassification and rezoning of lands identified as IALs; and
 - (e) Policies for incentives for the long-term retention of IALs to be used for agriculture;
- (2) Tax credits for improvements made to agricultural infrastructures on IALs; and
- (3) A process to develop proposals for state and county incentives to promote agricultural viability, sustained growth of the agriculture industry, and the long-term use and protection of IALs for agricultural use.

Your Committee has amended this measure by:

- (1) Clarifying that IALs are buffers from urban or incompatible uses, and that they minimize nuisance conflicts that could impair agricultural activities;
- (2) Amending the standards and criterias for IALs to clarify that IAL lands will provide a margin for future agricultural needs and opportunities;
- (3) Providing that incentive and protection programs will include agricultural marketing, tax credits for improvements made to agricultural infrastructures on IALs, and agricultural education and training programs;
- (4) Clarifying that representations or position statements of landowners whose lands are subject to the potential designation of their land will be submitted to the county councils for consideration in their final recommendations;
- (5) Providing that the degree to which the affected landowners agree with the potential designation of their lands will also be considered when state agencies and the Commission review the county report and recommendations;
- (6) Clarifying that after receiving maps of eligible IALs from the counties and the recommendations from the state agencies, the Commission will proceed to identify and designate IALs;
- (7) Providing that the Commission will also consider landowner petitions and the landowner's position statements and representations in its decision for designating lands as IALs;
- (8) Providing that the Commission may give priority to landowner petitions seeking an IALs designation;
- (9) Requiring that any decision designating lands as an IAL and the adoption of maps of those lands will be contingent on having at least one public hearing in the county where the land is located;
- (10) Deleting the requirement that any decision designating lands as an IAL and the adoption of maps for those lands will be permitted without a petition from the owner for the designation, unless the Commission determines that the designation is necessary to meet the objectives, policies, standards, and criteria for IALs;
- (11) Clarifying that the standards and criteria for IAL reclassification or rezoning decisions will have no significant impact on the viability of existing and potential agricultural operations on adjacent agricultural lands;
- (12) Providing that exemptions from county subdivision ordinances for IAL leasehold subdivisions will not include ordinances that protect public health and safety;
- (13) Clarifying that in the Commission's periodic land reviews, IALs without sufficient water supplies, due to governmental actions or acts of God, will be given priority for removal from IAL designation;
- (14) Deleting the provision that allows IAL designations to be removed from lands without sufficient water supplies due to causes beyond the landowner's reasonable control;
- (15) Deleting the tax credits for agricultural infrastructure improvements on IALs;
- (16) Clarifying that copies of the special permit petition will be forwarded to the Commission, the Office of Planning, and the Department of Agriculture for their review and comment;
- (17) Inserting an appropriation amount of \$400,000 for \$100,000 grants-in-aid to each county to identify IALs;

- (18) Clarifying that IALs will not be designated until the incentive and protection legislation for IALs is enacted with either a declaration of satisfaction within the Act or within a subsequent concurrent resolution;
- (19) Deleting the requirement that the Department of Agriculture, the Department of Taxation, stakeholders, and experts need to jointly establish a minimum criteria for determining when the enactment of legislation establishing incentives and protections has occurred;
- (20) Clarifying that the Department of Agriculture will submit its final findings and recommendations and proposed legislation to the Legislature no later than twenty days before the convening of the regular session of 2007;
- (21) Inserting an appropriation amount of \$100,000 for the development of proposals for incentives and other programs for agricultural development and agricultural land protection; provided that any unexpended or unencumbered funds at the close of fiscal year 2005-2006 may be expended in the following fiscal year and will not lapse until June 30, 2007;
- (22) Inserting an effective date of July 1, 2005; and
- (23) Making technical, nonsubstantive changes for style, clarity, and consistency.

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. 1640, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1640, H.D. 3, 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 (Fukunaga).

SCRep. 1282 Health on H.B. No. 395

The purpose of this measure is to establish a new, non-judicial external review procedure by which patients may challenge a health plan's final, internal denial of coverage.

The Hawaii Management Alliance Association submitted testimony in support of this measure. The Department of Commerce and Consumer Affairs, the Hawaii Medical Service Association, the Hawaii Coalition for Health, the Hawaii Disability Rights Center, the Kokua Council, and four individuals submitted testimony in opposition. Kaiser Permanente submitted comments.

This measure is in response to a recent Hawaii State Supreme Court decision that found that the external review procedure under chapter 432E, Hawaii Revised Statutes, is preempted by the federal Employee Retirement Income Security Act of 1974 (ERISA). As a result, patients with health plans subject to ERISA (private-sector employer-sponsored health plans) must challenge a denial of coverage by arbitration or judicial review. However, as these procedures are both expensive and time consuming, patients may be unwilling or unable to challenge a health plan's final internal denial of coverage.

According to the Insurance Commissioner, the vast majority of coverage disputes will not fall under the independent review organization (IRO) process provided by this measure because managed care plans usually deny coverage based on a lack of coverage and not a lack of medical necessity. The Commissioner and several opponents suggested revisions to address this and other concerns to better balance the measure. The Commissioner submitted a proposal for the Committee's consideration.

However, other opponents of the measure expressed concern over whether the interests of the enrollee are sufficiently protected. For instance, one opponent noted that under the current measure, an enrollee has no right to present medical testimony, results of medical trials, or other documentation to the review organization to support a finding of medical necessity.

Upon further consideration, your Committee has amended this measure by inserting the language proposed by the Commissioner resulting in the following substantive changes:

- (1) An enrollee may request an external review by the Commissioner who will then determine whether the plan's determination is consistent with the benefit coverage as stated in the contract;
- (2) If the Commissioner determines that the request requires an interpretation of medical necessity or a finding regarding the experimental or investigational nature of a proposed service, the Commissioner will refer the request for review by an IRO;
- (3) Eliminates the need for three IROs;
- (4) A decision by the Commissioner or an IRO shall be binding; and
- (5) A managed care plan shall pay for one IRO per external review request under that applicable section.

Your Committee further amended the measure by:

- (1) Allowing an enrollee to present medical testimony, the results of medical trials, or other documentation to the IRO for its consideration in support of a finding of medical necessity or in dispute of a finding regarding the experimental or investigational nature of a proposed service;

- (2) Requiring that the IRO is nationally accredited by the Utilization Review Accreditation Commission; and
- (3) Defecting the date to October 1, 2050, to ensure continued dialogue and further review of 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 H.B. No. 395, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 395, 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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1283 (Joint) Higher Education and Health on S.C.R. No. 4

The purpose of this measure is to urge the University of Hawaii to fully fund all of its nursing programs.

Your Committees received testimony in support of this concurrent resolution from the University of Hawaii and Healthcare Association of Hawaii.

Your Committees find that there is currently a severe shortage of nurses in Hawaii and across the nation, which jeopardizes the quality of health care provided in hospitals, nursing homes, hospices, clinics and other health care settings. Your Committees further find that the number of graduates from nurse education institutions in Hawaii is insufficient to meet the demand for qualified nurses. As a result, "traveling nurses" are being recruited from outside Hawaii to meet this demand; however, the cost of hiring these nurses exceeds the cost of hiring nurses who reside in Hawaii.

A solution to the nurse shortage is for Hawaii's nurse education institutions to prepare a sufficient number of nursing graduates to satisfy the increasing demand for nurses. A number of qualified applicants to the University of Hawaii's nursing programs are turned away because of funding limitations that restrict the number of faculty hired, which in turn limits the number of students who can be enrolled in the nursing programs.

As affirmed by the records of votes of the members of your Committees on Higher Education and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 4 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1284 Ways and Means on H.B. No. 624

The purpose of this measure is to provide an emergency appropriation to fund collective bargaining cost items in the negotiated agreements for members of Collective Bargaining Units (1) and (10) and the salary increases and other cost adjustments for their excluded counterparts.

The appropriation also includes the cost of salary adjustments for fiscal biennium 2003-2005.

Your Committee finds that collective bargaining negotiations with the United Public Workers were not concluded until after the 2004 legislative session. Immediate passage of the measure will allow United Public Workers' members and their excluded counterparts to begin receiving pay raises comparable to those already being received by other units.

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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 624, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 624, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Fukunaga).

SCRep. 1285 Business and Economic Development on Gov. Msg. Nos. 266, 267, 268 and 269

Recommending that the Senate advise and consent to the nominations of the following:

SMALL BUSINESS REGULATORY REVIEW BOARD

- G.M. No. 266 DONALD DYMOND, for a term to expire 06-30-2008;
- G.M. No. 267 GEORGE J. HANDGIS, for a term to expire 06-30-2009;
- G.M. No. 268 NOELANI WHITTINGTON, for a term to expire 06-30-2006; and
- G.M. No. 269 MICHAEL C.L. YEE, for a term to expire on 06-30-2008

Your Committee has reviewed the personal histories, resumes, 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 DONALD DYMOND from the Department of Business, Economic Development, and Tourism and three individuals. Mr. Dymond earned a bachelor's degree from California State University at Fresno. After graduation, he opened a small business that grew to three locations in California. Since his relocation to Hawaii in 1977, Mr. Dymond has continued his business success. He has owned and operated the Kalapawai Market in Kailua since 1992 and also currently operates two restaurants on Oahu's Windward side. Mr. Dymond has served on the boards of the Kailua Chamber of Commerce, LeJardin Academy, and Friends of Boetcher Estate. He has served as an interim board member representing the City and County of Honolulu since September 2004.

Your Committee received testimony in support of the nomination of GEORGE J. HANDGIS from the Department of Business, Economic Development, and Tourism and four individuals. Mr. Handgis has extensive business experience, with business holdings in California and Hawaii, including GKM, Inc. in Honokohau-Kona, Hawaii, and Cassandra's Restaurant and Honokohau Marina Yacht Club in Kailua-Kona. He also works as a consultant, assisting local business owners and entrepreneurs with dispute prevention and resolution. Mr. Handgis is actively involved in community charitable events supporting underprivileged children. He has served as an interim board member representing the County of Hawaii since November 2004.

Your Committee received testimony in support of the nomination of NOELANI WHITTINGTON from the Department of Business, Economic Development, and Tourism and three individuals. Ms. Whittington is a graduate of Kamehameha Schools and the Fashion Institute of Technology in New York. She has a strong sales and marketing background. Since becoming the president of Noe Lani Farms in 1985, Ms. Whittington has consistently expanded and diversified its markets, provided local companies with international affiliations, and introduced farms and chefs worldwide to new products grown in Hawaii. She has earned numerous awards throughout her career. Ms. Whittington also currently performs contractual services for various companies in West Hawaii in sales, marketing, public relations, and government and community relations. She has served as an interim board member representing the County of Hawaii since November 2004.

Your Committee received testimony in support of the nomination of MICHAEL C.L. YEE from the Department of Business, Economic Development, and Tourism; Castle and Cook Homes Hawaii, Inc.; and four individuals. Mr. Yee earned a bachelor's degree in environmental health from the University of Washington and a master's degree in public health from the University of Hawaii. Mr. Yee has more than seventeen years of environmental health experience as a registered sanitarian. He has administered and enforced public health regulations, taught graduate courses in public health, and conducted OSHA compliance training. Mr. Yee has been the president of EnviroServices and Training Center, LLC since 1994. He is actively involved with community organizations and programs. Mr. Yee has been serving as an interim board member representing the City and County of Honolulu since September 2004.

As affirmed by the record of votes of the members of your Committee on Committee on Business and 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, 2 (Menor, Sakamoto).

SCRep. 1286 Business and Economic Development on Gov. Msg. Nos. 271 and 272

Recommending that the Senate advise and consent to the nominations of the following:

STADIUM AUTHORITY

G.M. No. 271 MARVIN A. FONG, for a term to expire 06-30-2008; and

G.M. No. 272 ALEXANDER C. KANE, JR., for a term to expire 06-30-2008

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Stadium Authority.

Your Committee received testimony in support of the nomination of MARVIN A. FONG from the Stadium Authority and four individuals. Mr. Fong is a resident of Hawaii who graduated from University High School, earned a bachelor's degree in philosophy from the University of Virginia, and a juris doctor from California Western School of Law. Mr. Fong has extensive business experience and community involvement. He is the president and chief operating officer of Market City, Limited in Honolulu. In addition to his business responsibilities, Mr. Fong serves on the Advisory Board of the American Box Car Racing International, is currently the chairman of the board at Arcadia Retirement Residence, and a board member of the Family Business Center. He previously served as chairman of the Honolulu Advisory Board of the Salvation Army and previously chaired the Board of Deacons at Central Union Church. Mr. Fong has served as an interim board member since September 2004.

Your Committee received testimony in support of the nomination of ALEXANDER C. KANE, JR. from the Stadium Authority and four individuals. Born and raised in Hawaii, Mr. Kane is a graduate of Kamehameha Schools and earned a bachelor's degree in secondary education from the University of Utah. He was a teacher for more than thirty-five years and served as director of athletics at Kailua High School from 1962 to 1994. Mr. Kane was in charge of the OIA Football League and his responsibilities included budgeting, scheduling games, transportation, facilities, public relations, legislative lobbying, public relations, facilities maintenance,

fund-raising, and coaching duties. Mr. Kane is a member of a number of sports foundations and commissions in Hawaii, and also serves as the Hawaii High School Athletic Association Sports Coordinator for Girls Basketball. He has served as an interim board member since November 2004.

As affirmed by the record of votes of the members of your Committee on Committee on Business and 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, 2 (Menor, Sakamoto).

SCRep. 1287 Labor on Gov. Msg. Nos. 194 and 195

Recommending that the Senate advise and consent to the nominations of the following:

HOISTING MACHINE OPERATORS ADVISORY BOARD

G.M. No. 194 ROY SEIYEI AKAMINE, for a term to expire 06-30-2008; and

G.M. No. 195 THOMAS S. VENDETTA, for a term to expire 06-30-2008

ROY SEIYEI AKAMINE holds a bachelor's degree in education from the University of Hawaii. He is a safety consultant for King & Neel, Inc., an insurance agency specializing in servicing contracts, where he has served in that same capacity for the past nine years. Mr. Akamine also has prior experience in safety management in the private sector, as well as experience as a safety consultant, consultant branch manager, and safety inspector for the Division of Occupational Safety and Health of the Department of Labor and Industrial Relations. He was an original member of the Hoisting Machine Operators Certification Working Group, having received extensive training in mobile crane operations. Mr. Akamine has served as a member of the Hawaii General Contractors Association Safety Committee and Hawaii section of the American Industrial Hygiene Association. He has also served in the United States Army 3rd Special Forces Group where he received a parachutist badge.

Testimony in support of Mr. Akamine was submitted by the Department of Labor and Industrial Relations and the Hoisting Machine Operators Advisory Board.

THOMAS S. VENDETTA is a graduate of Waianae High School who received an associate of arts degree from Leeward Community College and a bachelor of science degree in Civil Engineering from the University of Hawaii. Mr. Vendetta has devoted his entire professional career to public service, currently serving as the Chief of the Division of Industrial Safety and Workers' Compensation and previously serving as a civil engineer and a refuse disposal operations engineer for the Department of Public Works for the City and County of Honolulu. He also serves as a member of the National Safety Council, the Hawaii Occupational Safety and Health Advisory Committee, the Honolulu Local Emergency Planning Committee, and as the Chair of the Honolulu Vehicle Accident Review Committee.

Testimony in support of Mr. Vendetta was submitted by the Department of Labor and Industrial Relations and the Hoisting Machine Operators Advisory Board.

Upon review of the background information submitted by the nominees and the testimony received, your Committee finds that the nominees have accumulated valuable experience and knowledge regarding safety issues and have demonstrated a commitment to change and a willingness to work together towards the specific goals of the Hoisting Machine Operators Advisory Board. Additionally the nominees have exhibited a strong commitment to public service that will make them an asset to this Board.

As affirmed by the record of votes of the members of your Committee on 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, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 1288 Labor on Gov. Msg. No. 394

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. 394 ALTON T. KUIOKA, for a term to expire 01-01-2011

Upon review of the background information provided by the nominee, your Committee finds that ALTON T. KUIOKA is the Vice Chairman of the Bank of Hawaii Corporation and has served in this capacity for over a decade. Mr. Kuioka holds a bachelor's degree in finance from the University of Hawaii. He is also a graduate of the Mortgage Banking School in Chicago, Illinois, the Advanced Management Program of the University of Hawaii, and the Advanced Management Program of Harvard Business School. Mr. Kuioka has been employed in varying capacities within the Bank of Hawaii for over the last thirty-five years. He has also served as the

member and chair of the Hawaii Community Reinvestment Corporation and as a member of the Pacific Housing Assistance Corporation Board, the Child Family Service Board, the March of Dimes Board, and the Diamond Head Theater Board.

Testimony in support of the nominee was submitted by three private citizens.

Your Committee members diligently questioned the nominee regarding his vision and priorities for the Employees' Retirement System. Your Committee believes that the nominee adequately responded to the Committee's inquiries. Furthermore, the nominee's extensive background in finance and demonstrated commitment to proactively protecting and improving the Employees' Retirement System will be an asset to the Board.

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, 3. Noes, none. Excused, 1 (Taniguchi).

SCRep. 1289 Labor on Gov. Msg. No. 147

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TRUSTEES OF THE DEFERRED COMPENSATION PLAN

G.M. No. 147 KENNETH T. TAIRA, for a term to expire 06-30-2008

Upon review of background information submitted by the nominee, your Committee finds that Kenneth T. Taira has accumulated decades of experience in a variety of areas, including human resources management, finance, and sales. Mr. Taira currently serves as the Chief Negotiator of the State of Hawaii and holds a bachelor's degree in Business Administration from the University of Hawaii. He has been in public service for the past two decades, including service as the First Assistant to the Managing Director, the Deputy Director of Personnel Services, and a Personnel Management Specialists for the County of Maui. Mr. Taira also served two years in the United States Army as a Lieutenant in the Adjutant Generals Corps.

Testimony in support of the nominee was submitted by the Department of Human Resources Development.

Your Committee members believe that the nominee demonstrates a commitment to change and a willingness to work towards the specific goals of the Deferred Compensation Plan Board of Trustees (Board). Your Committee further believes that the nominee's background and expertise, coupled with a strong commitment to public service, continue to make him an asset to the Board.

As affirmed by the record of votes of the members of your Committee on 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, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 1290 Labor on Gov. Msg. Nos. 303, 304, 305, 306 and 307

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII WORKFORCE DEVELOPMENT COUNCIL

G.M. No. 303 GLADYS C. BAISA, for a term to expire 06-30-2008;

G.M. No. 304 JEFFREY BLOOM, for a term to expire 06-30-2008;

G.M. No. 305 JONATHAN J. CHUN, for a term to expire 06-30-2009;

G.M. No. 306 ALAN L. GARSON Ed.D., for a term to expire 06-30-2008; and

G.M. No. 307 DENIS MACTAGONE, for a term to expire 06-30-2006

GLADYS C. BAISA is the Executive Director of Maui Economic Opportunity, Inc., a non-profit community action partnership whose goal is to help low-income elderly, children and youth, persons with disabilities, immigrants, other disadvantaged persons, and the general public to help themselves, so that they may become self-sufficient. She has worked for Maui Economic Opportunity, Inc. since 1969, after since the organization was first chartered, and was previously employed in the medical profession in the billing department, as a private duty nurse, and as a licensed practical nurse and office manager. Ms. Baisa is a graduate of Maui High School, the St. Francis Hospital School of Nursing, and Maui Technical School's accounting program. She has served on the Maui County Workforce Investment Board as well as the Hawaii Workforce Development Council. She has also served as a member of numerous boards, committees, councils, and clubs within the Maui community and has been honored recognized many times over the years for her commitment to community service.

Testimony in support of Ms. Baisa was submitted by the Department of Labor and Industrial Relations and the Hawaii Workforce Development Council.

JEFFREY BLOOM is the president and owner of CTA Solutions, initially established as a staffing business, which has been expanded to include technology education, software development, and network engineering. Mr. Bloom is a graduate of Newton High School in Boston, Massachusetts, and earned his bachelor's degree in Communications from the University of Miami. He has been honored as a member of the Junior Achievement Hawaii Business Hall of Fame, the Small Business Association's Small Business Person of the Year for 2001, the Ernst & Young Entrepreneur of the Year for 2000, and one of the Pacific Business News' Fastest 50 for 2000. Mr. Bloom is also active in a number of professional and community organizations. He has previously served as a member of the Hawaii Workforce Development Council.

Testimony in support of Mr. Bloom was submitted by the Department of Labor and Industrial Relations, the Hawaii Workforce Development Council, and two individuals.

JONATHAN J. CHUN is a graduate of the Gonzaga University School of Law and an attorney with the law firm of Belles, Graham, Proudfoot & Wilson. Mr. Chun is a former Hawaii State Senator, a member and former chair of the Kauai Workforce Investment Board, and the current Kauai Workforce Investment Board representative on the Hawaii Workforce Development Council. He has vast experience in the public and private sector and lends his expertise to many community organizations.

Testimony in support of Mr. Chun was submitted by the Department of Labor and Industrial Relations, the Hawaii Workforce Development Council, the Mayor of the County of Kauai, the Kauai Workforce Investment Board, and two individuals.

ALAN L. GARSON is the President of G & G Consultants. Dr. Garson holds a bachelor's degree in History as well as a secondary teaching credential from Occidental College, a master's degree in Educational Administration from California State University at Los Angeles, and a doctorate in education in Educational Administration from Arizona State University. He has devoted his career to education of our youth and remains actively involved in professional and community service organization, including serving as the current chair of the Hawaii County Workforce Investment and the Hawaii County Workforce Investment Board's representative to the Hawaii Workforce Development Council.

Testimony in support of Dr. Garson was submitted by the Department of Labor and Industrial Relations, the Hawaii Workforce Development Council, the County of Hawaii Office of Housing and Community Development, and two individuals.

DENIS MACTAGONE is the Director of Training for the apprenticeship program of the Hawaii Carpenter's Union Local 745. Mr. Mactagone also has experience with acoustic insulation and drywall/architectural acoustic insulation. He has served in the armed forces as a member of the United States Navy and will serve as the labor representative on the Hawaii Workforce Development Council.

Testimony in support of Mr. Mactagone was submitted by the Department of Labor and Industrial Relations and the Hawaii Workforce Development Council.

Your Committee members diligently questioned the nominees regarding their vision and priorities for the Hawaii 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 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, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 1291 Ways and Means on Gov. Msg. No. 274

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 1ST TAXATION DISTRICT (OAHU)

G.M. No. 274 MICHAEL J. CHOI, for a term to expire 06-30-2008

Upon review of the background information submitted by the nominee, your Committee finds that Mr. Choi is in every way qualified to serve as a member on the Board of Taxation Review, First Taxation District (Oahu) and that he will work with compassion and commitment to assist in administering the government functions related to tax appeals.

As 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, 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 advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, 4 (English, Espero, Kanno, Sakamoto).

SCRep. 1292 Ways and Means on Gov. Msg. No. 275

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 2ND TAXATION DISTRICT (MAUI)

G.M. No. 275 ALAN K. BERNALDO, for a term to expire 06-30-2008

Upon review of the background information submitted by the nominee, your Committee finds that Mr. Bernaldo is in every way qualified to serve as a member on the Board of Taxation Review, Second Taxation District (Maui) and that he will work with compassion and commitment to assist in administering the government functions related to tax appeals.

As 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, 11. Noes, none. Excused, 4 (English, Espero, Kanno, Sakamoto).

SCRep. 1293 Ways and Means on Gov. Msg. No. 276

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 3RD TAXATION DISTRICT (HAWAII)

G.M. No. 276 DWAYNE STEPHEN LERMA, for a term to expire 06-30-2008

Your Committee has reviewed the personal history, resume, and statements submitted by the nominee and finds that he will work with compassion and commitment to assist in administering the government functions related to tax appeals. Your Committee further finds the nominee to have the necessary qualifications to be appointed to the Board of Taxation Review, 3rd District (Hawaii) to which he has been nominated.

Your Committee finds that Mr. Lerma is an attorney in private practice as a partner in the firm of Lerma and Goya in Hilo, Hawaii. Your Committee also finds that Mr. Lerma already has experience serving on the Board of Taxation Review, 3rd Taxation District. Your Committee believes that Mr. Lerma will bring a wealth of knowledge and experience to the Board of Taxation Review, 3rd Taxation District, and is deserving of this appointment.

As 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, 11. Noes, none. Excused, 4 (English, Espero, Kanno, Sakamoto).

SCRep. 1294 Ways and Means on Gov. Msg. No. 277

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 3RD TAXATION DISTRICT (HAWAII)

G.M. No. 277 CAROL P. WEIR, for a term to expire 06-30-2007

Your Committee has reviewed the personal history, résumé, and statements submitted by the nominee and finds that she will work with compassion and commitment to assist in administering the government functions related to tax appeals. Your Committee further finds the nominee to have the necessary qualifications to be appointed to the Board of Taxation Review, 3rd District (Hawaii) to which she has been nominated.

Your Committee finds that Ms. Weir has worked in the accounting profession for the past sixteen years by providing bookkeeping and tax preparation services for her clients in Hilo, Hawaii. Your Committee believes that Ms. Weir will bring a wealth of knowledge and experience to the Board of Taxation Review, 3rd 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, 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 advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (English, Espero, Kanno, Sakamoto).

SCRep. 1295 Ways and Means on Gov. Msg. Nos. 278 and 279

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF TAXATION REVIEW, 4TH TAXATION DISTRICT (KAUAI)

G.M. No. 278 SANDRA L. DAY, MBA, CPA, for a term to expire 06-30-2008; and

G.M. No. 279 ALBERT W. STIGLMEIER, for a term to expire 06-30-2007

Upon review of the statements submitted by the nominees, your Committee finds that they will work with compassion and commitment to assist in administering the government functions related to tax appeals. Your Committee further finds that the nominees have been appointed based upon their credentials, integrity, and a desire to make Hawaii better through their participation on the Board of Taxation Review, 4th District (Kauai).

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, character, 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, 11. Noes, none. Excused, 4 (English, Espero, Kanno, Sakamoto).

SCRep. 1296 Judiciary and Hawaiian Affairs on H.B. No. 119

The purpose of this measure is to allow only the last four digits of a registered voter's social security number on nomination papers filed on behalf of a candidate.

Offering comments on the measure was the Office of Elections.

This measure allows only the last four digits of a registered voter's social security number on nomination papers filed on behalf of a candidate. Your Committee finds that not requiring the disclosure of a registered voter's complete social security number will limit the risk of unauthorized use or disclosure of that sensitive information to a third party who may use that information for non-election-related purposes.

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. 119, 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, 6. Noes, none. Excused, none.

SCRep. 1297 Judiciary and Hawaiian Affairs on H.B. No. 313

The purpose of this measure is to create a misdemeanor offense of misuse of 911 emergency telephone service when an individual accesses 911 and knowingly causes a false alarm or recklessly makes a false complaint or report.

Testimony in support of this measure was submitted by the Honolulu Police Department.

Your Committee finds that the 911 emergency telephone system functions as an important lifeline for Hawaii's citizens who may require the immediate assistance of medical, fire fighting, and law enforcement personnel. The misuse of the 911 emergency telephone system not only wastes valuable public resources in responding to false emergencies, but also diverts critical police, firefighter, and emergency personnel from legitimate needs. The creation of a misdemeanor offense will deter potential abuse of the 911 emergency telephone system as well as ensure that this system is reserved for individuals who legitimately require immediate assistance.

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. 313, 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, none.

SCRep. 1298 Judiciary and Hawaiian Affairs on H.B. No. 320

The purpose of this measure is to amend various provisions of Hawaii's financial interest disclosure law.

Specifically, this measure:

- (1) Requires individuals who are subject to advise and consent of the Senate to file financial disclosure statements;
- (2) Designates all financial disclosure statements as public records that are accessible to the public; and
- (3) Mandates the disclosure of all business and real property interests held outside of Hawaii by individuals who are subject to the financial interest disclosure law.

Testimony in support of the measure was submitted by the Hawaii State Ethics Commission, Citizen Voice, the League of Women Voters of Hawaii, and one individual. Testimony in opposition to the measure was submitted by the Hawaii Society of Certified Public Accountants and one individual.

This measure requires individuals who are subject to the advise and consent process of the Senate to comply with the requirements of the financial interest disclosure law. Your Committee finds that requiring disclosure of business and real property interests held within and outside of Hawaii by State officials and employees is an important facet of the financial interest disclosure law as these interests may be affected by official action taken by these public officials or employees.

Your Committee has amended this measure by:

- (1) Requiring an individual leaving state government to file a financial disclosure statement within thirty days of separation from state government if a prior financial disclosure statement was not filed within one hundred eighty days preceding the date of separation from State government;
- (2) Applying the requirements of the financial interest disclosure law to the directors, executive directors, and executive secretaries of state agencies or departments; the directors of the service agencies of the Legislature; and state board or commission members who sit on a board or commission that have the authority to render declaratory rulings or hold contested case hearings; and
- (3) Exempting from public disclosure the address and tax map key number of a real property interest that function as the personal residence of the filer.

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. 320, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 320, 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 (Whalen).

SCRep. 1299 Judiciary and Hawaiian Affairs on H.B. No. 494

The purpose of this measure is to make clarifying amendments to statutes governing the adjudication of traffic offenses, including extending the time for answering a notice of a traffic infraction.

Testimony in support of the measure was submitted by the Judiciary.

This measure is designed to eliminate inconsistencies in the manner by which traffic infraction cases arising under chapter 291D, Hawaii Revised Statutes, are adjudicated. Your Committee also finds that this measure also extends the time period by which an answer to a notice of a traffic infraction must be filed from fifteen days to twenty-one days.

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. 494, 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, none.

SCRep. 1300 Judiciary and Hawaiian Affairs on H.B. No. 806

The purpose of this measure is to establish a petty misdemeanor offense of criminal trespass onto public parks and recreation grounds and repeal amendments made to the offense of criminal trespass in the second degree by Act 50, Session Laws of Hawaii 2004.

Testimony in support of the measure was submitted by a State Representative, the ACLU of Hawaii, the League of Women Voters of Hawaii, the Interfaith Alliance of Hawaii, the Christian Unity Commission of the Hawaii District of the United Methodist Church, Citizen Voice, Partners in Care, and twelve individuals. The Department of the Attorney General and the Office of the Public Defender offered comments on the measure.

This measure establishes the petty misdemeanor offense of criminal trespass onto public parks and recreational grounds as well as repeals amendments made to the offense of criminal trespass in the second degree by Act 50, Session Laws of Hawaii. Your Committee notes that Act 50 implicated important constitutional as well as social issues that generated debate within the community as to its effectiveness in addressing the issue of squatting.

Your Committee has amended this measure by removing the petty misdemeanor offense of criminal trespass onto public parks and recreational grounds.

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. 806, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 806, 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, none.

SCRep. 1301 Judiciary and Hawaiian Affairs on H.B. No. 894

The purpose of this measure is to remove the requirement that a precinct chair be of the same political party as the Governor.

Testimony in support of the measure was submitted by the League of Women Voters of Hawaii. The Office of Elections offered comments on the measure.

This measure removes the requirement that a precinct chair be of the same political party as the Governor. Your Committee finds that this measure provides the Office of Elections with flexibility in naming precinct chairs.

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. 894, 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, none.

SCRep. 1302 Judiciary and Hawaiian Affairs on H.B. No. 1221

The purpose of this measure is to amend various provisions of the Hawaii Revised Statutes and Session Laws of Hawaii to correct errors, update references, clarify language, and delete obsolete or unnecessary language.

Testimony in support of the measure was submitted by the Legislative Reference Bureau and the Commissioner of Securities for the State of Hawaii.

This housekeeping measure proposes various statutory amendments to the Hawaii Revised Statutes and the Session Laws of Hawaii for purposes of updating references, correcting errors, and deleting unnecessary language. Your Committee finds that this measure makes necessary amendments to existing statutory language in the Hawaii Revised Statutes and the Session Laws of Hawaii for purposes of clarity and consistency.

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. 1221, 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, none.

SCRep. 1303 Judiciary and Hawaiian Affairs on H.B. No. 496

The purpose of this measure is to eliminate statutory inconsistencies in the Hawaii Penal Code relating to the maximum term of imprisonment for the conviction of a petty misdemeanor offense.

Testimony in support of the measure was submitted by the Judiciary.

Your Committee finds that there is an inconsistency in the Hawaii Penal Code with respect to the statutory definition of a petty misdemeanor and the maximum prison term that may be imposed for the conviction of a petty misdemeanor offense. This measure is designed to address that inconsistency by clearly defining a petty misdemeanor as a criminal offense for which the maximum prison term is not to exceed thirty days.

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. 496, 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, none.

SCRep. 1304 (Joint) Health and Commerce, Consumer Protection and Housing on S.C.R. No. 30

The purpose of this measure is to request an assessment of the cost to insure a group health insurance plan for the State of Hawaii based on a risk pool equivalent to the State's population.

Americans for Democratic Action/Hawaii submitted comments.

Your Committees find that at various times the Legislature has been presented with bills that would provide universal health care financing through a "single payer" system whereby a state entity pays health care providers. A single payer system involves the pooling of risks of health care expenses over all or nearly all of Hawaii's population. It is prudent to begin the search for global insurers qualified to underwrite risk pools equivalent to the size of extremely large corporations or an entire state of over 1.2 million residents. Further, Hawaii's unique insurance laws make it imperative that the proposal-counter proposals between qualified global

carriers and the State be flexible enough to support the modification, amendment, or even the repeal of laws that either obstruct the bidding process or the enactment of the State's universal group health plan.

This measure will begin the process of assessing the availability of insurance to help finance a single payer health insurance program for all of Hawaii's residents based upon a risk pool the size of the state population, including "best estimate", contingent, or "trial application" premium quotes from global and national insurers; and at a minimum, generate an estimated premium for the plan required under the Hawaii Prepaid Health Care Act.

Upon further consideration, your Committees have amended this measure by requesting that if H.B. 1304 passes in any form, that the temporary healthcare task force established under that measure be tasked with conducting any research necessary for the purpose of this measure under the direction of the Senate and House Committees on Health and for that task force to submit a report to the Senate and House Committees on Health.

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. 30, 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. 30, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Hanabusa, Ige, Whalen).

SCRep. 1305 (Joint) Health and Commerce, Consumer Protection and Housing on S.C.R. No. 28

The purpose of this measure is to request the Auditor to assess the social and financial effects of establishing health insurance provisions for initial medical visits and psychological assessments, including previously undiagnosed medical and psychological conditions.

The Hawaii Psychological Association submitted testimony in support of this measure. The Hawaii Medical Service Association submitted comments.

Your Committees find that health insurers often refuse payment for initial medical visits and psychological assessments when such medical visits and psychological assessments include previously undiagnosed medical and psychological conditions. Section 23-51, Hawaii Revised Statutes, requires that before any legislative measure mandating health insurance coverage can be considered, a concurrent resolution shall be passed requesting the Auditor to prepare and submit a report that assesses both the social and financial effects of the proposed mandated coverage. This measure complies with the necessary prerequisite to considering a legislative measure mandating insurers to provide reimbursement to health providers for initial medical visits and psychological assessments.

Your Committees have amended this measure by referring to S.B. No. 1522 as the measure that proposes to mandate coverage for initial medical visits and psychological assessments.

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. 28, 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. 28, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Hanabusa, Ige, Whalen).

SCRep. 1306 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

EDWIN C. NACINO

The nominee received a B.A. from the University of Hawaii and a J.D. from the William S. Richardson School of Law. The nominee has been licensed to practice law in Hawaii since 1991. Upon completion of a judicial clerkship, the nominee served as a Deputy Prosecuting Attorney for the City and County of Honolulu for three years and was also a Deputy Corporation Counsel for the City and County of Honolulu for five years. For the past seven years, the nominee has been in private practice with a number of local law firms specializing in insurance defense and personal injury matters, including dram shop and premises liability, employment, construction, motor vehicle tort, product liability, and breach of contract and warranty issues.

Your Committee received testimony in support of the nominee from the Hawaii State Bar Association, a State Representative, the Assistant Chief for the Investigative Bureau of the Honolulu Police Department, the President of the State of Hawaii Organization of Police Officers, seventeen attorneys, and twenty-six individuals.

The Board of Directors of the Hawaii State Bar Association (HSBA) rated the nominee to be qualified. As part of the HSBA Board's procedure 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 has reviewed the personal history, resume, and statements submitted by the nominee and finds the nominee to have the necessary qualifications and legal experience to be appointed to the position of the 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 advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1307 Transportation and Government Operations on H.C.R. No. 57

The purpose of this measure is to request the Department of Transportation (DOT) to review state airport and harbor fees and adjust the fees as necessary.

Your Committee received testimony in support of this measure from the DOT.

According to testimony of the DOT, the State Airports Division and the State Harbors Division generate revenues from user fees to fund operations and capital improvements. User fees have remained static for many years. Concerns over raising those fees in the past have generated critical public comment about the cost of doing business. However, the DOT now recognizes that the reality of obtaining funding for upkeep and improvements at airports and harbors may necessitate a change in the fee schedules.

Your Committee has amended this measure on the recommendation of the DOT by substituting “wharfage” for “profiles” in references to the source of the fees.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 57, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as H.C.R. No. 57, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kanno, Menor, Whalen).

SCRep. 1308 (Joint) Commerce, Consumer Protection and Housing and Business and Economic Development on S.C.R. No. 18

The purpose of this measure is to request the Insurance Commissioner (Commissioner) to convene a working group to review the National Conference of Insurance Legislators (NCOIL) Property/Casualty Insurance Modernization Act.

The Department of Commerce and Consumer Affairs (DCCA), Hawaii Insurers Council, and State Farm Insurance Companies testified in support of this measure.

The NCOIL Property/Casualty Insurance Modernization Act is model legislation that establishes a “use and file” rate regulatory system for personal lines of insurance and a “no-file” system for commercial lines of insurance, and allows policies sold to large, sophisticated commercial insurance providers to be exempt from rate and regulatory requirements. The intent of the model legislation is to create a more competitive and less onerous regulatory system that protects policyholders and the public from the adverse effects of excessive, inadequate, or unfairly discriminatory rates.

This measure requests the Commissioner to convene a working group to review the model legislation and to submit a report on the group’s review to the Legislature. Your Committees find that this measure supports a balanced study of rate filing and review systems that may be appropriate for Hawaii’s insurance market.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Business and Economic Development 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, 8. Noes, none. Excused, none.

SCRep. 1309 Education and Military Affairs on H.B. No. 8

The purpose of this measure is to establish a Hawaii Medal of Honor to be awarded to those who have been killed in action while serving in the United States armed forces or reserves.

Testimony in support of the measure was submitted by the Department of Defense, Office of Veterans’ Services, Hawaii National Guard Enlisted Association, Hawaii National Guard Association, and an individual.

Your Committee finds that the current state of the world has changed dramatically since the United States declared war on terrorism. Higher rates of deployment are being recorded with the various branches of the nation’s military. Meanwhile, it is the nation’s duty to support those who have been called to active duty and deployed to hostile regions and to honor those who have made

the ultimate sacrifice. This measure provides the State with a means to honor those who have laid down their lives in defense of our nation and its freedoms.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 8, 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, 6. Noes, none. Excused, none.

SCRep. 1310 Commerce, Consumer Protection and Housing on H.B. No. 644

The purpose of this measure is to authorize the placement of pooled insurance on construction projects without regard to total construction costs.

The Department of Commerce and Consumer Affairs testified in support of this measure. The Subcontractors Association of Hawaii opposed the measure.

Currently, insurers may only offer pooled insurance arrangements for construction projects with a minimum cost of \$50,000,000. This limitation has precluded the developers of multi-million dollar projects costing under \$50,000,000 from utilizing pooled insurance, which may be more economical and financially advantageous than traditional insurance arrangements. This measure repeals the monetary threshold.

Your Committee finds that expanding the authority for the use of pooled insurance may adversely impact subcontractors who may be required by a general contractor to obtain insurance under the pooled arrangement or to pay for a portion of the pooled insurance, notwithstanding that the subcontractor is required to pay for and maintain the subcontractor's own general insurance coverage on an annual basis. Additionally, there are concerns that the requirement to participate in a general contractor's pooled arrangement may weaken the membership of group insurance programs administered by and for subcontractors, resulting in higher premiums for group insurance members.

Your Committee believes that these unresolved issues merit further review and consideration. Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 644, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 644, 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 (Ige).

SCRep. 1311 Commerce, Consumer Protection and Housing on H.B. No. 785

The purpose of this measure is to expressly authorize the foreclosure of a time share interest under a power of sale.

Marriott International, Inc., Cendant Timeshare Resort Group, Inc., Fairfield Resorts, Inc., American Resort Development Association-Hawaii Chapter, and Pahio Resorts, Inc. testified in support of this measure. The Department of Commerce and Consumer Affairs presented comments.

Your Committee finds that the use of nonjudicial foreclosure proceedings under chapter 667, Hawaii Revised Statutes (chapter 667), has enabled time share owner associations to efficiently and economically remove a seriously delinquent time share owner. This measure clarifies the mortgage foreclosures law by establishing express authorization in chapter 667 for the foreclosure of time share interests under a power of sale.

Under this measure, a mortgagee may provide notice of foreclosure and sale to a mortgagor by publication and posting. Your Committee further finds that since most time share owners do not live in the county in which the time share property is located, notice by publication and posting may not provide adequate notice to and protection for owners. Accordingly, your Committee has amended this measure to also require a mortgagee to give notice:

- (1) By certified mail, return receipt requested, at the mortgagor's last known address for mortgagors whose address is within the United States; and
- (2) By mail to the mortgagor's last known address for mortgagors whose address is outside the United States.

Additionally, this measure has been amended by inserting an effective date of January 1, 2006, and by making technical amendments 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 H.B. No. 785, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 785, 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 (Sakamoto).

SCRep. 1312 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.C.R. No. 67

The purpose of this measure is to request the Department of Transportation (DOT) to expedite its negotiations with Hawaii Superferry, Inc., and report to the Legislature.

Your Committees received testimony in support of this measure from the DOT, ILWU Local 142, and Maui Land & Pineapple Company, Inc. Testimony in opposition was received from Life of the Land.

According to testimony of the DOT, the department is working with Hawaii Superferry to complete a formal agreement covering the use of the State's harbors for the operation of the interisland ferry service. Both parties are working diligently to finalize the agreement by April 1, 2005. However, the DOT cautions that it is not comfortable with an arbitrary completion deadline.

Until the completion of the agreement, the DOT is reluctant to share the details. After the agreement is reached, the DOT will make the details public in planned public informational briefings and in periodic updates. Your Committees urge the DOT to include provisions in the agreement to mitigate the impacts on the State's harbors.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 67 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, 3 (English, Kanno, Nishihara).

SCRep. 1313 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.R. No. 39

The purpose of this measure is to establish Hawaii's Bill of Rights Day on December 15 annually.

Your Committees received testimony in support of this measure from the American Civil Liberties Union and one individual.

Your Committees find that an annual Bill of Rights Day would remind all members of government that government exists to serve, not to rule, the people. Furthermore, to commemorate the Bill of Rights with a special day would honor the fundamental rights it enshrines and the sacrifices made to create and preserve those rights.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 39 and recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.
Ayes, 9. Noes, none. Excused, 3 (English, Kanno, Nishihara).

SCRep. 1314 (Joint) Transportation and Government Operations and Intergovernmental Affairs on H.C.R. No. 51

The purpose of this measure is to request the Oahu Metropolitan Planning Organization (OMPO) to study the feasibility of establishing an alternate route of ingress to and egress from Mililani Mauka.

Your Committees received testimony in support of this measure from the Department of Transportation. Comments were received from OMPO.

Mililani Mauka is currently served by a single route of ingress and egress, which results in traffic congestion during peak hours that will worsen as the population grows. Furthermore, residents are increasingly confronted with problems of speeding, unsafe driving, and threats to pedestrian safety.

The OMPO is responsible for formulating the Oahu Regional Transportation Plan which is due for an update in 2006. The timing of this measure allows it to fit into the 2006 comprehensive plan.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 51, 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, 3 (English, Kanno, Nishihara).

SCRep. 1315 (Joint) Transportation and Government Operations and Intergovernmental Affairs on H.C.R. No. 7

The purpose of this measure is to request the Department of Transportation (DOT) to include a review of the economic feasibility of constructing a fixed rail system around the island of Hawaii in the long range land transportation plan.

Your Committees received testimony in support of this measure from the DOT. Testimony in opposition was received from one individual.

Your Committees find that the island of Hawaii, in contrast to Oahu, features wide-open spaces, with development just beginning to accelerate. A fixed rail system around the island of Hawaii may be an appropriate fit with the broader, strategic long-range plan for future growth of the island.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 7, 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, 3 (English, Kanno, Nishihara).

SCRep. 1316 Commerce, Consumer Protection and Housing on H.B. No. 161

The purpose of this measure is to exempt from the securities registration and filing requirements the offer or sale by a licensed real estate salesperson or broker of a rental management contract under an apartment rental program.

Chun, Kerr, Dodd, Beaman and Wong and Outrigger Resorts testified in support of this measure. The Commissioner of Securities presented comments.

Currently, the securities law exempts from registration and filing requirements a transaction involving the offer or sale by a licensed real estate salesperson or broker of a condominium apartment, coupled with a rental management contract under an apartment rental program. This measure broadens the exemption to apply to the offer and sale of a rental management contract under an apartment rental program, regardless of whether the management contract offer or sale is made in conjunction and concurrently with an offer or sale of an apartment.

Your Committee finds that after the sale of a condominium apartment has been transacted, it is common practice for the apartment's owner, especially an absentee owner with a unit located in a resort area, to make the unit available for inclusion in a short-term rental pool. This measure would relieve rental pool operators from the burdensome requirements of registering and filing the management contract offer or sale with the Securities Division so long as the transaction is conducted by a licensed real estate salesperson or broker. Your Committee further finds that broadening the exemption will not weaken consumer protection since these transactions are still subject to regulatory oversight under the real estate licensing law and the anti-fraud provisions of the securities law.

Your Committee has amended this measure by inserting the contents of S.B. No. 111, S.D. 1, a similar measure previously approved by your Committee. As amended this measure:

- (1) Adds a conforming amendment to Act 164, Session Laws of Hawaii 2004;
- (2) Takes effect on July 1, 2005; and
- (3) Makes technical amendments 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 H.B. No. 161, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 161, 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 (Ige).

SCRep. 1317 Commerce, Consumer Protection and Housing on H.B. No. 214

The purpose of this measure is to authorize the use of a reduced insurance rate upon its filing with the Insurance Commissioner (Commissioner).

The Department of Commerce and Consumer Affairs and State Farm Insurance Companies testified in support of this measure. The Hawaii Insurers Council opposed the measure.

Presently, an insurance rate filing must be approved by the Commissioner before use of the proposed insurance rate is authorized. This measure would allow for the immediate use of any newly filed casualty, surety, property, marine, or transportation insurance rate if the new rate is lower than the latest approved rate on file with the Commissioner for the same type of insurance coverage. This measure would only affect insurance rates filed under article 14 of the Insurance Code, and not health insurance rates filed under article 14F of the Code.

Your Committee finds that this measure would allow policyholders to enjoy immediate rate relief, while retaining the Commissioner's authority to examine the new rate to ensure its adequacy.

Your Committee has amended this measure by making a technical amendment for 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 H.B. No. 214, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 214, 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 (Ige).

SCRep. 1318 Commerce, Consumer Protection and Housing on Gov. Msg. No. 145

Recommending that the Senate advise and consent to the nomination of the following:

CREDIT UNION ADVISORY BOARD

G.M. No. 145 WAYNE M. SHINTANI, for a term to expire 06-30-2008

The Hawaii Credit Union League testified in support of the nomination.

WAYNE M. SHINTANI holds bachelor's and master's degrees in business administration. Mr. Shintani worked for two years as a branch manager for Associates Financial Services and, since 1986, has held the position of Assistant Manager/Loan Manager for Oahu One Credit Union. The nominee previously served on the Credit Union Advisory Board from 1999 to 2000.

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, 2 (Espero, Ige).

SCRep. 1319 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 148 and 149

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DENTAL EXAMINERS

G.M. No. 148 ARMAND K. CHONG, D.D.S., F.A.G.D., for a term to expire 06-30-2008; and

G.M. No. 149 RANDALL S. CISLO, D.M.D., for a term to expire 06-30-2008

The Department of Commerce and Consumer Affairs testified in support of both nominations, and three individuals and eight individuals testified in support of nominees Chong and Cislo, respectively. Dr. Cislo's nomination was opposed by one individual.

DR. ARMAND K. CHONG, D.D.S., F.A.G.D., graduated from the University of Missouri at Kansas City School of Dentistry in 1988 and served a general practice residency at St. Francis Medical Center. Dr. Chong is licensed to practice dentistry in Hawaii, Colorado, Kansas, and Missouri, and has been engaged in the private practice of dentistry since 1990. Additionally, he serves as dental director at several senior living and convalescent facilities on Oahu. Dr. Chong is a member of the American Dental Association, Academy of General Dentistry, and a delegate of the Honolulu County Dental Society. The nominee has been an interim appointee to the Board of Dental Examiners (Board) since July 2004.

DR. RANDALL S. CISLO, D.M.D., is a 1982 graduate of the Washington University School of Dental Medicine and currently licensed to practice dentistry in Hawaii, Minnesota, and Wisconsin. Since 1982, he has been engaged in group or solo dentistry practices in Missouri and Hawaii. Dr. Cislo presently has a solo dentistry practice in Waimea on the Island of Hawaii and also is a consulting member of the medical staff at Kohala Hospital in Kapaau, Hawaii. The nominee is a member of the American Dental Association, Hawaii Dental Association, and Academy of General Dentistry. Additionally, Dr. Cislo has served as an interim member of the Board since July 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, 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 (Espero, Ige).

SCRep. 1320 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 166, 167 and 168

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PROFESSIONAL ENGINEERS, ARCHITECTS, SURVEYORS, AND LANDSCAPE ARCHITECTS

G.M. No. 166 OSCAR PORTUGAL, for a term to expire 06-30-2008;

G.M. No. 167 RICHARD M. SUZUKI, P.E., for a term to expire 06-30-2006; and

G.M. No. 168 MARC VENTURA, AIA, for a term to expire 06-30-2008

Your Committee received testimony in support of OSCAR PORTUGAL from the Department of Commerce and Consumer Affairs, the Mayor of the County of Kauai, a retired state land surveyor administrator, Wagner Engineering Services, Inc., the United Filipino Council of Hawaii, and the president of the Kauai Filipino Chamber of Commerce. Mr. Portugal also provided a written statement.

Your Committee finds that Mr. Portugal received his B.A. degree from the University of Hawaii and became a licensed professional surveyor in 1980, thus meeting the requirement in section 464-6, Hawaii Revised Statutes, that certain members of the board be licensed professional surveyors. Mr. Portugal became the County Surveyor for the County of Kauai in 1988, a position he still holds. Mr. Portugal has been a member of the board since July 1, 2000, and has been a holdover member since July 1, 2004.

Your Committee received testimony in support of RICHARD M. SUZUKI, P.E., from the Department of Commerce and Consumer Affairs. Mr. Suzuki also provided a written statement.

Your Committee finds that Mr. Suzuki, P.E., received his B.S. degree in Civil Engineering from the University of Hawaii and became licensed as a registered professional engineer (P.E.) in 1969, thus meeting the requirement in section 464-6, Hawaii Revised Statutes, that certain members of the board be professional engineers. Mr. Suzuki worked for the State for twenty years and for the City and County of Honolulu for ten years as a civil engineer and is now a senior project manager with a private firm. Mr. Suzuki was appointed to the board on July 1, 2004, on an interim basis.

Your Committee received testimony in support of MARC VENTURA, AIA, from the Department of Commerce and Consumer Affairs and the Mayor of the County of Kauai. Mr. Ventura also provided a written statement.

Your Committee finds that Mr. Ventura received his B.A. degree in Architecture from the University of Notre Dame and thereafter worked in the field of architecture, receiving licenses to practice architecture in Hawaii and California in 1992. Your Committee thus finds that Mr. Ventura, now president of his own architectural firm, meets the requirement in section 464-6, Hawaii Revised Statutes, that certain members of the board be professional architects. Mr. Ventura was appointed to the board on July 1, 2004, on an interim basis.

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, 4. Noes, none. Excused, 2 (Espero, Ige).

SCRep. 1321 Higher Education on S.C.R. No. 175

The purpose of this measure is to request the University of Hawaii (UH) to provide a report to the State Legislature regarding the status of the 2004 flood damage, including final damages, responses, future plans, and final costs.

Your Committees received testimony in support of this measure from the UH.

On October 30, 2004, a flash flood ripped through the Manoa area. The flood water cascaded through the University of Hawaii's Manoa Campus, damaging over twenty buildings on campus, including the Biomedical Sciences Building, Hamilton Library, the Art Building-Bilger and Keller Halls, the parking structure, and Klum Gym.

In all, power was interrupted to thirty-five buildings. Agricultural Sciences III, Biomedical Sciences, Sherman Lab, and Hamilton Library sustained enough infrastructure damage to require isolation from the main electrical circuits before the rest of the campus could be powered up again.

Your Committee finds that the UH is working diligently to obtain financial assistance from the federal, state, and private sectors to cover the costs of this immense undertaking. However, the state insurance policy has only \$25,000,000 in coverage, which even when fully paid will not be adequate to cover the total cost of the damage, restoration, and reconstruction.

Your Committee further finds that the calculated estimation of the damage to the Manoa campus infrastructure is between \$80,000,000 – \$100,000,000 and some of the devastation destroyed includes irreplaceable historical documents that can never be replaced.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 175 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, none. Excused, 1 (Sakamoto).

SCRep. 1322 Judiciary and Hawaiian Affairs on H.B. No. 553

The purpose of this measure is to allow government agencies to withhold personal information contained in government records open to public inspection where the disclosure of this information would be an unwarranted invasion of privacy.

The Office of Information Practices testified in support of the measure.

Your Committee finds that the purpose of this measure to shield certain information from public inspection where the disclosure of the information would constitute an unwarranted invasion of privacy. This measure is designed to balance the competing interests of public inspection and disclosure with the protection of highly personal and sensitive information.

Your Committee has amended this measure by:

- (1) Deleting the broad exceptions for public inspection of all government records and limiting the exception to government records, which if disclosed, would constitute a clearly unwarranted invasion of privacy; and
- (2) Excluding from disclosure the social security numbers of individuals under contract with the government.

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. 553, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 553, 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, 2 (English, Whalen).

SCRep. 1323 Judiciary and Hawaiian Affairs on H.B. No. 833

The purpose of this measure is to exempt an owner of residential real property from civil liability for damages suffered by a person who trespasses on the property with the intent to commit a crime. This measure also amends the criminal offense of trespass in the first degree by including trespass on the premises of a dwelling.

Testimony in support of the measure was submitted by one individual. Testimony in opposition to the measure was submitted by the Consumer Lawyers of Hawaii and the Office of the Public Defender.

This measure affords the owner of residential real property absolute civil immunity for damages suffered by a person who trespasses on the property with the intent to commit a separate crime on the property. Your Committee finds that this measure is designed to address civil liability issues that may arise when an individual trespasses onto the residential real property of another and is injured.

Your Committee has amended this measure by amending the definition of dwelling, as used in the criminal trespass laws, to include the roof of a building used for lodging and to replace language amending the specific offense of trespass in the first degree.

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. 833, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 833, 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, 2 (English, Whalen).

SCRep. 1324 Judiciary and Hawaiian Affairs on H.B. No. 1712

The purpose of this measure is to amend Hawaii's election laws.

Specifically, this measure:

- (1) Prohibits the Chief Election Officer from contracting with a political action committee or organization created for a political purpose for election related services and duties, including maximizing voter registration and supervising elections;
- (2) Creates a misdemeanor offense for the unauthorized printing, distribution, publication, and use of voter registration information acquired directly or indirectly from voter registration affidavits;
- (3) Precludes a reciprocal beneficiary of a candidate from serving as a precinct official in any precinct where votes may be cast for that candidate;
- (4) Clarifies that the poll watcher appointed by a political party may be present at any time in each precinct or absentee polling place where the candidates of that political party are on the ballot; and
- (5) Permits poll watchers to review the poll book, but prohibits the recording of confidential information, including birth dates and social security numbers.

Testimony in support of the measure was submitted by the Vice Chair of the Maui County Council and the League of Women Voters of Hawaii. The Office of Elections offered comments on the measure.

Your Committee finds that these amendments to Hawaii's election laws are made for purposes of clarity and to ensure consistency in the administration and operations of Hawaii's elections.

Your Committee has amended this measure by:

- (1) Modifying the newly created misdemeanor offense by including a reference to section 11-97, Hawaii Revised Statutes, to properly balance permissible uses of voter registration information with the improper uses that are proscribed by this offense;
- (2) Deleting language prohibiting the recording of confidential information including social security numbers and dates of birth from poll books based upon the testimony of the Chief Election Officer, who stated that this information is not contained in the poll book; and
- (3) Making technical, non-substantive amendments for purposes of clarity and consistency.

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. 1712, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1712, 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, 2 (English, Whalen).

SCRep. 1325 Judiciary and Hawaiian Affairs on H.B. No. 1715

The purpose of this measure is to prohibit discrimination based upon sexual orientation as well as gender expression and identity in all real estate transactions.

Testimony in support of the measure was submitted by the ACLU of Hawaii, the Gender Equity Counselor at the University of Hawaii at Manoa, the Office of the General Counsel at BYU-Hawaii, the Center, the Gay and Lesbian Education and Advocacy Foundation, the Gay, Lesbian, Bisexual, and Transgendered Caucus of the Democratic Party of Hawaii, the Ohana Metropolitan Community Church of Honolulu, and six individuals. Testimony in opposition to the measure was submitted by the American Center for Law and Justice of Hawaii, Pro-Family Hawaii, the Hawaii Family Forum, the Hawaii Catholic Conference, the Christian Voice of Hawaii, and eleven individuals, including a petition signed by six hundred individuals. The Hawaii Civil Rights Commission commented on the measure.

The purpose of this measure is to prohibit discrimination based on sexual orientation as well as gender expression and identity in the sale, exchange, rental, or lease of real property. This measure also creates an exemption for renting or leasing of housing accommodations owned and operated by religious institutions for church purposes or for higher education housing programs operated by the church or on church property.

Your Committee has amended this measure by making technical, non-substantive changes for purposes of clarity and consistency.

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. 1715, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1715, 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, 2 (English, Whalen).

SCRep. 1326 Judiciary and Hawaiian Affairs on Gov. Msg. No. 388

Recommending that the Senate advise and consent to the nomination of the following:

CIVIL RIGHTS COMMISSION

G.M. No. 388 ROGER DANIEL RIZZO, for a term to expire 06-30-2009

ROGER DANIEL RIZZO earned a Bachelor's degree in International Relations, a Master's degree in Business Administration, and a Juris Doctorate degree. Mr. Rizzo has been serving on the Hawaii Civil Rights Commission since 2003, first as an interim appointee in 2003 and then confirmed by the Senate in 2004 to a one-year term. Prior to his involvement with the Commission, Mr. Rizzo was a successful trial attorney and involved in some of the biggest civil cases in the history of the United States.

Since his appointment to the Commission, Mr. Rizzo has demonstrated an interest and dedication to identifying and ending discriminatory practices and infringements on civil rights. In particular, Mr. Rizzo has devoted considerable time and energy to strengthening the role of the Commission in interpreting Hawaii's civil rights laws and streamlining the investigation of cases under the jurisdiction of the Commission.

Testimony in support of the nominee was submitted by the Hawaii 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 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 (English, Whalen).

SCRep. 1327 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 139, 140, 141 and 142

Recommending that the Senate advise and consent to the nominations of the following:

CONTRACTORS LICENSE BOARD

G.M. No. 139 ANACLETO ALCANTRA, SR., for a term to expire 06-30-2008;

G.M. No. 140 DENNY R. SADOWSKI, for a term to expire 06-30-2008;

G.M. No. 141 NICHOLAS W. TEVES, JR., for a term to expire 06-30-2008; and

G.M. No. 142 THOMAS B. VINCENT, for a term to expire 06-30-2008,

The Department of Commerce and Consumer Affairs testified in support of all the nominations. Hidano Construction, Inc., Honsador Lumber, Building Industry Association, and three individuals supported the nomination of Denny R. Sadowski. Testimony in support of nominee Thomas B. Vincent was received from American Electric Co., LLC, Covanta Energy, International Brotherhood of Electrical Workers Local Union No. 1186, Hawthorne Power Systems, Shaw Stone and Webster, Inc., Graybar, and two individuals.

ANACLETO ALCANTRA, SR., holds a bachelor of science degree in civil engineering. He has been a licensed contractor since December 1978 and holds a general engineering and general building license, as well as several specialty contractor classifications. Mr. Alcantra is the president of Group Builders, Inc., and during his career, has earned numerous awards, including the United States Department of Commerce Regional Minority Contractor of the Year and the Filipino Chamber of Commerce Entrepreneur of the Year. The nominee has served on the Contractors License Board (Board) since July 2000.

DENNY R. SADOWSKI holds a contractor's license in good standing, and has been licensed since 1979. In 1987, Mr. Sadowski co-founded CO-HA Builders, a custom home construction business. The nominee has been actively involved with the Building Industry Association, serving on its board of directors and as government affairs chairperson. Additionally, Mr. Sadowski has served on the Board since July 2004.

NICHOLAS W. TEVES, JR., has been a licensed electrical contractor since August 1976, is also licensed as a supervising electrician and responsible managing employer, and holds a license in the pole and line specialty classification. Mr. Teves has owned and operated Commercial Electric, Inc., for over thirty years and has been active with the Pacific Electrical Contractors' Association and Sand Island Business Association. The nominee has served two prior terms on the Board.

THOMAS B. VINCENT has held a contractor's license since June 1997 and has served on the Board since July 2004. Mr. Vincent has thirty-seven years of experience in the electrical industry, working as a motor shop journeyman, outside service lead man, and general foreman/supervisor. The nominee currently serves as president of American Electric Co., LLC. During his career, Mr. Vincent has worked on numerous electrical projects, including the Kalaeloa Power Plant, Chevron CO-Gen Plant, and Kalaeloa 138KV Substation.

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 Thomas B. Vincent
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

Signed by the Chair on behalf of the Committee.
Record of Votes for all other nominees:
Ayes, 4. Noes, none. Excused, 2 (Espero, Ige).

SCRep. 1328 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 204, 205 and 206

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF MEDICAL EXAMINERS

G.M. No. 204 M. PIERRE K.W. PANG, M.D., for a term to expire 06-30-2008;

G.M. No. 205 FEREDYOUN DON PARSA, M.D., for a term to expire 06-30-2006; and

G.M. No. 206 G. MARKUS POLIVKA, for a term to expire 06-30-2007

Your Committee received written testimony in support of M. PIERRE K. W. PANG, M.D., from the Department of Commerce and Consumer Affairs, the Hawaii Medical Association, and one doctor of internal medicine. Dr. Pang also submitted a written statement.

Your Committee finds that Dr. Pang received his medical degree from Tulane Medical School, received post-graduate fellowships, and is licensed to practice medicine in Hawaii, thus fulfilling the requirement to serve as a physician member of the board. Dr. Pang has been a physician for eighteen years, and currently serves as the Chief of Ophthalmology at St. Francis-West Medical Center; he has also been the chair of the surgery department of St. Francis-West. Dr. Pang has also authored or co-authored a number of articles that have been published in medical journals. Dr. Pang has served on the board since July 2004 as an interim appointee.

Your Committee received written testimony in support of FEREYDOUN DON PARSA, M.D., from the Department of Commerce and Consumer Affairs and the Hawaii Medical Association. Dr. Parsa also submitted a written statement.

Your Committee finds that Dr. Parsa received his medical degree from the Lausanne Medical School in Switzerland and thereafter received further medical training in the United States through residencies and fellowships. A United States citizen, Dr. Parsa received his license to practice medicine in Hawaii in 1976, thus fulfilling the requirement to serve as a physician member of the board. Dr. Parsa is board certified in plastic surgery and serves as professor of plastic surgery at the University of Hawaii, John A. Burns School of Medicine, and is the Chief of the Plastic Surgery Department of the Queen's Medical Center. Dr. Parsa is extensively published in various medical journals. He has been serving as an interim appointee to the board since July 2004.

Your Committee received written testimony in support of G. MARKUS POLIVKA from the Department of Commerce and Consumer Affairs. Mr. Polivka also submitted a written statement.

Your Committee finds that Mr. Polivka, born in Germany, is a United States citizen, thus fulfilling the minimum requirement for a lay member of the board pursuant to section 453-5, Hawaii Revised Statutes. Mr. Polivka is the president of Monarch Insurance Services, Inc., a firm that brokers professional liability coverage for a number of Hawaii hospitals. Throughout his career, Mr. Polivka has analyzed physician malpractice claims and is familiar with the kinds of situations that may lead to adjudication of the status of a physician's license. Mr. Polivka has served as an interim appointee of the board since July 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, 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 (Espero, Ige).

SCRep. 1329 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 227 and 228

Recommending that the Senate advise and consent to the nominations of the following:

MOTOR VEHICLE REPAIR INDUSTRY BOARD

G.M. No. 227 BILL W. GREEN, for a term to expire 06-30-2007; and

G.M. No. 228 RICHARD Y. MITSUMORI, for a term to expire 06-30-2007

Testimony in support of the nomination of BILL W. GREEN was submitted by the Department of Commerce and Consumer Affairs. Mr. Green also submitted a written statement.

Your Committee finds that Mr. Green graduated from Washington State University with a degree in Business and Economics. He was a sales manager for Shell Oil Company for twenty-nine years, and from 1980 until 2004 was the president of Kahala Shell service station. He presently works for the station as a consultant. Your Committee finds that in his current capacity he has been involved with motor vehicle repairs, thus fulfilling the requirement in chapter 437B-3 that certain members of the board shall be connected with the motor vehicle repair industry. Mr. Green was appointed as an interim member of the board on July 1, 2004.

Testimony in support of the nomination of RICHARD Y. MITSUMORI was submitted by the Department of Commerce and Consumer Affairs. Mr. Mitsumori submitted a letter with an attached resume.

Your Committee finds that Mr. Mitsumori graduated from the University of Hawaii with a degree in civil engineering. He spent thirty-six years as an engineer for the State of Hawaii, Department of Transportation, and the County of Hawaii. Mr. Mitsumori, a former Army Reserve officer, has been retired since 1995. Your Committee thus finds that, pursuant to section 437B-3, Hawaii Revised Statutes, Mr. Mitsumori meets the requirements for those members who shall not be connected to the motor vehicle repair industry. Mr. Mitsumori has served as an interim appointee to the board since June 30, 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, 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 (Espero, Ige).

SCRep. 1330 Commerce, Consumer Protection and Housing on Gov. Msg. No. 238

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PHARMACY

G.M. No. 238 JANET M. WILLIAMS, for a term to expire 06-30-2008

Testimony in support of JANET M. WILLIAMS was received from the Department of Commerce and Consumer Affairs, Ali'i Veterinary Hospital, a pharmacist, and three individuals.

Your Committee finds that the nominee, Ms. Williams, graduated from the St. Louis College of Pharmacy with a pharmacy degree. Further, your Committee finds that the nominee has been a licensed pharmacist in Hawaii since 1994. She is currently employed as a pharmacist by KTA Pharmacy in Kailua-Kona. The nominee was an interim appointment, commencing July 1, 2004.

Your Committee notes the nominee's statement that the position would give her an opportunity to be part of the important decision-making process that involves the issues, problems, and resolution of challenges facing pharmacy practice. Ms. Williams further stated that she believes she can use her knowledge gained from fifteen years of pharmacy service to contribute ideas and opinions.

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, 2 (Ige, Hogue).

SCRep. 1331 Commerce, Consumer Protection and Housing on Gov. Msg. No. 239

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PHYSICAL THERAPY

G.M. No. 239 CHRISTINA BAXENDALE, for a term to expire 06-30-2008

Testimony in support of the nomination was received from the Department of Commerce and Consumer Affairs, the Hawaii Chapter of the American Physical Therapy Association, and five individuals.

Your Committee finds that the nominee, CHRISTINA BAXENDALE, is a United States citizen who received her degree in physical therapy from the California State University at Long Beach. Your Committee also finds that the nominee has been a licensed physical therapist in Hawaii since 1980, and has worked continuously as a physical therapist, administrator, and instructor in Hawaii since that time. The nominee is currently employed as an outpatient physical therapist at Kapiolani Medical Center at Pali Momi. Your Committee notes that the nominee was appointed to the Board of Physical Therapy effective July 28, 2004.

Your Committee notes the statement of the nominee that the position would afford her the opportunity to utilize her leadership skills and provide fresh viewpoints. She views her function as serving as a guardian for the physical therapy consumer and to assure safety in all aspects of intervention.

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, 2 (Ige, Hogue).

SCRep. 1332 Judiciary and Hawaiian Affairs on H.B. No. 1413

The purpose of this measure is to amend the Hawaiian Homes Commission Act to permit private lending institutions to make mortgage loans on Hawaiian home lands that are insured or guaranteed by private mortgage insurance approved by the Commission.

Testimony in support of the measure was submitted by the Department of Hawaiian Home Lands, American Savings Bank, Menhune Development Company, and the State Council of Hawaiian Homestead Associations.

This measure allows private lending institutions to make mortgage loans on Hawaiian home lands provided that the loans are guaranteed by private mortgage insurance. Your Committee finds that this measure will expand the number of private lenders available to offer mortgage financing for Hawaiian home lands.

Your Committee has amended this measure by:

- (1) Removing language that requires the private mortgage insurance to be approved by the Commission;
- (2) Deleting the Congressional consent clause; and
- (3) Changing the effective date to make the measure effective upon 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. 1413, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1413, 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, 2 (English, Whalen).

SCRep. 1333 Judiciary and Hawaiian Affairs on H.B. No. 1450

The purpose of this measure is to recognize that discrimination based upon gender expression or identity constitutes sex discrimination. This measure also prohibits employment discrimination on the basis of gender expression or identity.

Testimony in support of the measure was submitted by the Hawaii Civil Rights Commission, the Gender Equity Counselor at the University of Hawaii at Manoa, The Center, the Gay and Lesbian Education and Advocacy Foundation, the Gay, Lesbian, Bisexual, and Transgendered Caucus of the Democratic Party of Hawaii, the ACLU of Hawaii, the Civil Unions-Civil Rights Movement, the Ohana Metropolitan Community Church of Honolulu, and nine individuals. Testimony in opposition the measure was submitted by the Hawaii Family Forum, the Hawaii Catholic Conference, the American Center for Law and Justice of Hawaii, and nine individuals, including a petition signed by six hundred individuals.

This measure includes gender expression or identity within sex-based discrimination and prohibits this form of discrimination in employment-related decisions. Your Committee finds that this measure is designed to clarify and strengthen Hawaii's sex and employment antidiscrimination laws.

Your Committee has amended this measure by making technical, non-substantive changes and including a savings clause.

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. 1450, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1450, 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, 2 (English, Whalen).

SCRep. 1334 Judiciary and Hawaiian Affairs on H.B. No. 1453

The purpose of this measure is to allow pet owners to provide for the future care of their pets by validating trusts for domestic or pet animals.

Testimony in support of this measure was submitted by the Office of the Governor, the Hawaiian Humane Society, and three individuals.

Your Committee finds that this measure recognizes the validity of trusts created for the future care and maintenance of a designated domestic or pet animal upon the death of its owner. This measure also establishes standards relating to the interpretation of the trust instrument, disposition of trust assets, and the appointment and role of a trustee.

Your Committee has amended this measure by:

- (1) Clarifying that a court may modify the amount of property transferred from the testator's estate to the trust if the amount intended substantially exceeds the amount required and there is no substantial adverse impact in the care, maintenance, health, or appearance of the designated domestic or pet animal; and
- (2) Making technical, non-substantive amendments for purposes of clarity and consistency.

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. 1453, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1453, 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, 2 (English, Whalen).

SCRep. 1335 Health on Gov. Msg. No. 395

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HAWAII HEALTH SYSTEMS CORPORATION

G.M. No. 395 RUSSELL T. STODD, M.D., for a term to expire 06-30-2009

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Board of Directors of the Hawaii Health Systems Corporation (HHSC).

Your Committee has received testimony in support of RUSSELL T. STODD, M.D. from the President and Chief Executive Officer of HHSC, the Chief Executive Officer of the Maui Region of HHSC, the HHSC Executive Management Advisory Committee, the HHSC Physicians Advisory Group, the HHSC Maui Region Management Advisory Committee, and the Hawaii Medical Association.

Dr. Stodd has resided in Hawaii for the past thirty-two years. He received a B.S. degree and a M.D. degree from the University of Oregon. After medical school graduation, Dr. Stodd interned at Los Angeles County General Hospital and then studied ophthalmology and tropical medicine for three years in the Panama Canal Zone. Dr. Stodd moved to Maui in 1973 after leaving a successful medical office in Portland, Oregon. His Maui practice was originally limited to diseases and surgery of the eye, but has since expanded and now encompasses three eye surgeons. Over the years, the practice further expanded to include a day surgery center for ophthalmic surgery and a larger ambulatory surgery unit for other surgery disciplines. Dr. Stodd was formerly Chief of Staff at Maui Memorial Medical Center, President of Maui County Medical Society, President of Hawaii Medical Association, and a former Hawaii delegate to the American Medical Association House of Delegates. He currently serves on the Board of Directors of the Mountain Pacific Quality Health Foundation and the Medical Insurance Exchange of California. Dr. Stodd has served on the HHSC Board of Directors on an interim basis since January 2004 and expresses a willingness to continue this service.

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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1336 Higher Education on S.C.R. No. 180

The purpose of this measure is to request the University of Hawaii (UH) to conduct a study of state funding criteria and models utilized at other publicly funded institutions of higher education for a per student funding formula.

Your Committee received comments on this measure from the UH.

The UH's net operating funds have increased only modestly over the past five years, and during the same period enrollments system-wide have increased thirteen per cent, resulting in a greater variance between general funds received and the number of students enrolled.

Increased autonomy for the UH would be better served if funding decisions are based upon mutually accepted criteria that reflect the priorities of the State and the UH, rather than the current options of lump sum or line item funding.

Formula-based funding could provide greater flexibility to the Legislature by emphasizing certain workforce development areas, such as teacher education or nursing, that would offer a greater incentive for students studying in those areas.

Your Committee finds that the State needs to have a funding model of higher education that promotes greater efficiency and planning in the institution. Formula-based funding could provide an incentive:

- (1) For expansion of the UH where it needs development;
- (2) For reduction of the UH where it needs minimization; and
- (3) To formulate disciplined decisions regarding academically critical areas that must be subsidized under all circumstances.

Your Committee further finds that there are many criteria to consider in determining an optimal formula, including enrollment, strategic initiatives, teaching and research performance indicators, and peer comparisons. However, the determination of an appropriate basis on which funding decisions should be made needs careful analysis, calculation, and institutional research that is not available at this time.

Your Committee has amended this measure by requesting the Board of Regents to report on the status of a per student funding formula for UH Manoa to the Legislature no later than twenty days before the convening of the Regular Session of 2006 and on the status of a per student funding formula for UH-Hilo, UH-West Oahu, and the UH's seven community colleges no later than twenty days before the convening of the Regular Session of 2007.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 180, 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. 180, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1337 Human Services on S.C.R. No. 88

The purpose of this measure is to request the Auditor to conduct a program audit on the efficacy of license suspensions for the nonpayment of child support.

The Attorney General submitted testimony in support of this measure.

Your Committee finds that in 2003, the State estimated that \$568,000,000 was not paid in child support, representing a twenty-nine per cent collection rate by the State. The Legislature, in response, enacted section 576D-13(a), Hawaii Revised Statutes, to provide for the denial or suspension of certain licenses issued by the State. License suspension is one of the federally required methods used by the State to enforce the payment of child support. Despite the Legislature's attempt to address this problem, much remains unknown about the efficacy of license suspension for the nonpayment of child support. Thus, an audit to determine the efficacy of license suspensions is appropriate.

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. 88 and recommends that it 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 (Ihara, Kokubun).

SCRep. 1338 Human Services on S.C.R. No. 95

The purpose of this measure is to urge the Kokua Council to convene the 2005 Model Legislature.

The Hawaii Alliance for Retired Americans, Kokua Council, Moiliili Community Center, Association of American Retired People (AARP-Hawaii Chapter), National Association of Social Workers-Hawaii Chapter, Silver Legislature, and an individual submitted testimony in support of this measure.

In 1993 and again in 1994, the Elderly Affairs Division of the Department of Community Services of the City and County of Honolulu organized the Oahu Silver Legislature at the State Capitol, a two-day mock legislature designed to offer adults over fifty-five years old a lively, stimulating, experiential opportunity to learn about the law-making process. The Kokua Council has received a grant to convene another mock legislature in 2005, named Model Legislature. The purpose of the 2005 Model Legislature is to identify, train, and motivate a cadre of at least one hundred new legislative advocates to participate in the 2005 and 2006 Regular Sessions. The Model Legislature will give senior citizens an excellent opportunity to learn and practice the skills of identifying important legislative issues, debating the merits of the issues, and participating in the legislative process as the measures are being acted upon by the legislative members.

Kokua Council and its partners expect that this process will benefit everyone -- families, professionals, the public at-large, and policy makers -- concerned with senior issues and will provide learning opportunities for Hawaii's older adults to develop their leadership and citizen participation skills.

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. 95 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 1339 Human Services on S.C.R. No. 146

The purpose of this measure is to request a financial and management audit of the Department of Human Services receipt, administration, and management of federal Temporary Assistance to Needy Families funds.

The Department of Human Services submitted testimony in support of this measure. The National Association of Social Workers-Hawaii Chapter submitted comments.

Your Committee finds that there is a need to ensure that the Department of Human Services is maximizing the available federal aid under the Temporary Assistance to Needy Families program (TANF) and other funds received from the federal government, and that these funds are properly accounted, managed, and expended in accordance with applicable state and federal regulations and laws.

Your Committee further finds that there is currently an audit being conducted by the Federal Office of the Inspector General (OIA) that will possibly help resolve concerns of the Legislature regarding the TANF program. Additionally, the Auditor has scheduled a financial audit of the Department of Human Services this year. The last financial audit was completed in 1993.

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. 146 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, 2 (Ihara, Kokubun).

SCRep. 1340 (Joint) Human Services and Health on S.C.R. No. 168

The purpose of this measure is to request a one-year extension of the Statewide Interagency Task Force (task force) to continue to develop a plan for coordination and expansion of services provided through Healthy Start to young children and their families.

The Department of Human Services, Department of Health, Hawaii Family Support Institute, Child and Family Service, Blueprint for Change, and Parents and Children Together submitted testimony in support of this measure.

The task force was created by S.C.R. No. 13, S.D. 1, Regular Session of 2003. Since then, many task force recommendations have been implemented. Members of the task force have made noteworthy accomplishments, including the establishment of an enhanced program model, now in demonstration on the Big Island.

Your Committees find that it is necessary to provide a one-year extension of the task force to further develop implementation plans to assure coordination and expansion of services provided to young children at risk and their families. In addition, the task force plans to:

- (1) Implement a general plan for tracking, monitoring, assessing, and reporting on progress on indicators related to achievement of the overall goal;
- (2) Complete discussion on topics identified but not addressed by the task force; and
- (3) Develop any necessary legislation for consideration in the 2006 Regular Session.

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. 168 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Ihara, Kokubun, Whalen).

SCRep. 1341 Education and Military Affairs on S.C.R. No. 37

The purpose of this measure is to urge the Department of Education to enter a lease/purchase agreement for a new public high school in Kihei funded by certificates of participation.

Testimony in support of the resolution was submitted by the Department of Education and an individual. The Department of Budget and Finance submitted testimony in opposition.

Your Committee finds that the two Maui high schools are experiencing overcrowding partly due to the growing population of Kihei. Both Baldwin High School and Maui High School are at least ten percent over capacity. While the Board of Education's standards for design size is one high school per one thousand students, approximately six hundred students from Kihei attend Maui High School.

Your Committee is sensitive to this situation and realizes that the scarcity of funding requires the use of alternative approaches to securing moneys for new schools. One method of alternative funding is the use of certificates of participation (COP). For this to be an effective funding option, the department must enter into lease/purchase agreements. With diminishing funds and increasing construction projects, the use of COPs should be examined as a funding method to ensure that the State is providing a proper educational environment for its students.

Upon further consideration, your Committee has amended this measure by specifying the amount needed to begin construction and the duration of the design and permitting process.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 37, 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. 37, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Tsutsui).

SCRep. 1342 Health on Gov. Msg. Nos. 212, 214, 215, 216, 218, 219 and 221

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON MENTAL HEALTH

G.M. No. 212 ALAN BUFFENSTEIN, M.D., For a term to expire 06-30-2008;

G.M. No. 214 LIESJE CATTANEO, For a term to expire 06-30-2008;

G.M. No. 215 RITA GOROSPE, For a term to expire 06-30-2006;

G.M. No. 216 RANDOLPH C. HACK, For a term to expire 06-30-2008;

G.M. No. 218 CANDACE M. SANDAL, For a term to expire 06-30-2008;

G.M. No. 219 PAULINE SCHICK, For a term to expire 06-30-2007;

G.M. No. 221 SHARON P. YOKOTE, For a term to expire 06-30-2008

Your Committee received testimony in support of ALAN BUFFENSTEIN, M.D., from the Department of Health, Hawaii Psychiatric Medical Association, Hawaii Medical Association, and three individuals. The nominee is a medical consultant for Med-QUEST for the Department of Human Services. He is also an Assistant Professor at the University of Hawaii School of Medicine, Department of Psychiatry. He is board certified in psychiatry and has been a practicing psychiatrist in Hawaii since 1987. Dr. Buffenstein is a member of numerous professional medical associations and organizations. He is Director of Outpatient Ambulatory Services and Director of Counseling and Services at the Queens Hospital. He is a reappointment.

Your Committee received testimony in support of LIESJE CATTANEO from the Department of Health, Circuit Court of the First Judicial Circuit, and the First Judicial Circuit-Adult Client Services Branch. The nominee is a graduate of Mills College with a Bachelor of Arts degree in Sociology and received her Master's degree in Social Work from the University of Hawaii at Manoa. Ms. Cattaneo serves on both the development team and the Mental Health Court Advisory Committee. She is a program specialist with the Office of the Chief Court Administrator, First Judicial Circuit, and is currently assigned to work with the Adult Client Services Branch, whose primary purpose is to provide probation services to felony and misdemeanor offenders.

Your Committee received testimony in support of RITA GOROSPE from the Department of Health and three individuals. The nominee graduated with a Bachelor's degree from the University of Hawaii at Manoa. Ms. Gorospe is a certified Realtor Associate, Travel Agent, and Medical Terminologist. She is an active board member on the Oahu Service Area Board for Adult Mental Health consumers, the National Alliance for the Mentally Ill Oahu, and the Mental and the Health Association of Hawaii. Ms. Gorospe has also served on the Protection and Advocacy for Individuals with Mental Illness Council of the Hawaii Disability Rights Center and the State Council for Mental Health. Ms. Gorospe is the founder of the Mental Health Kokua Peer Coach Program and advocates for children with severe emotional disturbances and adults with mental illness.

Your Committee received testimony in support of RANDOLPH C. HACK from the Department of Health and the National Alliance for the Mentally Ill Oahu. The nominee received his Bachelor's degree in Geography from the University of Hawaii at Manoa. He also received a certificate from Hawaii Pacific University in Weinberg Fellows Training Program for Executive Directors and Nonprofit Management. Mr. Hack is currently Director of the National Alliance for the Mentally Ill Oahu, Waikiki Health Center, and Mental Health Kokua and has received several awards for his outstanding community services. He has been an advocate for persons with mental illness for over twenty years. Mr. Hack is employed by the Department of Health in the Adult Mental Health Division, Office of Consumer Affairs, as Consumer Advisor.

Your Committee received testimony in support of CANDACE M. SANDAL from the Department of Health. The nominee was an active member of Friendship House, a psycho-social rehabilitation program offered by the Adult Mental Health Division. Mrs. Sandal was also a faculty member for the International Center for Clubhouse Development and an acting member on the Kauai Service Area Board.

Your Committee received testimony in support of PAULINE SCHICK from the Department of Health. The nominee received her Bachelor's degree in Social Work from the College of Notre Dame, California and her Master's degree in Social Work from California State University. For the past thirty-four years, Ms. Schick has been a psychiatric social worker, director for mental health programs in San Francisco, supervisor for all social services on Kauai, school social worker, and program manager for the School-Based Behavioral Health program. She is currently the administrator for the Department of Education's statewide program that provides behavioral and mental health services in every school to students who need such services to benefit from their education. Ms. Schick has also received several awards for her outstanding community services.

Your Committee received testimony in support of SHARON P. YOKOTE from the Department of Health. The nominee received her Associate's degree in Legal Assistance from Kapiolani Community College and her Bachelor's degree in Zoology from the University of Hawaii at Manoa. Ms. Yokote is currently serving on the Hawaii State Hospital Patient Protection Committee and has served on the Equal Insurance Coalition. She has an extensive history of consumer advocacy, including appointment to the Substance Abuse and Mental Health Services Administration and the Center for Mental Health Services National Advisory Council Subcommittee on Consumer/Survivor issues. Ms. Yokote has also worked with the State Council on Mental Health, Hawaii State Hospital Patient Protection Committee, and the Mental Health Association in 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 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 (Hanabusa, Whalen).

SCRep. 1343 (Joint) Education and Military Affairs and Health on S.C.R. No. 10

The purpose of this measure is to request the Department of Education, Board of Education, and the Hawaii Association of Independent Schools to consider integrating policies of edible gardens in school curricula.

Testimony in support of the measure was submitted by the Department of Education, Kona Brewing Company, and seven individuals. Comments were submitted by the Hawaii Association of Independent Schools.

Your Committees recognize the importance of developing sound eating habits early in life as they impact the reduction of illness, obesity, and other health-related problems, as well as the importance of increasing students' awareness and consumption of fruits and vegetables. Schools are able to establish edible school gardens as long as drainage and underground infrastructure are not adversely impacted. The Hawaii Content and Performance Standards for Health identify nutrition as one of the content risk areas and the skill of self-management to foster healthy lifestyles. Growing vegetables or having a class vegetable garden has also been integrated into these studies.

Thus, your Committees have changed the focus of this resolution by amending its language to encourage the promotion of policies promoting the integration of edible gardens in school curricula.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 10, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 10, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1344 (Joint) Education and Military Affairs and Health on S.R. No. 7

The purpose of this measure is to request the Department of Education, Board of Education, and the Hawaii Association of Independent Schools to consider integrating policies of edible gardens in school curricula.

Testimony in support of the measure was submitted by the Department of Education, Kona Brewing Company, and seven individuals. Comments were submitted by the Hawaii Association of Independent Schools.

Your Committees recognize the importance of developing sound eating habits early in life as they impact the reduction of illness, obesity, and other health-related problems, as well as the importance of increasing students' awareness and consumption of fruits and vegetables. Schools are able to establish edible school gardens as long as drainage and underground infrastructure are not adversely impacted. The Hawaii Content and Performance Standards for Health identify nutrition as one of the content risk areas and the skill of self-management to foster healthy lifestyles. Growing vegetables or having class vegetable gardens has also been integrated into these studies.

Thus, your Committees have changed the focus of this resolution by amending its language to encourage the promotion of policies promoting the integration of edible gardens in school curricula.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Health that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 7, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 7, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1345 Water, Land, and Agriculture on Gov. Msg. No. 128

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF AGRICULTURE

G.M. No. 128 L. DOUGLAS MacCLUER, for a term to expire 06-30-2008

L. DOUGLAS MacCLUER has an extensive and distinguished background in agriculture in Hawaii. He has a Bachelor of Science in General Agriculture and retired from Maui Pineapple Company, Ltd. after thirty-nine years. Mr. MacCluer served on the County of Maui's Agricultural Advisory Committee, Central Maui Soil and Water Conservation District, Commodity Advisory Group, Hawaii Tropical Fruit Growers Association, Maui County Farm Bureau, and Ulapalakua Agricultural Foundation. Mr. MacCluer has also received the Good Year Conservation Award and the Nature Conservancy President's Award.

Testimony in support of Mr. MacCluer was submitted by the Department of Agriculture, the University of Hawaii College of Tropical Agriculture and Human Resources, Dole Food Company Hawaii, Hawaii Agriculture Research Center, Hawaii Association of Conservation Districts, Hawaii Cattlemen's Council, Hawaii Crop Improvement Association, Hawaii Egg Producer's Cooperative, Hawaii Farm Bureau, Hawaii Forest Industry Association, Hawaii Tropical Fruit Growers, Joy Gold Unlimited, Maui County Farm Bureau, Maui Land and Pineapple Company, Ltd., and one individual.

Your Committee finds that the nominee's vast experience, demonstrating his extensive knowledge of the agriculture industry, coupled with his commitment to public service make him an asset to the Board of Agriculture.

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 (Hooser).

SCRep. 1346 Water, Land, and Agriculture on Gov. Msg. Nos. 233, 234, 235, 236 and 237

Recommending that the Senate advise and consent to the nominations of the following:

ADVISORY COMMITTEE ON PESTICIDES

G.M. No. 233 JANET ASHMAN, for a term to expire 06-30-2007;

G.M. No. 234 DON R. GERBIG, for a term to expire 06-30-2008;

G.M. No. 235 CALVIN H. ODA, for a term to expire 06-30-2008;

G.M. No. 236 SEAN O'KEEFE, for a term to expire 06-30-2008; and

G.M. No. 237 WESLEY OTANI, for a term to expire 06-30-2009

JANET ASHMAN has a Bachelor of Arts degree in zoology and has a background in environmental science. Ms. Ashman has worked at the Hawaii Agriculture Research Center for eleven years. She has a very good working knowledge of environmental issues, including the laws and regulations concerning pesticides. Ms. Ashman serves on numerous advisory groups, including the Department of Health's Polluted Runoff Forum Committee, Environmental Management Advisory Group, Air Advisory Group, Source Water Assessment Program, and Water Quality Advisory Group, and West Maui Watershed Advisory Group.

Testimony in support of Ms. Ashman was submitted by the Department of Agriculture, C&H Farms, HARTS Hawaii, Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation, Maui Land and Pineapple Company, Inc., and Maui County Farm Bureau.

DON R. GERBIG has a Bachelor of Science degree in agronomy and has an extensive background in pesticide application and regulation. For over thirty-eight years, he has worked for AMFAC in field operations, the chemical department, and environmental affairs; Brewer Environmental Industries as the Fertilizer Branch Manager; and for Gay & Robinson Sugar Company's Diversified Crops. He has served on numerous committees including the Hawaii Association of Environmental Professionals, Hawaii Sugar Planters Environmental Standards Committee, and West Maui Watershed Management Advisory Committee.

Testimony in support of Mr. Gerbig was submitted by the Department of Agriculture, HARTS Hawaii, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, and Maui County Farm Bureau.

CALVIN H. ODA has a Bachelor of Science degree in agronomy and soils and twenty-seven years of experience in research, technical services, and quality management in the agricultural business. He has served on the Advisory Committee on Pesticides since 1999 and has been active in industry organizations, including the Pineapple Growers Association of Hawaii and the Papaya Administrative Committee.

Testimony in support of Mr. Oda was submitted by the Department of Agriculture, HARTS Hawaii, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, Maui Land and Pineapple Company, Inc., Maui Pineapple Company, Ltd.

SEAN O'KEEFE has a Bachelor of Science degree in chemical engineering and twelve years of experience in environmental regulatory compliance for agricultural and industrial operations. He is a participating member of the Department of Health's Air Rules Advisory Committee and Water Quality Standards Advisory Committee.

Testimony in support of Mr. O'Keefe was submitted by the Department of Agriculture, Gay and Robinson, Inc., Hawaii Agriculture Research Center, Hawaiian Commercial and Sugar Company, Hawaii Farm Bureau Federation, and Maui Land and Pineapple Company, Inc.

WESLEY OTANI has a Bachelor of Science Degree in horticulture and has experience both in agriculture and the pest control industry. Mr. Otani was raised on his family's vegetable farm and eventually worked with pesticides and other chemicals for local distribution companies. He currently is the Regional Sales Manager at Terminix International, the largest termite and pest control company in Hawaii.

Testimony in support of Mr. Otani was submitted by the Department of Agriculture, Hawaii Farm Bureau Federation, Hawaii Pest Control Association, and Maui County Farm Bureau.

Your Committee finds that the nominees have sufficient experience and background with pesticides to make them each an asset to the Advisory Board on Pesticides.

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 (Hooser).

SCRep. 1347 Water, Land, and Agriculture on Gov. Msg. Nos. 222, 223 and 225

Recommending that the Senate advise and consent to the nominations of the following:

MOLOKAI IRRIGATION SYSTEM WATER USERS ADVISORY BOARD

G.M. No. 222 THOMAS D. DeCOURCY, for a term to expire 06-30-2007;

G.M. No. 223 ADOLPH M. HELM, for a term to expire 06-30-2009; and

G.M. No. 225 RICHARD K. WHEELER, for a term to expire 06-30-2008

THOMAS D. DeCOURCY managed a research farm on the island of Molokai for thirty-two years and has a good working knowledge of the Molokai irrigation system, as well as the needs of the agricultural community that uses the system. He also has been the President of the Molokai Farm Bureau, a Board member of the Maui County Water Department and the Hikiolu Farmers Cooperative, and a member of the Molokai Planning Commission.

Testimony in support of Mr. DeCourcy was submitted by the Department of Agriculture, Hawaii Crop Improvement Association, Hawaii Farm Bureau Federation, and Maui County Farm Bureau.

ADOLPH M. HELM has worked in the agriculture and water system management field for the past twenty-five years. He has served on the Maui County Board of Water Supply and has managed a six thousand-acre agriculture development project that included a potable and agricultural water system. Mr. Helm is a homestead farmer and has a well-balanced understanding of the needs and concerns of all the stakeholders of the Molokai irrigation system.

Testimony in support of Mr. Helm was submitted by the Department of Agriculture, Hawaii Agriculture Research Center, Hawaii Crop Improvement Association, and Hawaii Farm Bureau Federation. One individual submitted testimony with concerns over Mr. Helm's ability to advocate for the Hawaiian Homestead farmers.

Specifically, the individual expressed concerns that Mr. Helm did not meet the requirements for the position because of a perceived conflict of interest as an employee of Mycogen Seed and lack of farming activity on his homestead land. However, after hearing testimony from Mr. Helm, your Committee believes that he is able to represent the Homestead farmers and advocate on their behalf without being influenced by his employer. Also, your Committee noted testimony indicating that Mr. Helm is farming on his Homestead property.

RICHARD K. WHEELER has been in agriculture for the past thirty-two years and has experience in many areas of farming, including maintenance of water systems. Mr. Wheeler has already served one term on the Molokai Irrigation System Water Users Advisory Board and is active in the Hikiola Cooperative and the Hawaii Farm Bureau Federation.

Testimony in support of Mr. Wheeler was submitted by the Department of Agriculture and the Hawaii Farm Bureau Federation.

Your Committee finds that the nominees' vast experience in agriculture on the island of Molokai coupled with a working knowledge of the irrigation system make them each an asset to the Molokai Irrigation System Water Users Advisory Board.

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 (Hooser).

SCRep. 1348 Water, Land, and Agriculture on Gov. Msg. Nos. 129, 130, 131, 132 and 133

Recommending that the Senate advise and consent to the nominations of the following:

KAUA'I AQUATIC LIFE AND WILDLIFE ADVISORY COMMITTEE

G.M. No. 129 JEFFREY BRYANT, for a term to expire 06-30-2009;

G.M. No. 130 GEORGE R. COATES, for a term to expire 06-30-2008;

G.M. No. 131 LOIS FUJISHIGE, for a term to expire 06-30-2006;

G.M. No. 132 EDSON MARTIN, for a term to expire 06-30-2007; and

G.M. No. 133 ELTON S. USHIO, for a term to expire 06-30-2008

JEFFREY BRYANT is the owner of the Lihue Pet Shop in Lihue, Hawaii. He has previously served on the Hawaii Fish and Game Advisory Commission from 1979 to 1980 and has more than forty-two years of fishing and hunting experience in Hawaii.

Testimony in support of Mr. Bryant was submitted by the Department of Land and Natural Resources.

GEORGE R. COATES has a degree in marine biology and has been a member of the Kauai Aquatic Life and Wildlife Advisory Board since 1998. Mr. Coates is also a master instructor for the Hawaii Education program and a certified State Department of Land and Natural Resources safety instructor.

Testimony in support of Mr. Coates was submitted by the Department of Land and Natural Resources.

LOIS FUJISHIGE has been an avid bird and mammal hunter for over ten years, and she also enjoys fishing, camping, and hiking. She has been an active member of the Kauai Hunting Association for eleven years, and for twelve years, she has been certified with the Hawaii Hunter Education program. Since 1994, Ms. Fujishige has also been a volunteer member of the Kauai Division of Forestry and Wildlife branch.

Testimony in support of Ms. Fujishige was submitted by the Department of Land and Natural Resources.

EDSON MARTIN has had a lifelong interest in all types of fishing and hunting and is very experienced in hunting bird and big game in Hawaii, as well as in other states. Mr. Martin is an experienced feral goat, feral pig, and black-tailed deer bow hunter and is well versed in pole, net, and spear fishing, as well.

Testimony in support of Mr. Martin was submitted by the Department of Land and Natural Resources, the Mayor of the County of Kauai, and one individual.

ELTON S. USHIO is a volunteer and master instructor for the Department of Land and Natural Resources' Hawaii Hunter Education program and is an avid diver, hunter, and fisherman. He is a National Rifle Association certified Range Safety Officer and has served on the Kauai Aquatic Life and Wildlife Advisory Committee from 1994 to 2002. Mr. Ushio was also the chairperson of the committee from 1998 to 2002.

Testimony in support of Mr. Ushio was submitted by the Department of Land and Natural Resources and the Mayor of Kauai County.

Your Committee finds that the nominees' background in hunting, fishing, and community service make them each an asset to the Kauai Aquatic Life and Wildlife Advisory 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, 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 (Hooser).

SCRep. 1349 Intergovernmental Affairs on S.C.R. No. 73

The purpose of this measure is to request Hawaii's Congressional delegation to work to abolish the death tax permanently.

Your Committee received testimony in support of this measure from the Hawaii Automobile Dealers' Association. Testimony in opposition was received from the League of Women Voters. Comments were submitted by the Department of Taxation.

Your Committee is aware of the tremendous financial burden the federal estate tax imposes upon families, particularly in Hawaii with its high real estate values. Owning property in Hawaii is not comparable for estate tax purposes to owning property on the mainland. The heirs to the inheritance may be forced to secure a loan or to sell the property to pay the estate tax.

The situation is particularly dire for farmers and small businesses whose owners may have worked all their lives to make a success of the farm or business. The heirs often desire to continue with the farm or the small business, which may have been in the family for generations, but may be forced to sell the farm or business to pay the estate tax.

Your Committee has amended this measure by:

- (1) Changing "death" to "estate" tax for accuracy;
- (2) Deleting the paragraph referencing the effect on the economy in 1996, as being unattributed to a source of that information;
- (3) Deleting the word "immediate" in reference to a repeal of the tax;
- (4) Adding that the estate tax, if not repealed permanently, should otherwise be amended to ease the burden on farmers and small businesses; and
- (5) Deleting the transmission of copies to the President of the United States, President of the U.S. Senate, and Speaker of the U.S. House of Representatives.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 73, 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. 73, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 1350 Intergovernmental Affairs on S.R. No. 36

The purpose of this measure is to request Hawaii's Congressional delegation to work to abolish the death tax permanently.

Your Committee received testimony in support of this measure from the Hawaii Automobile Dealers' Association. Testimony in opposition was received from the League of Women Voters. Comments were submitted by the Department of Taxation.

Your Committee is aware of the tremendous financial burden the federal estate tax imposes upon families, particularly in Hawaii with its high real estate values. Owning property in Hawaii is not comparable for estate tax purposes to owning property on the mainland. The heirs to the inheritance may be forced to secure a loan or to sell the property to pay the estate tax.

The situation is particularly dire for farmers and small businesses whose owners may have worked all their lives to make a success of the farm or business. The heirs often desire to continue with the farm or the small business, which may have been in the family for generations, but may be forced to sell the farm or business to pay the estate tax.

Your Committee has amended this measure by:

- (1) Changing "death" to "estate" tax for accuracy;
- (2) Deleting the paragraph referencing the effect on the economy in 1996, as being unattributed to a source of that information;
- (3) Deleting the word "immediate" in reference to a repeal of the tax;
- (4) Adding that the estate tax, if not repealed permanently, should otherwise be amended to ease the burden on farmers and small businesses; and
- (5) Deleting the transmission of copies to the President of the United States, President of the U.S. Senate, and Speaker of the U.S. House of Representatives.

As affirmed by the record of votes of the members of your Committee on Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 36, 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. 36, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 1351 Tourism on Gov. Msg. No. 284

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HAWAII TOURISM AUTHORITY

G.M. No. 284 DOUGLAS KAHIKINA CHANG, for a term to expire 06-30-2008

Your Committee received testimony in support of DOUGLAS KAHIKINA CHANG from the Hawaii Tourism Authority (HTA), State Tourism Liaison, Communications Pacific, Hawaii Reserves, Inc., Native Hawaiian Hospitality Association, Diamond Resort Hawaii, Hana Coast Realty, Inc., The Ritz-Carlton, Destination Resorts Hawaii, Inc., Glick Design Maui, Inc., Maui Hotel Association, Napili Kai Beach Resort, Sheraton Maui Resort, Kahana Falls Maui, Nai'a Properties, Inc., Maui Marriott Resort & Ocean Club, Outrigger Hotels Resorts, The Fairmont Kea Lani, Four Seasons Resort Maui at Wailea, Ilima Hotel, Na Mea Hawaii, Ka'anapali Beach Hotel, Hawaii Hotel & Lodging Association, Hokulia, and four individuals.

The nominee has been the General Manager of the Hotel Hana-Maui since 2001. He was previously the Hotel Manager for the Kauai Marriott Resort & Beach Club and the General Manager of the Hanalei Bay Resort. He is the President of the Native Hawaiian Hospitality Association, a Board Member of the Maui Visitors Bureau and the Hana Chapter of the Maui Chamber of Commerce, and a member of the Hawaii Hotel Association, Maui Hotel Association, and Hana Canoe Club. Mr. Chang has also been an officer of numerous visitor and hospitality associations and organizations.

To ensure that nominees to the HTA are sincere and dedicated to the purpose and goals of the HTA, your Committee has consistently asked all nominees to submit to the Committee a written vision statement. The purpose of the vision statement is for nominees to take the time to reflect upon and determine if they are willing to provide the time and effort that is required for the position. Furthermore, the vision statement is a tool for the Committee to assess the nominee's dedication and determination, which are indicative of whether the nominee would be an asset to the board of directors of the HTA.

Your Committee notes the vision statement of the nominee that he sees his role as an advocate for tourism within many different constituencies. His interests lie in building bridges between our host culture and tourism. Mr. Chang will endeavor to balance the marketing and culture activities of the HTA. Your Committee further notes his emphasis upon holding the HTA accountable for its performance in marketing and holding contractors accountable for achieving agreed upon goals.

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 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 (Hee).

SCRep. 1352 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.C.R. No. 107

The purpose of this measure is to request the Department of Transportation (DOT) to study and evaluate current Hawaii County traffic plans to ensure the objectives of the Hawaii State Planning Act for transportation planning are met and to prepare a traffic solution plan for Hawaii County.

Your Committees received testimony in support of this measure from the Department of Transportation, ILWU Local 142, Five Mountains Hawaii, and The North Hawaii Outcomes Project (NHOP).

The NHOP has been working with the Department of Health, DOT, Hawaii County Police Department, Hawaii County Mass Transit Agency, Hawaii County Department of Public Works, Kona and South Kohala traffic safety committees, Mothers Against Drunk Driving, emergency room physicians, and the Big Island business community to study traffic accident prevention and safety measures. The NHOP has found a significantly higher rate of fatal vehicle crashes from 1996 to 2002 in Hawaii County compared to rates in all the other counties: three times higher than Honolulu and two times higher than Maui and Kauai. Testimony indicated that there are numerous hazardous road conditions that are major causative factors in serious and often fatal vehicular crashes. The vast majority of the accidents involve residents who are familiar with the roads but who nonetheless are not able to safely negotiate the hazards. Your Committees find the testimony to be disturbing and find the hazardous road conditions to warrant immediate attention from the State and Hawaii County.

Your Committees further find that some notorious traffic accident sites should be made safe as soon as possible rather than await the formation of a comprehensive county traffic plan. Your Committees request the DOT and the Hawaii County Department of Public Works to take immediate remedial action to make safe those locations identified in testimony by the NHOP. Your Committees further request the Mayor of Hawaii County to expend funds for a share of the planning costs of at least \$500,000 identified by the DOT in testimony, and the costs of the immediate remedial work.

Testimony on this measure indicated that the NHOP has not been able to obtain traffic accident records to accurately assess highway hazards. Your Committees note that S.B. No. 689, S.D. 1 (2005) would have prohibited the discovery and admission into evidence of highway hazard evaluation data, as provided by federal law pursuant to Title 23, U.S.C. section 409. Your Committees find that the provisions of S.B. No. 689 and the federal law are identical. However, it appears that the DOT and the county police are still not sharing the gathered data for bona fide traffic studies conducted by private organizations for research purposes. According to testimony of the Attorney General on S.B. No. 689, the reluctance stems from an overabundance of caution by state and local traffic officials resulting from sometimes unpredictable local court rulings in favor of plaintiffs in traffic accident litigation despite the federal law. Therefore, state and county authorities do not want to invite litigation against them. In the absence of a state statute, your Committees believe that a predicament exists in Hawaii in that federal statutory law confers protection on sharing this information but the case law interpreting and applying that law in Hawaii effectively abrogates the federal law.

Your Committees have amended this measure by:

- (1) Requesting the DOT to consult with the Hawaii County Department of Public Works for purposes of the study; and
- (2) Requesting the DOT to submit an interim report, including projected cost estimates to complete the final report, before the 2006 Regular Session, and a final report before the 2007 Regular Session.

It is the intent of your Committees to include funding to complete the study in a 2006 measure, based upon the cost estimates in the interim report. Your Committees request the DOT to also seek federal funding, particularly if the subject highway sites are used by military vehicles.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs 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, 7. Noes, none. Excused, 5 (Baker, English, Hee, Kanno, Kim).

SCRep. 1353 (Joint) Transportation and Government Operations, Human Services and Intergovernmental Affairs on S.C.R. No. 96

The purpose of this measure is to request that the counties develop a strategic plan for furnishing transportation options for seniors within their county.

Your Committees received testimony in support of this measure from two individuals.

Many elderly individuals on Oahu are finding it difficult to utilize the present public bus transportation system, as do elderly individuals in other counties in which such a system exists. These seniors are a gap group of people who depend on public transportation on a daily basis. For various reasons, many physically well seniors have a difficult time utilizing regular city buses but do not qualify for handi-van service.

It is the responsibility of the counties to provide convenient, efficient, and customer-oriented public transportation services, particularly for the senior population. If a county does not have a public bus transportation system, it should nonetheless provide for the transportation needs of seniors in some fashion.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Human Services and Intergovernmental Affairs 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, 11. Noes, none. Excused, 7 (Baker, English, Hee, Ihara, Kanno, Kim, Kokubun).

SCRep. 1354 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.C.R. No. 94

The purpose of this measure is to urge the State and counties to recognize walking and bicycling as a fundamental means of recreation and transportation in Hawaii.

Your Committees received testimony in support of this measure from the Department of Transportation.

According to the American Medical Association, sixty percent of Americans lead completely sedentary lifestyles and forty percent are clinically overweight. The research found that one reason for Americans' sedentary lifestyle is that automobile travel has replaced walking and bicycling for all but the shortest distances.

The benefits of walking and bicycling are numerous and far-reaching. Increased physical activity reduces the risk of coronary heart disease, stroke, and other chronic diseases, and the physical activity need not be unduly strenuous for an individual to reap health benefits as a person's health can be significantly improved by thirty minutes of moderate physical activity on most days of the week. Walking and bicycling reduce vehicular traffic congestion and related air and noise pollution, which in turn helps decrease respiratory ailments, prevent global warming, preserve habitat and open space, and decrease dependence on foreign oil.

In communities where people regularly walk and bicycle, there is a palpable sense that these are safe and friendly places to live and visit. The State and counties should strive for bicycle friendly and walkable communities that promote active living because bicycling and walking are an economical, environmentally friendly, and healthy means of transportation, and are solutions to traffic congestion.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 94 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Baker, English, Hee, Kanno, Kim).

SCRep. 1355 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.R. No. 58

The purpose of this measure is to request the Department of Transportation (DOT) to study and evaluate current Hawaii County traffic plans to ensure the objectives of the Hawaii State Planning Act for transportation planning are met and to prepare a traffic solution plan for Hawaii County.

Your Committees received testimony in support of this measure from the Department of Transportation, ILWU Local 142, Five Mountains Hawaii, and The North Hawaii Outcomes Project (NHOP).

The NHOP has been working with the Department of Health, DOT, Hawaii County Police Department, Hawaii County Mass Transit Agency, Hawaii County Department of Public Works, Kona and South Kohala traffic safety committees, Mothers Against Drunk Driving, emergency room physicians, and the Big Island business community to study traffic accident prevention and safety measures. The NHOP has found a significantly higher rate of fatal vehicle crashes from 1996 to 2002 in Hawaii County compared to rates in all the other counties: three times higher than Honolulu and two times higher than Maui and Kauai. Testimony indicated that there are numerous hazardous road conditions that are major causative factors in serious and often fatal vehicular crashes. The vast majority of the accidents involve residents who are familiar with the roads but who nonetheless are not able to safely negotiate the hazards. Your Committees find the testimony to be disturbing and find the hazardous road conditions to warrant immediate attention from the State and Hawaii County.

Your Committees further find that some notorious traffic accident sites should be made safe as soon as possible rather than await the formation of a comprehensive county traffic plan. Your Committees request the DOT and the Hawaii County Department of Public Works to take immediate remedial action to make safe those locations identified in testimony by the NHOP. Your Committees further request the Mayor of Hawaii County to expend funds for a share of the planning costs of at least \$500,000 identified by the DOT in testimony, and the costs of the immediate remedial work.

Testimony on this measure indicated that the NHOP has not been able to obtain traffic accident records to accurately assess highway hazards. Your Committees note that S.B. No. 689, S.D. 1 (2005) would have prohibited the discovery and admission into evidence of highway hazard evaluation data, as provided by federal law pursuant to Title 23, U.S.C. section 409. Your Committees find that the provisions of S.B. No. 689 and the federal law are identical. However, it appears that the DOT and the county police are still not sharing the gathered data for bona fide traffic studies conducted by private organizations for research purposes. According to testimony of the Attorney General on S.B. No. 689, the reluctance stems from an overabundance of caution by state and local traffic officials resulting from sometimes unpredictable local court rulings in favor of plaintiffs in traffic accident litigation despite the federal law. Therefore, state and county authorities do not want to invite litigation against them. In the absence of a state statute, your Committees believe that a predicament exists in Hawaii in that federal statutory law confers protection on sharing this information but the case law interpreting and applying that law in Hawaii effectively abrogates the federal law.

Your Committees have amended this measure by:

- (1) Requesting the DOT to consult with the Hawaii County Department of Public Works for purposes of the study; and
- (2) Requesting the DOT to submit an interim report, including projected cost estimates to complete the final report, before the 2006 Regular Session, and a final report before the 2007 Regular Session.

It is the intent of your Committees to include funding to complete the study in a 2006 measure, based upon the cost estimates in the interim report. Your Committees request the DOT to also seek federal funding, particularly if the subject highway sites are used by military vehicles.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs 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, 7. Noes, none. Excused, 5 (Baker, English, Hee, Kanno, Kim).

SCRep. 1356 (Joint) Transportation and Government Operations and Intergovernmental Affairs on S.R. No. 53

The purpose of this measure is to urge the State and counties to recognize walking and bicycling as a fundamental means of recreation and transportation in Hawaii.

Your Committees received testimony in support of this measure from the Department of Transportation.

According to the American Medical Association, sixty percent of Americans lead completely sedentary lifestyles and forty percent are clinically overweight. The research found that one reason for Americans' sedentary lifestyle is that automobile travel has replaced walking and bicycling for all but the shortest distances.

The benefits of walking and bicycling are numerous and far-reaching. Increased physical activity reduces the risk of coronary heart disease, stroke, and other chronic diseases, and the physical activity need not be unduly strenuous for an individual to reap health benefits as a person's health can be significantly improved by thirty minutes of moderate physical activity on most days of the week. Walking and bicycling reduce vehicular traffic congestion and related air and noise pollution, which in turn helps decrease respiratory ailments, prevent global warming, preserve habitat and open space, and decrease dependence on foreign oil.

In communities where people regularly walk and bicycle, there is a palpable sense that these are safe and friendly places to live and visit. The State and counties should strive for bicycle friendly and walkable communities that promote active living because bicycling and walking are an economical, environmentally friendly, and healthy means of transportation, and are solutions to traffic congestion.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 53 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Baker, English, Hee, Kanno, Kim).

SCRep. 1357 Judiciary and Hawaiian Affairs on H.B. No. 712

The purpose of this measure is to establish various criminal offenses and penalties as well as civil and administrative fines relating to the taking, appropriating, excavating, injuring, destroying, or altering a historic property, aviation artifact, or burial site.

Testimony in support of the measure was submitted by the Department of Land and Natural Resources, the Office of Hawaiian Affairs, Pae 'Aina Communications LLP, Hui Malama i na Kupuna o Hawai'i Nei, Anonui Builders, Inc. and five individuals. The Office of the Public Defender testified in opposition to the measure.

This measure creates criminal sanctions as well as authorizes a court or administrative adjudicative authority to impose civil and administrative fines for violations of Chapter 6E, Hawaii Revised Statutes. Your Committee finds that this measure is designed to protect and preserve important historic and cultural burial sites and properties as well as artifacts located within those sites.

Your Committee has amended this measure by making it a civil and administrative violation to glue together human remains, label them with a marking pen, or conduct any destructive tests, except as permitted by the department.

Your Committee has also amended this measure by making technical, non-substantive changes for purposes of clarity and consistency as well as making the measure effective 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. 712, 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. 712, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1358 Judiciary and Hawaiian Affairs on H.B. No. 895

The purpose of this measure is to mitigate the effects of artificial light emanating from floodlights, spotlights, or uplights on coastal and shoreline waters by regulating the use and positioning of these devices.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Office of Hawaiian Affairs, the Department of Transportation, the Hawaii Audubon Society, the Sierra Club-Hawaii Chapter, Life of the Land, and eight individuals. Testimony in opposition to the measure was submitted by the Hawaii Hotel and Lodging Association, the Land Use Research Foundation of Hawaii, and the Hawaii Resort Developers Conference.

This measure regulates artificial outdoor lighting that is used primarily for decorative or aesthetic purposes. Your Committee finds that artificial light that directly illuminates Hawaii's coastal and shoreline areas can negatively impact the mating, feeding, and reproductive habits of various marine species. Accordingly, this measure seeks to balance those concerns with the need to ensure adequate lighting for public safety, security, and navigation needs.

Your Committee has amended this measure by removing language that permitted artificial light fixtures located in a hotel or hotel-condo to illuminate an area of thirty feet into coastal and shoreline areas and instead limited it to an area that is necessary to ensure guest and visitor safety and security.

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. 895, 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. 895, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1359 Judiciary and Hawaiian Affairs on H.B. No. 1201

The purpose of this measure is to amend Hawaii's theft laws with respect to agricultural products, commodities, and livestock.

Specifically, this measure:

- (1) Clarifies that possession of agricultural commodities removed from fenced or posted premises or premises with a visible presence of crops under cultivation, crops in the process of being harvested, or crops that have been harvested without ownership or movement certificates is evidence that the person knows that the commodities are stolen;
- (2) Includes theft of agricultural products that exceed twenty-five pounds in weight within the offense of theft in the second degree; and
- (3) Provides that possession of livestock without ownership or movement certificates is evidence that the person knows that the livestock is stolen.

Testimony in support of the measure was submitted by the Department of the Prosecuting Attorney for the City and County of Honolulu, the Hawaii Farm Bureau, the Big Island Farm Bureau, the Maui County Farm Bureau, the Hawaii Agriculture Research Center, Maui Land and Pineapple Company, Quality Turfgrass, the Hawaii Crop Improvement Association, Pineapple Growers Association of Hawaii, the Hawaii Aquaculture Association, and one individual. The Office of the Public Defender testified in opposition to the measure. The Department of Agriculture and one individual offered comments on the measure.

Your Committee finds that this measure is designed to address the problem of agricultural theft in Hawaii by amending various provisions of Hawaii's theft laws relating to agricultural commodities, livestock, and products.

Your Committee has amended this measure by replacing the contents of this measure with the contents of Senate Bill No. 1588, S.D. 2, a substantially similar bill that also applied the twenty-five pound requirement to agricultural products and commodities, applied a prima facie standard with respect to possession of movement or ownership certificates for livestock, as well as agricultural commodities and products, and implemented signage requirements. Your Committee also made the bill effective on 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. 1201, 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. 1201, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Hee).

SCRep. 1360 Judiciary and Hawaiian Affairs on H.B. No. 1202

The purpose of this measure is to amend Hawaii's trespass law by providing that a person commits the offense of trespass in the second degree if the person enters or remains on cultivated or uncultivated agricultural lands that are fenced or posted with signs or where there is a visible presence of crops.

Testimony in support of the measure was submitted by the Department of the Prosecuting Attorney for the City and County of Honolulu, the Department of Agriculture, the Hawaii Farm Bureau, the Big Island Farm Bureau, the Maui County Farm Bureau, the Hawaii Agriculture Research Center, Maui Land and Pineapple Company, Quality Turfgrass, the Hawaii Crop Improvement Association, the Pineapple Growers Association of Hawaii, and one individual. The Office of the Public Defender commented on the measure.

This measure clarifies the offense of criminal trespass with respect to individuals who enter or remain unlawfully on cultivated or uncultivated agricultural lands. Your Committee finds that this measure also clarifies signage requirements to provide sufficient notice to an individual that he or she is trespassing onto agricultural lands.

Your Committee has amended the bill by making technical amendments and making the bill effective on 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. 1202, 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. 1202, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Hee).

SCRep. 1361 Judiciary and Hawaiian Affairs on H.B. No. 1430

The purpose of this measure is to create a criminal offense of petty misdemeanor disposal of solid waste for illegally dumping one to ten cubic yards of solid waste in a place other than a permitted solid waste management system.

Testimony in support of the measure was submitted by the Department of the Attorney General, the Department of Health, and the Director of Environmental Management for the County of Hawaii. Comments on the measure were submitted by the Windward Ahupua'a Alliance.

Your Committee finds that this measure is designed to address the growing problem of illegal dumping in the State by creating a new criminal offense of petty misdemeanor disposal of solid waste. Further, this measure also clarifies the felony disposal of solid waste offense.

Your Committee has amended this measure by making technical, non-substantive changes for purposes of clarity, inserting a savings clause, and making the measure effective 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. 1430, 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. 1430, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Hee).

SCRep. 1362 Judiciary and Hawaiian Affairs on H.B. No. 1709

The purpose of this measure is to create a new class C felony offense of aggravated criminal property damage.

Testimony in support of this measure was submitted by the Honolulu Police Department. Testimony in opposition to the measure was submitted by the Office of the Public Defender.

This measure creates a new class C felony offense of aggravated criminal property damage which applies to an individual who intentionally damages the property of another and has two or more convictions for criminal property damage in the third or fourth degree within the preceding five years. Your Committee finds that this measure is designed to address the problem of graffiti in the community.

Your Committee has amended this measure by:

- (1) Making the offense of aggravated criminal property damage a misdemeanor as opposed to a class C felony;

- (2) Instituting a mandatory fine of \$2,000 for an individual convicted of this offense; and
- (3) Making technical, non-substantive amendments for purposes of clarity.

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. 1709, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1709, 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, none.

SCRep. 1363 Commerce, Consumer Protection and Housing on H.B. No. 81

The purpose of this measure is to conform state motor carrier vehicle marking requirements to federal standards.

The Department of Transportation and Hawaii Transportation Association testified in support of this measure.

Currently, state law requires that motor carrier vehicles display readily legible markings with letters and figures not less than two and one half inches in height, with a one-quarter inch stroke or width. This measure requires, instead, that markings be readily legible during daylight hours from a distance of fifty feet (15.24 meters), while the motor carrier vehicle is stationary.

Your Committee finds that the proposed marking requirements are consistent with federal motor carrier safety regulations, which have been adopted throughout the United States as a uniform standard.

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. 81, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1364 Commerce, Consumer Protection and Housing on H.B. No. 295

The purpose of this measure is to facilitate the professional and vocational license restoration process for members of the military who have been deployed during a state or national crisis.

The Department of Commerce and Consumer Affairs, Department of Defense, The Chamber of Commerce of Hawaii, and three individuals testified in support of this measure.

This measure facilitates the license restoration process for members of the armed forces, National Guard, and reserves whose professional and vocational licenses expire while the members are on active duty deployment during a state or national crisis, or within four months of being discharged or released therefrom.

Under this measure, license restoration shall be permitted within one hundred twenty days of a member's discharge or release from active duty deployment upon the submission of an application for restoration, copies of activation and discharge orders, and payment of the renewal fee, unless licensure is also subject to verification of the licensee's financial integrity or compliance with a federal requirement; in the latter case, the appropriate documentation must also be provided. Otherwise, the license shall be reinstated without the licensee being required to pay a penalty, apply as a new applicant, or comply with continuing education requirements. Your Committee finds that this measure will help to support the efforts of Hawaii's men and women in uniform who risk their lives to protect our State and nation.

Your Committee has amended this measure:

- (1) To allow a member of the National Guard whose law license will expire while the member is on active federal service outside of the State to renew the law license within ninety days of the member's discharge or release from active federal service if the member has notified the Hawaii Supreme Court of the activation at least thirty days prior to the deadline for license renewal; and
- (2) To take effect on July 1, 2050.

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. 295, 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. 295, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1365 Commerce, Consumer Protection and Housing on H.B. No. 1118

The purpose of this measure is to broaden the standard for Board of Nursing administrative rules relating to the working relationship between an advanced practice registered nurse (APRN) with prescriptive authority and a licensed physician.

The Board of Nursing (BON), Hawaii Nurses' Association, and Hawaii Association of Pediatric Nurse Practitioners testified in support of this measure.

Currently, the law requires BON administrative rules to reflect a "collegial" working relationship between APRNs granted prescriptive authority and licensed physicians. This law is consistent with the initial formulary developed by the joint formulary advisory committee established under section 457-8.6(b), Hawaii Revised Statutes, that authorized APRNs with the authority to prescribe non-controlled substances to have collegial relationships with licensed physicians.

In November 2004, the formulary was amended to allow APRNs with prescriptive authority to prescribe controlled substances under the supervision of a licensed physician. This change requires that the law be amended to authorize BON rules to reflect a "supervisory" relationship between the professions in the case of the prescription of controlled substances.

In the interest of flexibility, and in order to accommodate future changes or additions to the standards for the working relationship between the nursing and medical professions with respect to prescriptive authority, this measure amends the law to require BON rules to reflect "the appropriate", rather than "a collegial" working relationship between APRNs with prescriptive authority and licensed physicians.

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. 1118, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ige).

SCRep. 1366 Commerce, Consumer Protection and Housing on Gov. Msg. No. 265

Recommending that the Senate advise and consent to the nomination of the following:

RENTAL HOUSING TRUST FUND ADVISORY COMMISSION

G.M. No. 265 BECKY L. HAYASHIDA CHOI, for a term to expire 06-30-2008

The Housing and Community Development Corporation of Hawaii testified in support of the nominee.

Upon review of the background information provided by the nominee, your Committee finds that Ms. Hayashida Choi received her Master of Architecture and Master of Arts in Urban Planning degrees from the University of California at Los Angeles. She is a member of the American Planning Association and has worked as a planner, architect intern, project engineer, housing director, and regional recreation director for a school district. The nominee has also volunteered her time and efforts to the community through her involvement with Habitat for Humanity, the Institute for Human Services, the United Methodist Church, and New Hope Christian Fellowship. Ms. Hayashida Choi has served as an appointee to the Rental Housing Trust Fund Advisory Commission since 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, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 1367 Commerce, Consumer Protection and Housing on Gov. Msg. No. 270

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF SPEECH PATHOLOGY AND AUDIOLOGY

G.M. No. 270 JOYCE M. ALLEN, for a term to expire 06-30-2007

The Department of Commerce and Consumer Affairs and six individuals submitted testimony in support of the nominee.

Upon review of the background information provided by the nominee, your Committee finds that Ms. Allen is a litigation paralegal with the law firm of Goodsill Anderson Quinn & Stifel, who has also worked as a litigation secretary for the law firm of Moon, O'Connor, Tam & Yuen. She has volunteered her time and efforts to the community through her involvement with the Girl Scouts of America and her service as the President of the Autism Society of Hawaii. Additionally, Ms. Allen is currently raising an autistic child and possesses an intimate understanding of the challenges involved with speech pathology.

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, 2 (Ige, Hogue).

SCRep. 1368 (Joint) Health and Human Services on S.C.R.No. 195

The purpose of this measure is to improve access to specialty care on the neighbor islands and in rural Oahu.

The State Council on Developmental Disabilities, the John A. Burns School of Medicine of the University of Hawaii, the Hawaii Psychiatric Medical Association, the Arc of Kauai, Hawaii Health Systems Corporation, the Hawaii Medical Home Implementation Grant, the Hawaii Primary Care Association, the Hawaii Medical Service Association, the Hawaii Psychological Association, the Healthcare Association of Hawaii, the Hawaii Disability Rights Center, and one individual submitted testimony in support of this measure. The Department of Health submitted comments.

Your Committees find that thousands of Hawaii residents, particularly vulnerable populations, experience restricted access to specialists because of the limited number of practitioners who are willing to participate in Medicaid or QUEST or to serve the uninsured population. This crisis is even more prevalent for neighbor island residents and residents of rural Oahu. This measure will help identify the barriers and lead to concrete recommendations to improve access to specialty care.

Upon further consideration, and at the request of several proponents, your Committees have amended this measure to include the following agencies for the State Health Planning and Development Agency to consult with:

- (1) The Department of Health;
- (2) The State Council on Developmental Disabilities;
- (3) The Insurance Commissioner;
- (4) Hawaii Psychological Association;
- (5) Hawaii Psychiatric Medical Association; and
- (6) Hawaii Disability Rights Center.

Your Committees have also amended this measure by making technical, non-substantive changes for 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. 195, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 195, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Ihara, Kokubun, Whalen).

SCRep. 1369 (Joint) Health and Human Services on H.C.R. No. 77

The purpose of this measure is to urge the State to support and to develop more federally qualified health centers (FQHCs) throughout the State.

The Hawaii Primary Care Association submitted testimony in support of this measure.

Your Committees find that FQHCs provide a valuable health care safety net for under-served populations in this State, particularly residents who are uninsured or Medicaid or Medicare recipients, and residents who live in rural areas or neighbor islands. As the proponent noted, despite the important services they provide, FQHCs still struggle to ensure that their patients, and the increasing number of people who need their help, obtain access to health care. This measure encourages the State to support existing FQHCs and to identify statewide sites that would benefit from the development of more FQHCs.

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. 77, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Ihara, Kokubun, Whalen).

SCRep. 1370 (Joint) Health and Intergovernmental Affairs on S.C.R. No. 196

The purpose of this measure is to encourage lawmakers to take necessary steps towards making Hawaii a smoke-free state by the year 2010.

The American Heart Association, the American Cancer Society, and the Coalition for a Tobacco Free Hawaii submitted testimony in support of this measure.

Your Committees find that Hawaii is committed to the health and well-being of its residents and takes pride in being known as the "Health State." According to the American Cancer Society, "tobacco use is responsible for over 1,100 deaths per year in Hawaii and

costs the state over \$525 million in health care and other associated costs per year.” A continued approach of promoting tobacco prevention and cessation should bring us closer to a smoke-free Hawaii by the year 2010. This measure urges lawmakers to stay the course towards a smoke-free Hawaii so residents can enjoy the subsequent health and financial benefits.

As affirmed by the records of votes of the members of your Committees on Health and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 196 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (English, Hanabusa, Kim, Whalen).

SCRep. 1371 (Joint) Health and Intergovernmental Affairs on S.R. No. 106

The purpose of this measure is to encourage lawmakers to take necessary steps towards making Hawaii a smoke-free state by the year 2010.

The American Heart Association, the American Cancer Society, and the Coalition for a Tobacco Free Hawaii submitted testimony in support of this measure.

Your Committees find that Hawaii is committed to the health and well-being of its residents and takes pride in being known as the “Health State.” According to the American Cancer Society, “tobacco use is responsible for over 1,100 deaths per year in Hawaii and costs the state over \$525 million in health care and other associated costs per year.” A continued approach of promoting tobacco prevention and cessation should bring us closer to a smoke-free Hawaii by the year 2010. This measure urges lawmakers to stay the course towards a smoke-free Hawaii so residents can enjoy the subsequent health and financial benefits.

As affirmed by the records of votes of the members of your Committees on Health and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 106 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (English, Hanabusa, Kim, Whalen).

SCRep. 1372 Health on S.C.R. No. 111

The purpose of this measure is to convene a temporary interdepartmental emergency contraception information working group to develop a mechanism to disseminate information on the availability of emergency contraception in the State.

The Community Alliance on Prisons submitted testimony in support of this measure. The Department of Health and the Judiciary submitted comments.

The Department of Health testified regarding the existence of an Emergency Contraception Interagency Work Group comprised of members of the public and private sector that has already outlined priorities to promote emergency contraception awareness, increase utilization of emergency contraception, and monitor the impact of the emergency contraception program. Your Committee finds that information about the availability of emergency contraception and where to get it must be disseminated to the public in order for the initiative to be successful.

Your Committee has amended this measure by deleting any reference to the convening of a temporary interdepartmental emergency contraception information working group and instead tasks the existing work group to develop a mechanism to effectively disseminate information on the availability of over-the-counter emergency contraception in the State. At its request, your Committee has also deleted the Judiciary from participating in the work group.

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. 111, 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. 111, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1373 Health on S.R. No. 61

The purpose of this measure is to convene a temporary interdepartmental emergency contraception information working group to develop a mechanism to disseminate information on the availability of emergency contraception in the State.

The Community Alliance on Prisons submitted testimony in support of this measure. The Department of Health and the Judiciary submitted comments.

The Department of Health testified regarding the existence of an Emergency Contraception Interagency Work Group comprised of members of the public and private sector that has already outlined priorities to promote emergency contraception awareness, increase utilization of emergency contraception, and monitor the impact of the emergency contraception program. Your Committee finds that information about the availability of emergency contraception and where to get it must be disseminated to the public in order for the initiative to be successful.

Your Committee has amended this measure by deleting any reference to the convening of a temporary interdepartmental emergency contraception information working group and instead tasks the existing work group to develop a mechanism to effectively disseminate information on the availability of over-the-counter emergency contraception in the State. At its request, your Committee has also deleted the Judiciary from participating in the work group.

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. 61, 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. 61, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1374 Higher Education on S.C.R. No. 171

The purpose of this measure is to request the University of Hawaii to submit a report to the Legislature regarding its actions to increase safety and security on its campuses.

Your Committee received testimony in support of this measure from University of Hawaii and the University of Hawaii Student Caucus.

The University of Hawaii at Manoa campus consists of approximately 50,000 day and night students, of which more than 3,000 reside on the Manoa campus.

The University of Hawaii is firmly committed to providing a safe and secure campus environment as set forth in its policies and procedures that is designed to ensure that every possible precautionary measure is taken to protect persons and property.

Safety and security issues have been longstanding concerns on University of Hawaii campuses statewide and, with the growth of the university system, an increase in crimes against persons and property has become a concern.

The Fall 2003 University of Hawaii at Manoa Campus Annual Crime Report indicated there was an increase in the number of violent crimes on campus, including hate crimes, arsons, and other related offenses, as well as seven offenses of forcible sex, ten offenses of arson, eight offenses of aggravated assault, and one hundred and twenty eight offenses of burglary.

Your Committee has amended this measure by:

- (1) Updating the crime statistics from 2003 to 2004 that included three forcible sex offenses and seventy-seven offenses of burglary and no offenses of aggravated assault; and
- (2) Adding private sector security agencies to be included in the task force.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 171, 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. 171, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1375 Higher Education on S.C.R. No. 179

The purpose of this measure is to request the Legislative Reference Bureau to conduct a follow-up study of the advisability and feasibility of establishing a Hawaii state university that incorporates the University of Hawaii at Hilo and is separate and distinct from the University of Hawaii.

Your Committee emphasizes that the requested study is intended to provide an update to the study conducted by the Legislative Reference Bureau entitled, "The Establishment of an Independent University of Hawaii at Hilo" (January 1986). An updated study is needed due to passage of time and dynamic developments that have occurred at the University of Hawaii at Hilo.

Your Committee has amended this measure by:

- (1) Requiring the Legislative Reference Bureau to address in its study:
 - (A) The likely fiscal and organizational impacts of the conversion from the current statewide system to a separate state university; and
 - (B) The benefits of the current statewide university system structure;
- (2) Clarifying that the study should address possible, rather than recommended, changes in organization resulting from the establishment of a separate state university;
- (3) Deleting "including any proposed legislation" from the Legislative Reference Bureau's reporting requirements;

- (4) Adding a whereas clause that sets forth the significant changes and accomplishments that have occurred at the University of Hawaii at Hilo since the 1986 Legislative Reference Bureau study; 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 Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 179, 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. 179, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Sakamoto).

SCRep. 1376 (Joint) Higher Education and Human Services on S.C.R. No. 181

The purpose of this measure is to request the University of Hawaii (UH) to create a task force to assess the need for disability access for each campus.

Your Committees received testimony in support of this measure from the UH, State Council on Developmental Disabilities, and twelve individuals.

Your Committees believe that persons with disabilities have the right to participate in society including pursuing post secondary education as a means to greater economic independence. However, students with disabilities face a multitude of barriers to succeeding in post-secondary education. These barriers are not only architectural, but include programmatic access as well as fighting the perception that a disability leaves one incapable of learning and working.

According to the UH, the various UH campuses serve approximately 1,500 students with a wide range of disabilities. The UH noted that an increasing number of students are coming forth to identify their disabilities and to request support and services to participate in the college environment. In addition, the UH system also continues to experience increasing enrollment resulting in a corresponding increase in the number of students needing disability support and services at each campus.

Your Committees have amended this measure by:

- (1) Increasing the participants of the task force to include Disability and Communication Access Board, Hawaii Disability Rights Center, and the UH Center on Disability Studies;
- (2) Recognizing the Association for Higher Education And Disability's "Program Standards" as a guide for the minimum standards that each campus should strive to meet; and
- (3) Utilizing the findings and recommendations of the "Capacity Building Institute on Students with Intellectual Disabilities and Post-secondary Education" coordinated and sponsored by the State Council on Developmental Disabilities and the UH Center on Disability Studies on February 27, 2005 as a guide to conducting an assessment.

As amended, this measure requests that the UH convene a task force of service providers, advocates, and consumers to develop a comprehensive plan to address the needs of students with disabilities and to provide them with the best opportunity to succeed at each campus. Your Committees noted that while the measure does not specifically identify students with disabilities as members of the task force it is noted that the UH Commission on Disability Access includes students with disabilities.

Your Committees believe that the findings and recommendations of the task force will lay the groundwork for future services, supports, policies, and budget appropriations to benefit all students with disabilities intending to pursue post secondary education in the State of Hawaii.

As affirmed by the records of votes of the members of your Committees on Higher Education and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 181, 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. 181, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Fukunaga, Ihara, Sakamoto).

SCRep. 1377 Human Services on S.C.R. No. 185

The purpose of this measure is to urge the Department of Human Services (DHS) to ensure timely updates of the child welfare services database.

Your Committee received testimony from the DHS which supports the intent and provided comments. Testimony in support was also received from the Hawaii Family Advocacy Center, and two individuals.

Many Native Hawaiian and other communities are battling the epidemic effects of crystal methamphetamine and related drug use, which are having grave impacts upon families. There are an increasing number of anecdotal accounts of children being summarily removed from Native Hawaiian families by Child Welfare Services and placed in foster care or put up for adoption, when responsible family caregivers, such as grandparents, were willing and able to care for these children.

In January 1999, the State Auditor released a report entitled "Audit of the Child Protective Services System" (Report No. 99-5) criticizing the department's communication and decision-making processes which affect the children's safety and well-being. A follow-up audit was conducted (Report No. 03-12), which found that many of the deficiencies in 1999 continue and that the problem stems from the disregard of department management controls.

A major part of the problem is that allegedly the State's child abuse and neglect database remains unreliable, resulting in inaccurate, incomplete, and outdated case information. Timely filing and database input are management controls for accurate case file and database maintenance. Failure to document case files impacts a database's reliability and may cause decision-makers to lack key information which places children, families, and the State at risk.

Your Committee has amended this measure by requesting the Legislative Reference Bureau to conduct a study of other state laws regarding the expungement from the child abuse central registry of unsubstantiated child abuse reports, and an investigation into the process and procedures for expungement in Hawaii.

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. 185, 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. 185, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 1378 Human Services on S.C.R. No. 226

The purpose of this measure is to urge support for Malama O Kamali'i Makamae in its efforts to develop care home facilities for abused and abandoned children of Hawaiian ancestry.

Your Committee received testimony in support of this measure from Malama O Kamali'i Makamae. The Department of Human Services (DHS) provided comments.

The mission and goals of Malama O Kamali'i Makamae's Children Hanai Ohana Care, Emergency Shelter, and Learning Centers are to provide long-term and emergency care for children in need of a place of refuge, a place for physical and emotional healing, and a place for educational care and learning in a safe, healthy, and nurturing environment. Malama O Kamali'i Makamae serves children ages zero to thirteen years old, who are victims of adults' unemployment, homelessness, addiction to drugs and/or alcohol, abusiveness, and self-destruction.

Malama O Kamali'i Makamae gives preference to kamali'i (children) of Hawaiian ancestry, who are orphaned, abandoned, abused, homeless, and neglected in their present living environment from their adult caregivers.

DHS supports and acknowledges the importance of preserving cultural connections, promoting healthier lifestyles in the fight against drugs, and encouraging good study and learning habits to improve education outcomes for children. However, DHS does not support placement of children ages zero to thirteen years old in long-term care facilities because it is contrary to the well-being of children and best practices of keeping children with their families and relatives.

Your Committee finds that maintaining family and cultural connections is essential to the well-being of children. Your Committees further find that the reunification of children with their families allows families to preserve these connections.

Your Committee, which gave permission to the Chairperson of your Committee to work on changes to this measure, has amended this measure by including two provisions recommended by Malama O Kamali'i Makamae:

- (1) Adding language that a DHS 2002-2003 Report showed that native and part Hawaiians have the highest rates of general and financial assistance as well as the highest rates for child abuse and neglect; and
- (2) Adding the findings from the final report of the Joint House-Senate Task Force on Ice and Drug Abatement 2004, entitled "Protecting Children Exposed to Ice in the Home," which were:
 - (a) The inadequacy of resources to respond to the needs of families and children;
 - (b) The lack of coordination between governments to address the substance issues;
 - (c) The lack of discussion to implement a plan to resolve the escalating number of child abuse cases resulting from ice abuse in the home; and
 - (d) The effects of ice abuse that costs Hawaii's taxpayers between seventy million and eighty four million dollars annually.

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. 226, 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. 226, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Kokubun).

SCRep. 1379 Human Services on S.C.R. No. 129

The purpose of this measure is to request the Department of Human Services and the Chief of the Hawaii County Police Department to publicly disclose information related to the disappearance of Peter Kema, Jr.

The Department of Human Services and Hawaii Youth Services Network submitted testimony in support of this measure. The Attorney General submitted comments.

Your Committee finds that it is necessary to clarify laws pertaining to the release of confidential information to third parties under the Child Protective Act. Confidentiality in child abuse and neglect cases is important to protect the rights of family members and ensure the safety of juveniles. On the other hand, confidentiality laws have created difficulties in providing information to the public, other government agencies, and non-profit legal service providers. The case of Peter Boy Kema illustrates the problems associated with confidentiality laws that are too broad.

The Hawaii Supreme Court, in Kema v. Gaddis, 91 Haw. 200 (1999), invalidated a Family Court (Third Circuit) Order that authorized the release of information pertaining to a protection proceeding. The Department of Human Services on December 29, 2004, with the assistance from the Attorney General, revised the applicable confidentiality rules. The Department of Human Services is now authorized to disclose confidential records regarding a certain child without consent or court order when that child is missing. Testimony from the department indicated that it is prepared to release this information upon direction from the Legislature.

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. 129 and recommends that it 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 (Ihara, Kokubun).

SCRep. 1380 Human Services on S.R. No. 70

The purpose of this measure is to request the Department of Human Services and the Chief of the Hawaii County Police Department to publicly disclose information related to the disappearance of Peter Kema, Jr.

The Department of Human Services and Hawaii Youth Services Network submitted testimony in support of this measure. The Attorney General submitted comments.

Your Committee finds that it is necessary to clarify laws pertaining to the release of confidential information to third parties under the Child Protective Act. Confidentiality in child abuse and neglect cases is important to protect the rights of family members and ensure the safety of juveniles. On the other hand, confidentiality laws have created difficulties in providing information to the public, other government agencies, and non-profit legal service providers. The case of Peter Boy Kema illustrates the problems associated with confidentiality laws that are too broad.

The Hawaii Supreme Court, in Kema v. Gaddis, 91 Haw. 200 (1999), invalidated a Family Court (Third Circuit) Order that authorized the release of information pertaining to a protection proceeding. The Department of Human Services on December 29, 2004, with the assistance from the Attorney General, revised the applicable confidentiality rules. The Department of Human Services is now authorized to disclose confidential records regarding a certain child without consent or court order when that child is missing. Testimony from the department indicated that it is prepared to release this information upon direction from the Legislature.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 70 and recommends that it 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 (Ihara, Kokubun).

SCRep. 1381 Human Services on S.C.R. No. 170

The purpose of this measure is to request the Department of Human Services to post Temporary Assistance for Needy Families (TANF) budget information on its website for public review.

The Department of Human Services, National Association of Social Workers-Hawaii Chapter, and an individual submitted testimony in support of this measure.

Your Committee finds that TANF budget information is not currently available on the Department of Human Services website, and openness and accountability in government are foremost priorities of the Legislature. To ensure that the public has access to information regarding how TANF funds are used and allocated, this measure requests the department to include comprehensive budget information on its website, including a breakdown of expenditures for each division and program ID, as well as the expenditures for each contract, including the names of the contractors.

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. 170 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, 2 (Ihara, Kokubun).

SCRep. 1382 (Joint) Human Services and Health on S.C.R. No. 227

The purpose of this measure is to create an advisory board and planning task force for the Healthy Start Program.

Your Committees received testimony in support of this measure from the Child & Family Service, Parents and Children Together, Hawaii Family Support Institute, Hawaii Family Support Institute, Family Support Services of West Hawaii, Kookaa Kalihi Valley, and Blueprint for Change.

The Healthy Start Program is Hawaii's only alternative primary intervention program to effectively protect children from abuse and neglect. It is imperative that the Department of Health and Healthy Start Program providers work collaboratively to restructure the current model to enhance program effectiveness for Hawaii's children and families, and to develop a plan to streamline federal requirements that may impede service delivery in its current form.

Your Committees have amended this measure to add the Department of Health as the facilitator of the task force.

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. 227, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 227, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Ihara, Kokubun, Whalen).

SCRep. 1383 (Joint) Human Services and Health on S.R. No. 130

The purpose of this measure is to create an advisory board and planning task force for the Healthy Start Program.

Your Committees received testimony in support of this measure from the Child & Family Service, Parents and Children Together, Hawaii Family Support Institute, Hawaii Family Support Institute, Family Support Services of West Hawaii, Kookaa Kalihi Valley, and Blueprint for Change.

The Healthy Start Program is Hawaii's only alternative primary intervention program to effectively protect children from abuse and neglect. It is imperative that the Department of Health and Healthy Start Program providers work collaboratively to restructure the current model to enhance program effectiveness for Hawaii's children and families, and to develop a plan to streamline federal requirements that may impede service delivery in its current form.

Your Committees have amended this measure to add the Department of Health as the facilitator of the task force.

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.R. No. 130, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 130, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Ihara, Kokubun, Whalen).

SCRep. 1384 Health on S.C.R. No. 93

The purpose of this measure is to urge the Department of Health to assist in the reestablishment of the child and adolescent mental health unit, known as the Molokini Unit, at Maui Memorial Medical Center.

The National Alliance for the Mentally Ill O'ahu, the Mental Health Association in Hawaii, the Maui County Branch of the Mental Health Association in Hawaii, the Hawaii Psychiatric Medical Association, the Hawaii Psychological Association, the Hawaii Disability Rights Center, the Community Children's Council of Maui, and five individuals submitted testimony in support of this measure. The Maui Memorial Medical Center and Hawaii Health Systems Corporation submitted testimony in support of the intent of this measure. The Department of Health submitted comments.

Your Committee finds that there is an urgent need in Maui for a system of psychiatric care for children and adolescents. Since the Molokini unit of the Maui Memorial Medical Center closed in July 2004, Maui families and their children in crisis are forced to seek help on Oahu. This delay in treatment and the lack of available on-call psychiatrists specializing in child and adolescent care exacerbate the crisis. Several proponents stressed that reunification of family members becomes more difficult as a child returns from an Oahu facility. Consequently, many adolescents are placed in residential services rather than returned to their homes. Further, the transportation and hotel costs of seeking treatment on Oahu pose an undue hardship on these families.

Following the close of the Molokini Unit, the Department of Health and the Hawaii Health Systems Corporation started working closely to reestablish child and adolescent psychiatry services on Maui. A crisis stabilization model is being proposed as a means of meeting urgent child and adolescent psychiatric health care needs without incurring the ongoing high costs of a full acute inpatient unit. Proponents envision crisis stabilization units in central Maui and Hilo that would focus on stabilizing the urgent medical crisis through intensive family treatment and psychiatric consultation.

Upon further consideration, your Committee has amended this measure by:

- (1) Deleting the second, third, and fourth whereas clauses relating to a lawsuit;
- (2) Changing the focus from urging the Department of Health to assist in the reopening the Molokini unit to facilitating a stakeholder group, in cooperation with Hawaii Health Systems Corporation, to develop and implement crisis stabilization services at the Maui Memorial Medical Center;
- (3) Specifying five integral elements for the stakeholder group to focus on during the development process of the crisis stabilization services including exploring a partnership with Tripler Army Hospital's Psychiatry Department;
- (4) Requesting that the Department of Health and Hawaii Health Systems Corporation submit a report of the stakeholder group's activities, including any findings and recommendations, to the Legislature not less than twenty days before the convening of the regular session of 2006; and
- (5) Making technical, non-substantive changes for 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 concurs with the intent and purpose of S.C.R. No. 93, 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. 93, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1385 Health on S.R. No. 52

The purpose of this measure is to urge the Department of Health to assist in the reestablishment of the child and adolescent mental health unit, known as the Molokini Unit, at Maui Memorial Medical Center.

The National Alliance for the Mentally Ill O'ahu, the Mental Health Association in Hawaii, the Maui County Branch of the Mental Health Association in Hawaii, the Hawaii Psychiatric Medical Association, the Hawaii Psychological Association, the Hawaii Disability Rights Center, the Community Children's Council of Maui, and five individuals submitted testimony in support of this measure. The Maui Memorial Medical Center and Hawaii Health Systems Corporation submitted testimony in support of the intent of this measure. The Department of Health submitted comments.

Your Committee finds that there is an urgent need in Maui for a system of psychiatric care for children and adolescents. Since the Molokini unit of the Maui Memorial Medical Center closed in July 2004, Maui families and their children in crisis are forced to seek help on Oahu. This delay in treatment and the lack of available on-call psychiatrists specializing in child and adolescent care exacerbate the crisis. Several proponents stressed that reunification of family members becomes more difficult as a child returns from an Oahu facility. Consequently, many adolescents are placed in residential services rather than returned to their homes. Further, the transportation and hotel costs of seeking treatment on Oahu pose an undue hardship on these families.

Following the close of the Molokini Unit, the Department of Health and the Hawaii Health Systems Corporation started working closely to reestablish child and adolescent psychiatry services on Maui. A crisis stabilization model is being proposed as a means of meeting urgent child and adolescent psychiatric health care needs without incurring the ongoing high costs of a full acute inpatient unit. Proponents envision crisis stabilization units in central Maui and Hilo that would focus on stabilizing the urgent medical crisis through intensive family treatment and psychiatric consultation.

Upon further consideration, your Committee has amended this measure by:

- (1) Deleting the second, third, and fourth whereas clauses relating to a lawsuit;
- (2) Changing the focus from urging the Department of Health to assist in the reopening the Molokini unit to facilitating a stakeholder group, in cooperation with Hawaii Health Systems Corporation, to develop and implement crisis stabilization services at the Maui Memorial Medical Center;
- (3) Specifying five integral elements for the stakeholder group to focus on during the development process of the crisis stabilization services including exploring a partnership with Tripler Army Hospital's Psychiatry Department;
- (4) Requesting that the Department of Health and Hawaii Health Systems Corporation submit a report of the stakeholder group's activities, including any findings and recommendations, to the Legislature not less than twenty days before the convening of the regular session of 2006; and
- (5) Making technical, non-substantive changes for 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 concurs with the intent and purpose of S.R. No. 52, 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. 52, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1386 Health on S.C.R. No. 113

The purpose of this measure is to request the Auditor to conduct a programmatic and financial audit of the Hawaii Tobacco Settlement Special Fund.

The Department of Health submitted testimony in support of this measure.

Your Committee finds that the Hawaii Tobacco Settlement Special Fund was established in 1999 and a sufficient period of time has elapsed for it to be appropriate to examine issues such as:

- (1) How, and how effectively and efficiently, the tobacco settlement moneys have been spent;
- (2) How effective the programs funded by the settlement moneys have been;
- (3) How effectively and efficiently the settlement moneys have been invested; and
- (4) Other relevant programmatic and fiscal issues.

This measure requests the Auditor to conduct an audit to examine these and other relevant issues. The results of the audit will assist the Legislature in considering the possibility of the restructuring and reallocation of funds to other areas to support healthy lifestyles and reduce the risk of chronic disease.

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. 113 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, 1 (Hanabusa).

SCRep. 1387 (Joint) Health and Energy, Environment, and International Affairs on S.C.R. No. 135

The purpose of this measure is to convene a working group to develop recommendations for creating a comprehensive vog emissions monitoring system for the island of Hawaii.

The Department of Health and one individual submitted testimony in support of the intent of this measure.

According to the Department of Health, several studies are presently being conducted regarding the health impacts from the volcanic emissions on the island of Hawaii. One study in particular, "UH NIH Hawaii Island Lung Assessment Study" being conducted by Dr. Elizabeth Tam, M.D., is of particular interest because it has been collecting monitoring data of particulate matter, SO₂, and acid mists since 2002 for Hilo, Kau, Keaau, Kohala, North Kona, and South Kona. Furthermore, Dr. Tam has already convened a scientific advisory committee to assist and provide advice.

The Department of Health Clean Air Branch intends to review and analyze the data from these studies and other available information. It also expects to complete a monitoring plan and a report addressing the approach including the number of stations, locations, quality assurance measures, advisory system, scheduling, material costs, and manpower requirements. According to the Department of Health, a report on the plan and the status of current activities should be available by the end of 2005.

Upon further consideration, your Committees have amended this measure by:

- (1) Deleting the provisions regarding the convening of a working group;
- (2) Requesting the Department of Health Clean Air Branch to share its findings and any report on the plan with the Big Island community and the Legislature;
- (3) Requesting that the report include the status of the Department's current efforts and any future plans to:
 - (A) Quantify the number of monitoring stations adequate for the entire island of Hawaii;
 - (B) Identify the locations for each monitoring station on the island of Hawaii;
 - (C) Determine the type, location, and frequency of testing, if any, that should be performed;
 - (D) Determine the system for monitoring at each station; and
 - (E) Develop a uniform emissions scale to alert residents of vog emissions levels;
- (4) Requesting the Department of Health to report its findings and the status of its activities to the Legislature no later than twenty days before the convening of the Regular Session of 2006; and
- (5) Changing the entity to receive certified copies of the concurrent resolution to the Director of Health.

As affirmed by the records of votes of the members of your Committees on Health and Energy, Environment, and International Affairs 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, 6. Noes, none. Excused, 3 (Hanabusa, Hemmings, Whalen).

SCRep. 1388 (Joint) Health and Energy, Environment, and International Affairs on S.R. No. 73

The purpose of this measure is to convene a working group to develop recommendations for creating a comprehensive vog emissions monitoring system for the island of Hawaii.

The Department of Health and one individual submitted testimony in support of the intent of this measure.

According to the Department of Health, several studies are presently being conducted regarding the health impacts from the volcanic emissions on the island of Hawaii. One study in particular, "UH NIH Hawaii Island Lung Assessment Study" being conducted by Dr. Elizabeth Tam, M.D., is of particular interest because it has been collecting monitoring data of particulate matter, SO₂, and acid mists since 2002 for Hilo, Kau, Keaau, Kohala, North Kona, and South Kona. Furthermore, Dr. Tam has already convened a scientific advisory committee to assist and provide advice.

The Department of Health Clean Air Branch intends to review and analyze the data from these studies and other available information. It also expects to complete a monitoring plan and a report addressing the approach including the number of stations, locations, quality assurance measures, advisory system, scheduling, material costs, and manpower requirements. According to the Department of Health, a report on the plan and the status of current activities should be available by the end of 2005.

Upon further consideration, your Committees have amended this measure by:

- (1) Deleting the provisions regarding the convening of a working group;
- (2) Requesting the Department of Health Clean Air Branch to share its findings and any report on the plan with the Big Island community and the Legislature;
- (3) Requesting that the report include the status of the Department's current efforts and any future plans to:
 - (A) Quantify the number of monitoring stations adequate for the entire island of Hawaii;
 - (B) Identify the locations for each monitoring station on the island of Hawaii;
 - (C) Determine the type, location, and frequency of testing, if any, that should be performed;
 - (D) Determine the system for monitoring at each station; and
 - (E) Develop a uniform emissions scale to alert residents of vog emissions levels;
- (4) Requesting the Department of Health to report its findings and the status of its activities to the Legislature no later than twenty days before the convening of the Regular Session of 2006; and
- (5) Changing the entity to receive certified copies of the concurrent resolution to the Director of Health.

As affirmed by the records of votes of the members of your Committees on Health and Energy, Environment, and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 73, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 73, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 3 (Hanabusa, Hemmings, Whalen).

SCRep. 1389 Commerce, Consumer Protection and Housing on H.B. No. 584

The purpose of this measure is to facilitate charitable fundraising through the issuance of charitable gift annuities by clarifying and streamlining the requirements imposed on nonprofit organizations.

The Department of Commerce and Consumer Affairs, Department of the Attorney General, Hawaii Alliance of Nonprofit Organizations, Nature Conservancy, and American Heart Association testified in support of this measure.

Under current law, charities that issue charitable gift annuities must annually certify that their reserves on outstanding annuity agreements have been calculated in accordance with "accepted actuarial standards". This requirement has been interpreted by some charities to require the services of an actuary to calculate reserves, making the issuance of annuities more costly and impracticable.

This measure simplifies and streamlines the reserves calculation requirement by requiring that reserves be calculated in accordance with mortality tables and discount rates to be determined by the Insurance Commissioner, rather than in accordance with accepted

actuarial standards. Your Committee finds that this amendment will allow most charities to utilize commercially available software to calculate their reserves.

Additionally, this measure:

- (1) Clarifies that the business activities conducted by a qualified charity in the State must be in the form of program services or fundraising;
- (2) Requires the above activities to have been undertaken for at least ten consecutive years, rather than continuously for at least ten years;
- (3) Specifies that the filing deadline for a charity's annual compliance statement is March 15th of each year; and
- (4) Provides that no surplus shall be required for any portion of a gift annuity that is reinsured by an authorized insurer.

Your Committee has amended this measure by replacing its contents, with the exception of the effective date provision, with the language of S.B. No. 693, S.D. 1, a similar measure previously approved by your Committee. As amended, this measure:

- (1) Deletes the proposed amendment that would have permitted a nonprofit to issue charitable gift annuities if the organization had conducted business in the State for at least ten consecutive years, rather than continuously for at least ten years; and
- (2) Contains technical, stylistic differences from the measure, as received.

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. 584, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 584, 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, 2 (Ige, Hogue).

SCRep. 1390 Commerce, Consumer Protection and Housing on H.B. No. 868

The purpose of this measure is to facilitate the identification and location of remains contained in a cemetery.

The Department of Commerce and Consumer Affairs (DCCA) and Hawaiian Memorial Life Plan, Ltd. testified in support of this measure.

This measure requires a cemetery authority to:

- (1) File and maintain a map or plat that uniquely identifies each plot, crypt, or niche;
- (2) Maintain a permanent and accurate record of the identity of each person located in the cemetery, along with the corresponding unique identifier that indicates the location of the person's remains within the cemetery;
- (3) Specify unique identifiers in any document that sells, transfers, or disposes of any plot, crypt, or niche;
- (4) Disclose the location of a plot, crypt, or niche by its unique identifier in a written contract with a purchaser of cemetery property or pre-need interment services and related commodities; and
- (5) Submit its books, records, and papers to DCCA for review.

This measure also requires a pre-need funeral authority to comply with the latter requirement.

Your Committee finds that this measure's map and disclosure requirements will facilitate a licensee's timely response to inquiries from the public or DCCA regarding the location of remains within a cemetery.

Your Committee has amended this measure by making technical, stylistic 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. 868, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 868, 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, 2 (Ige, Hogue).

SCRep. 1391 Commerce, Consumer Protection and Housing on H.B. No. 1154

The purpose of this measure is to exempt certain home-based honey production operations from the requirements governing the production of processed food.

The Department of Agriculture and Department of Health testified in support of this measure.

This measure allows the home-based agricultural production of honey that is not produced in a certified honey house or food processing establishment, or pursuant to a permit from the Department of Health, if the producer sells less than fifty gallons of honey per year, sells directly to consumers, and complies with labeling requirements that include a disclosure that the honey has been home-produced.

Your Committee has amended this measure:

- (1) To take effect upon its approval; and
- (2) By making a technical amendment for 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 H.B. No. 1154, 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. 1154, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ige).

SCRep. 1392 (Joint) Health and Higher Education on S.C.R. No. 126

The purpose of this measure is to reestablish the psychiatric residency stipend program to meet the mental health care needs of under-served areas and populations.

The Hawaii Psychiatric Medical Association and two individuals submitted testimony in support of this measure. The Department of Health and Acting Dean of the University of Hawaii John A. Burns School of Medicine submitted comments.

Your Committees find that the psychiatric residency stipend program was an effective means of encouraging psychiatric residents to serve under-served areas and populations. However, the program was discontinued because of a shortage of funds. As one proponent noted, reinstatement of the program requires thorough financial and program due diligence and an examination of issues such as whether residents will receive the same kind of career opportunities that the original program offered. Proponents testified to other initiatives, such as J-1 visa waivers that could improve access to appropriate psychiatric health services for under-served areas and populations.

Upon further consideration, your Committees have amended this measure by:

- (1) Requesting that representatives from the Department of Human Services, the Department of Health and the Adult Mental Health Division, the Department of Psychiatry at the University of Hawaii John A. Burns School of Medicine, the Hawaii Psychological Association, and the Hawaii Psychiatric Medical Association collaborate with each other in a working group to bring additional psychiatric services to under-served areas and populations;
- (2) Requesting the working group to focus on initiatives, such as the psychiatric residency stipend program and J-1 visa waivers, that will improve access to appropriate mental health services for under-served areas and populations;
- (3) Requesting the Department of Health to convene the working group and provide administrative support;
- (4) Requesting the Department of Health to submit a report of the working group's progress, including any recommendations regarding the psychiatric residency stipend program, J-1 visa waivers, and other initiatives; and
- (5) Making technical, non-substantive changes for clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 126, 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. 126, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 3 (Hanabusa, Inouye, Sakamoto).

SCRep. 1393 Health on S.C.R. No. 197

The purpose of this measure is to conduct a study of the placement of the State's medical marijuana program and to determine whether it would be more appropriately placed in the Department of Health.

The Women's Coalition, the Drug Policy Action Group, the Drug Policy Forum of Hawaii, and two individuals submitted testimony in support of this measure. The Legislative Reference Bureau submitted comments.

The Legislative Reference Bureau raised concerns about whether a study would resolve conflicts between the Department of Health and the Department of Public Safety regarding the appropriate placement of the program. It also noted the lack of information available on the Department of Public Safety's website. Your Committee finds that convening a medical marijuana working group

comprised of representatives from the respective state agencies and relevant stakeholders, rather than a study, will encourage compromise and better advance the dissemination of information on the Department of Public Safety's website.

Your Committee has amended this measure by:

- (1) Removing provisions requesting that the Legislative Reference Bureau conduct a study and instead requesting the Director of Health to convene a medical marijuana working group to make recommendations to improve Hawaii's Medical Marijuana Program;
- (2) Deleting the last four "whereas" clauses on protocols and evaluation;
- (3) Requesting that the Director include representatives from the Department of Public Safety, Department of Health, the Drug Policy Forum of Hawaii, and a registered qualifying patient currently in the Medical Marijuana Program; and
- (4) Requesting the working group to:
 - (A) Assist the Department of Public Safety with the website;
 - (B) Review the operation of the Medical Marijuana Program and recommend ways to better and more effectively focus on the medical mission of the program; and
 - (C) Recommend in which state department the program should be placed.

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. 197, 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. 197, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1394 Transportation and Government Operations on S.C.R. No. 106

The purpose of this measure is to convene a joint legislative task force to review and make recommendations concerning the Hawaii public procurement code (procurement code).

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, Hawaii Procurement Institute, Hawaii Health Systems Corporation, West Kauai Medical Center-Mahelona Medical Center, Maui Memorial Medical Center, Kona Community Hospital, Leahi Hospital, Intermountain Health Care/Amerinet, University of Hawaii Professional Assembly, Diagnostic Laboratory Services, Inc., Coalition of Hawaii Engineering & Architectural Professionals, and one individual. Comments were received from the University of Hawaii and State Procurement Office.

Your Committee finds that it is the policy of the State to foster broad-based competition. Full and open competition must be encouraged. With competition, the State and counties will benefit economically through lowered costs. Notwithstanding these benefits, there are currently ten statutory exemptions from the procurement code for various agencies and functions. In addition to the statutory exemptions, there are sixteen administrative exemptions for various types of purchases. Your Committee is concerned that some current exemptions may be warranted and others not justified.

Your Committee believes that an abundance of exemptions has the effect of defeating the intent of the Legislature and the purpose of chapter 103D, HRS, to create a government purchasing system that is uniform, fair, and comprehensive, so that there is an even playing field for all contractors and providers. Your Committee also believes that the procurement code may contain provisions that make the procurement process unnecessarily cumbersome and time-consuming.

Your Committee intends that the task force address the issues of procurement exemptions and the procurement process and procedures to ensure that chapter 103D, HRS, fulfills its original intent.

Your Committee has amended this measure by adding the Comptroller and the Hawaii Procurement Institute to assist the task force and making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 106, 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. 106, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Hee, Kanno).

SCRep. 1395 Health on S.C.R. No. 199

The purpose of this measure is to evaluate the impact of the physician "on-call" crisis on the Queen's Medical Center Trauma Center to provide emergency medical services.

Kaiser Permanente; Hawaii Health Systems Corporation; The Queen's Health Systems; the Vice President of Surgical Services, the Vice President of Medical Affairs, and the Interim Director of Trauma Services for The Queen's Medical Center; the University of Hawaii, John A. Burns School of Medicine; the Hawaii Healthcare Association of Hawaii; and Hawaii Pacific Health submitted testimony in support of this measure. The Department of Health submitted testimony in support of the intent of the measure. The Legislative Reference Bureau submitted comments. Hawaii Independent Physicians Association opposed the measure.

Your Committee finds that the need for specialists to be "on-call" at The Queen's Medical Center is particularly acute because of the demands of maintaining the Trauma Center. Your Committee believes that this study can help the government and private sector address this health care crisis.

The Legislative Reference Bureau suggested that the study be conducted by government agencies only and not in coordination with private entities to avoid any appearance of impartiality. Your Committee agrees with the Legislative Reference Bureau that it is more appropriate for the Department of Health to report on the factual issues surrounding the on-call problem and its impact on health care facilities in the State, and for the Legislative Reference Bureau to focus on policy-oriented issues. This change should promote the effective and expeditious completion of the study.

Your Committee has therefore amended this measure by:

- (1) Requesting the Legislative Reference Bureau to evaluate the impact of the physician on-call crisis in coordination with the Department of Health;
- (2) Adding two whereas clauses regarding the Department of Health's statutory authority and responsibility and one clause regarding the indication that private entities may be willing to provide some funding towards conducting this review;
- (3) Requesting the Department of Health to analyze all of the issues in Part I except for "the experience and response of other states and cities facing a similar crisis" which remains tasked to the Legislative Reference Bureau;
- (4) Requesting the Department of Health to analyze both issues in Part II;
- (5) Requesting the Legislative Reference Bureau to analyze the government response to the on-call crisis and the three paragraphs related thereto;
- (6) Deleting the references to state funding for the study and such funding being matched dollar-for-dollar by The Queen's Medical Center; and
- (7) Making technical, non-substantive changes for 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 concurs with the intent and purpose of S.C.R. No. 199, 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. 199, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1396 (Joint) Media, Arts, Science and Technology and Transportation and Government Operations on S.R. No. 40

The purpose of this measure is to request the Department of Accounting and General Services to conduct a study of the feasibility of installing a wireless fidelity (WiFi) internet system in the State Capitol.

Your Committees received testimony in support of this measure from Verizon Hawaii and University of Hawaii. Your Committees also received comments regarding this measure from the Department of Accounting and General Services.

Your Committees believe that installing a wireless fidelity internet network at the State Capitol would provide access to additional information for legislators and legislative staff in the chamber and their offices. A WiFi network also would give private citizens, journalists, and lobbyists the capacity to track bill status and committee updates when at the Capitol awaiting hearings or meetings with legislators, while providing them with access to business and family matters via e-mail. Other state legislatures have successfully initiated WiFi pilot projects within their state capitols through third-party service providers, and it appears that considerable information on their experiences is available. The requested feasibility study will furnish lawmakers with information on the costs, accessibility, compatibility with existing computer networks, and security associated with installing a wireless fidelity internet network.

Your Committees have amended this measure to request the Department of Accounting and General Services to consult the Clerks of both chambers on the wireless fidelity needs of the Legislature and to invite the participation, guidance, and recommendations of the University of Hawaii, Verizon Hawaii, and other third-party internet service providers.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Transportation and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 40, as amended herein, recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 40, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (Baker, English, Hee, Ihara, Kanno).

SCRep. 1397 (Joint) Media, Arts, Science and Technology and Transportation and Government Operations on S.C.R. No. 77

The purpose of this measure is to request the Department of Accounting and General Services to conduct a study of the feasibility of installing a wireless fidelity (WiFi) internet system in the State Capitol.

Your Committees received testimony in support of this measure from Verizon Hawaii and University of Hawaii. Your Committees also received comments regarding this measure from the Department of Accounting and General Services.

Your Committees believe that installing a wireless fidelity internet network at the State Capitol would provide access to additional information for legislators and legislative staff in the chamber and their offices. A WiFi network also would give private citizens, journalists, and lobbyists the capacity to track bill status and committee updates when at the Capitol awaiting hearings or meetings with legislators, while providing them with access to business and family matters via e-mail. Other state legislatures have successfully initiated WiFi pilot projects within their state capitols through third-party service providers, and it appears that considerable information on their experiences is available. The requested feasibility study will furnish lawmakers with information on the costs, accessibility, compatibility with existing computer networks, and security associated with installing a wireless fidelity internet network.

Your Committees have amended this measure to request the Department of Accounting and General Services to consult the Clerks of both chambers on the wireless fidelity needs of the Legislature and to invite the participation, guidance, and recommendations of the University of Hawaii, Verizon Hawaii, and other third-party internet service providers.

As affirmed by the records of votes of the members of your Committees on Media, Arts, Science, and Technology and Transportation and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 77, 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. 77, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (Baker, English, Hee, Ihara, Kanno).

SCRep. 1398 Water, Land, and Agriculture on S.C.R. No. 50

The purpose of this measure is to request a review of the methodologies used for controlling non-native game animals in Hawaii's forest areas.

The Department of Land and Natural Resources (DLNR), the Hawaiian Humane Society, and the Nature Conservancy submitted testimony in support of this measure.

Since the introduction of game animals in Hawaii, a culture of hunting has developed for recreation and food, and the control over these feral animals helps to maintain the State's forests and watersheds. However, hunting alone does not keep non-native animal populations low enough to minimize damage to these areas.

Conservation in the forested areas currently involves the use of a number of methodologies and practices for non-native animal control, including fencing, hunting, live trapping, and snaring, and your Committee finds that some animal care and hunting organizations oppose a number of methods used to control the animal populations. This measure requests the DLNR to collaborate with land conservation, hunting, and animal care organizations to review the methodologies for controlling non-native game animals in Hawaii.

Specifically, this measure requests the DLNR to convene a working group that includes a variety of conservation, hunting, and animal care organizations, companies, and other individuals with expertise or interests in watershed areas. The working group will review the methodologies used to capture feral animals, and the DLNR will submit its findings and recommendations to the Legislature no later than twenty days before the convening of the Regular Session of 2006.

Your Committee also noted that testimony from the DLNR indicated that in 1993, a consortium of agencies and individuals throughout the State, mainland, and other countries reviewed and documented animal control methodologies. Since then, the United States Fish and Wildlife Service has funded an update to the 1993 information, and the report will be completed before the end of this year.

As such, your Committee believes that rather than duplicate the effort and information in the Fish and Wildlife Service update, the working group proposed for this measure should build on the revised information. Accordingly, your Committee has amended this measure by requiring the DLNR to report its findings and recommendations to the Legislature no later than twenty days before the convening of the Regular Session of 2007, rather than 2006.

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. 50, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 50, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 1399 Water, Land, and Agriculture on S.R. No. 26

The purpose of this measure is to request a review of the methodologies used for controlling non-native game animals in Hawaii's forest areas.

The Department of Land and Natural Resources (DLNR), the Hawaiian Humane Society, and the Nature Conservancy submitted testimony in support of this measure.

Since the introduction of game animals in Hawaii, a culture of hunting has developed for recreation and food, and the control over these feral animals helps to maintain the State's forests and watersheds. However, hunting alone does not keep non-native animal populations low enough to minimize damage to these areas.

Conservation in the forested areas currently involves the use of a number of methodologies and practices for non-native animal control, including fencing, hunting, live trapping, and snaring, and your Committee finds that some animal care and hunting organizations oppose a number of methods used to control the animal populations. This measure requests the DLNR to collaborate with land conservation, hunting, and animal care organizations to review the methodologies for controlling non-native game animals in Hawaii.

Specifically, this measure requests the DLNR to convene a working group that includes a variety of conservation, hunting, and animal care organizations, companies, and other individuals with expertise or interests in watershed areas. The working group will review the methodologies used to capture feral animals, and the DLNR will submit its findings and recommendations to the Legislature no later than twenty days before the convening of the Regular Session of 2006.

Your Committee also noted that testimony from the DLNR indicated that in 1993, a consortium of agencies and individuals throughout the State, mainland, and other countries reviewed and documented animal control methodologies. Since then, the United States Fish and Wildlife Service has funded an update to the 1993 information, and the report will be completed before the end of this year.

As such, your Committee believes that rather than duplicate the effort and information in the Fish and Wildlife Service update, the working group proposed for this measure should build on the revised information. Accordingly, your Committee has amended this measure by requiring the DLNR to report its findings and recommendations to the Legislature no later than twenty days before the convening of the Regular Session of 2007, rather than 2006.

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. 26, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 26, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 1400 Water, Land, and Agriculture on S.C.R. No. 138

The purpose of this measure is to request the Auditor to conduct a follow-up audit of the management of state boating facilities by the Department of Land and Natural Resources (DLNR).

The Hawaii Government Employees Association, Life of the Land, the Ocean Tourism Coalition, Paradise Cruise, Ltd., and two individuals submitted testimony in support of this measure. The DLNR and the Office of Hawaiian Affairs submitted comments on this measure.

In Hawaii, small boat harbors play an important role in both residents' and visitors' ocean recreational experiences, which include yacht racing, canoe regattas, board sailing, ocean swimming, and surfing. However, your Committee finds that the quality of those experiences may be diminished by the inadequate management of the State's boating facilities, which was noted as a recurring problem in a 2001 state audit.

To address some of the problems noted in the 2001 audit, the Legislature enacted Act 285, Session Laws of Hawaii 2001, codified as section 200-19, Hawaii Revised Statutes. The new provision allowed private financing of small boat harbor improvements through the execution of capital advancement contracts between the DLNR and private parties. However, despite the Legislature's efforts, repair, maintenance, and management problems at the boat harbors continue to persist. Thus, this measure requests the Auditor to conduct a follow-up audit to the 2001 "Audit of the Management of State Boating Facilities by the Department of Land and Natural Resources."

Specifically, this measure provides that the Auditor will:

- (1) Evaluate and make recommendations on the feasibility of forming an advisory committee for each small boat harbor to advise the State on the proper management and maintenance of the harbors; and
- (2) Report its findings to the Legislature no later than twenty days prior to the convening of the Regular Session of 2006.

Your Committee has amended this measure by making technical, nonsubstantive changes for style, clarity, and consistency.

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. 138, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 138, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 1401 Water, Land, and Agriculture on S.R. No. 76

The purpose of this measure is to request the Auditor to conduct a follow-up audit of the management of state boating facilities by the Department of Land and Natural Resources (DLNR).

The Hawaii Government Employees Association, Life of the Land, the Ocean Tourism Coalition, Paradise Cruise, Ltd., and two individuals submitted testimony in support of this measure. The DLNR and the Office of Hawaiian Affairs submitted comments on this measure.

In Hawaii, small boat harbors play an important role in both residents' and visitors' ocean recreational experiences, which include yacht racing, canoe regattas, board sailing, ocean swimming, and surfing. However, your Committee finds that the quality of those experiences may be diminished by the inadequate management of the State's boating facilities, which was noted as a recurring problem in a 2001 state audit.

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Specifically, this measure provides that the Auditor will:

- (1) Evaluate and make recommendations on the feasibility of forming an advisory committee for each small boat harbor to advise the State on the proper management and maintenance of the harbors; and
- (2) Report its findings to the Legislature no later than twenty days prior to the convening of the Regular Session of 2006.

Your Committee has amended this measure by making technical, nonsubstantive changes for style, clarity, and consistency.

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. 76, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 76, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 1402 Water, Land, and Agriculture on S.C.R. No. 147

The purpose of this measure is to request the Auditor to conduct a financial and management audit of the Department of Land and Natural Resources (DLNR) Division of Conservation and Resources Enforcement.

Annette's Adventures, Hanalei Watershed Hui, Life of the Land, the Ocean Tourism Coalition, the Sierra Club, and six individuals submitted testimony in support of this measure. The Department of Land and Natural Resources and the Office of Hawaiian Affairs submitted comments on this measure.

Your Committee finds that there are significant jurisdictional, procedural, and administrative problems noted within the DLNR's Division of Conservation and Resources Enforcement. Thus, this measure requests the Auditor to conduct an audit on this specific division's fiscal and management practices to serve as an objective baseline on whether it is being effectively administered or if improvements need to be made. Further, the audit would serve to clarify, augment, and improve the manner in which the division interacts with other DLNR divisions and state and county agencies.

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, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 147.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 1403 Water, Land, and Agriculture on S.C.R. No. 209

The purpose of this measure is to establish a program to train appraisers in income capitalization appraisals and to establish a pilot program to implement and track the income capitalization appraisals for reopenings of state agricultural leases.

The Department of Land and Natural Resources and the Hawaii Farm Bureau Federation submitted testimony in support of this measure.

In many parts of Hawaii, state lands are used for agricultural purposes, and as state agricultural leases are reopened, appraisals of lands are used to determine appropriate lease rents. A common way to appraise agricultural land is by comparing the appraised property with other land sales; however, this method is not as accurate, as this approach tends to inflate lease rents.

Your Committee finds that the income capitalization approach is a more accurate application as it appraises the value of the agricultural land based on its agricultural yield; however, there is a shortage of appraisers who are capable of using this approach. Thus, this measure requests the Department of Land and Natural Resources to:

- (1) Establish a training program to train appraisers in the income capitalization approach using agricultural yields for determining lease rent rates for state agricultural lease reopenings;
- (2) Establish a pilot program to implement the income capitalization approach for reopenings of state agricultural leases; and
- (3) Report on the progress of the pilot program and any findings and conclusions based on the pilot program to the Legislature no later than twenty days before the convening of the Regular Session of 2006.

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 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 1404 Water, Land, and Agriculture on S.R. No. 116

The purpose of this measure is to establish a program to train appraisers in income capitalization appraisals and to establish a pilot program to implement and track the income capitalization appraisals for reopenings of state agricultural leases.

The Department of Land and Natural Resources and the Hawaii Farm Bureau Federation submitted testimony in support of this measure.

In many parts of Hawaii, state lands are used for agricultural purposes, and as state agricultural leases are reopened, appraisals of lands are used to determine appropriate lease rents. A common way to appraise agricultural land is by comparing the appraised property with other land sales; however, this method is not as accurate, as this approach tends to inflate lease rents.

Your Committee finds that the income capitalization approach is a more accurate application as it appraises the value of the agricultural land based on its agricultural yield; however, there is a shortage of appraisers who are capable of using this approach. Thus, this measure requests the Department of Land and Natural Resources to:

- (1) Establish a training program to train appraisers in the income capitalization approach using agricultural yields for determining lease rent rates for state agricultural lease reopenings;
- (2) Establish a pilot program to implement the income capitalization approach for reopenings of state agricultural leases; and
- (3) Report on the progress of the pilot program and any findings and conclusions based on the pilot program to the Legislature no later than twenty days before the convening of the Regular Session of 2006.

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. 116 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 1405 Labor on H.B. No. 1222

The purpose of this measure is to extend the authority of the Merit Appeals Board (MAB) to hear and decide appeals pending before and under the jurisdiction of the Civil Service Commission as of June 30, 2002.

This measure also:

- (1) Clarifies that included within the jurisdiction of the MAB is the denial or loss of a promotional opportunity or a demotion due to the reclassification of a position in a reorganization; and
- (2) Requires the determination of whether an appeal falls within the jurisdiction of the MAB to be liberally construed.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association (HGEA), the HGEA Managerial and Confidential Employees Chapter, and one individual. Testimony in opposition to this measure was submitted by the Department of Human Resources of the City and County of Honolulu. Comments on this measure were also submitted by the Department of Human Resources Development.

Your Committee finds that pursuant to the Civil Service Reform Act of 2000, Act 253, Session Laws of Hawaii 2000, the Civil Service Commission was abolished and replaced with the MAB. This shift in jurisdiction has resulted in a more limited scope of authority over which the MAB may hear appeals and has also created confusion over treatment for some cases which were pending before the Civil Service Commission, but were not adjudicated prior to its abolition. Your Committee further finds that clarification under the current law is necessary in order to ensure that civil service personnel issues are properly addressed. Therefore, the jurisdiction of the MAB should be liberally construed so as to encompass a greater scope of civil service related issues. Furthermore, the gap created by the Civil Service Reform Act of 2000 should be eliminated to protect the interests of the aggrieved parties through the extension of the MAB's authority to hear appeals pending as of June 30, 2002, which were properly under the jurisdiction of the Civil Service Commission.

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. 1222, 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, 1 (Taniguchi).

SCRep. 1406 Water, Land, and Agriculture on H.B. No. 1659

The purpose of this measure is to amend the Department of Land and Natural Resources' (DLNR) authority to enter into lease agreements with private noncommercial pier owners.

A member of the House of Representatives, the Protect the Shoreline Ohana, and one individual testified in support of this measure. The DLNR submitted comments on this measure.

Your Committee finds that prior to 2000, there were hundreds of privately owned noncommercial piers in Hawaii. Many of those piers were built before Statehood, and many of the pier owners were not aware that their piers did not have the proper authorization from the State and were considered illegal.

In 2000 and 2001, an amnesty program was established to provide noncommercial pier owners an opportunity to obtain the proper leasing agreements. At that time, pier owners were given a deadline of June 30, 2005 to negotiate their long-term leases; however, delays and difficulties in obtaining the required surveys, appraisals, and additional documentation has created delays for many of the pier owners trying to negotiate their long-term leases. This measure extends the DLNR's authority to enter into long-term lease agreements from June 30, 2005 to June 30, 2007.

Your Committee has amended this measure by:

- (1) Clarifying that this measure is amending Act 103, Session Laws of Hawaii 2002, section 1, rather than section 2; and
- (2) Making technical, nonsubstantive changes for style, clarity, and consistency.

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. 1659, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1659, 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, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 1407 Judiciary and Hawaiian Affairs on H.B. No. 164

The purpose of this measure is to create a new misdemeanor offense of unauthorized operation of a recording device in a motion picture theatre.

Testimony in support of this measure was submitted by the Motion Picture Association of America, Consolidated Amusement Company Limited, and Regal Entertainment Group. The Office of the Public Defender commented on the measure.

This measure prohibits the recording of a motion picture by individuals using a recording device in a movie theatre. Your Committee finds that this measure is designed to address the problem of movie piracy where films are illicitly recorded and distributed either before a film's commercial release date or shortly thereafter.

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. 164, 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, none.

SCRep. 1408 Judiciary and Hawaiian Affairs on H.B. No. 551

The purpose of this measure is to clarify provisions of Hawaii's open meetings law.

Specifically, this measure:

- (1) Allows two board members to discuss between themselves matters relating to the official business of the board, provided that they do not constitute a quorum of their board; and
- (2) Permits two or more board members, but less than the number required for a quorum, to testify or make presentations about matters relating to the official business of the board at the meetings of other boards or before the Legislature provided that certain requirements are satisfied.

Testimony in support of this measure was submitted by the Office of Information Practices, the Department of the Corporation Counsel for the City and County of Honolulu, three members of the Maui County Council, and the League of Women Voters of Hawaii. The Board of Education and the Society of Professional Journalists-Hawaii Chapter testified in opposition to the measure.

This measure amends provisions of Hawaii's open meetings law by delineating the scope of permissible interactions between board members. This measure is designed to balance the need for adherence to the requirements of the open meetings law with the need for board members to interact and communicate with each other as well as make presentations before other boards or the Legislature without being subject to quorum requirements.

Your Committee has amended this measure by technical, non-substantive amendments for purposes of clarity.

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. 551, 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. 551, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 1409 Judiciary and Hawaiian Affairs on H.B. No. 582

The purpose of this measure is to change the name of the Hawaii State Clearinghouse for Missing Children to the Missing Child Center-Hawaii.

Testimony in support of this measure was submitted by the Department of the Attorney General.

This is a housekeeping measure designed to update the Hawaii Revised Statutes by replacing the Hawaii State Clearinghouse for Missing Children with the Missing Child Center-Hawaii. The purpose and duties of this program, however, remain the same.

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. 582, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

SCRep. 1410 Judiciary and Hawaiian Affairs on H.B. No. 685

The purpose of this measure is to amend the composition and voting rights of the Wireless Enhanced 911 Board by including the Comptroller on the Board and making the Director of Health an ex-officio non-voting member of the Board.

Testimony in support of the measure was submitted by the Department of Accounting and General Services and the Department of Health.

This measure includes the Comptroller as a voting member on the Wireless Enhanced 911 Board. Your Committee finds that in light of the mission and role of the Board, the inclusion of the Comptroller on the Board is appropriate.

Your Committee has amended this measure by removing the Director of Health from the Wireless Enhanced 911 Board.

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. 685, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 685, 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 (English).

SCRep. 1411 Judiciary and Hawaiian Affairs on H.B. No. 852

The purpose of this measure is to amend provisions of Hawaii's automatic permit approval law.

Specifically, the measure:

- (1) Exempts Public Utilities Commission proceedings from these provisions; and
- (2) Clarifies that a lack of quorum by an issuing agency shall not initially be applicable to the automatic permit approval provisions and not provide cause for further extension unless agreed upon by all the parties.

Testimony in support of the measure was submitted by the Department of Land and Natural Resources, the Public Utilities Commission, the Land Use Research Foundation of Hawaii, and the Sierra Club-Hawaii Chapter.

This measure amends various provisions of Hawaii's automatic permit approval law relating to the Public Utilities Commission as well as addressing the problem of obtaining quorum on the part of issuing agencies that are subject to the provisions of this law. Your Committee finds that this measure attempts to balance the interests of timeliness and fairness by addressing the issue of a lack of quorum prior to automatic permit approval.

Your Committee has amended this measure by changing the effective date to make it effective upon 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. 852, 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. 852, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Hee).

SCRep. 1412 Judiciary and Hawaiian Affairs on H.B. No. 864

The purpose of this measure is to permit the counties to adopt ordinances prohibiting billboards or outdoor advertising devices located in the airspace or waters beyond the boundaries of the county.

Testimony in support of the measure was submitted by the Department of the Corporation Counsel for the City and County of Honolulu, Na Leo Pohai, Life of the Land, and the Sierra Club-Hawaii Chapter.

This measure clarifies the counties' ability to prohibit outdoor advertising devices and billboards by extending the regulatory authority of the counties to include the airspace and waters beyond the boundaries of the counties that are visible from any public highway, park, or other public place located within the county.

Your Committee has amended this measure by:

- (1) Modifying the exemption created for outdoor advertising devices carried by a person or vehicle by limiting the vehicle to devices that transport persons or property on a highway; and
- (2) Removing provisions that allow the counties to regulate billboards or outdoor advertising devices located in waters beyond the boundaries of the county.

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. 864, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 864, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 1413 Judiciary and Hawaiian Affairs on H.B. No. 938

The purpose of this measure is to permit a child's family, who believes that a child was wrongfully removed from the family home, to request a Child Protective Review Panel for the purpose of conducting a review of the child protective proceedings that lead to the removal of the child.

Testimony in support of the measure was submitted by Parents for Righteousness and one individual. The Department of Human Services testified in opposition to the measure.

This measure establishes a review process, using the Child Protective Review Panel, to address concerns in the community with respect to the authority of the Department of Human Services to remove children from abusive homes.

Your Committee has amended this measure by making the effective date defective in order to promote continuing discussion on 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. 938, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 938, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 1414 Judiciary and Hawaiian Affairs on H.B. No. 1442

The purpose of this measure is to mandate that the counties adopt ordinances that require land subdividers or developers to connect existing or proposed access points to the shoreline with lateral public shoreline access as a condition of final subdivision approval.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Sierra Club-Hawaii Chapter, and Life of the Land. The Land Use Research Foundation of Hawaii, the Hawaii Resort Developers Conference, and the Hawaii Association of Realtors testified in opposition to the measure. The Department of Planning and Permitting for the City and County of Honolulu commented on the measure.

This measure is designed to address issues relating to public access to the shoreline on the neighbor islands by requiring the connection of existing or proposed access points to the shoreline with lateral public access along a shoreline or coastline.

Your Committee has amended this measure by making the public access requirements discretionary as opposed to mandatory on the part of counties with a population under 500,000.

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. 1442, 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. 1442, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 1415 Judiciary and Hawaiian Affairs on H.B. No. 1749

The purpose of this measure is to authorize the Legislative Reference Bureau to conduct periodic reviews of statutes and rules outside of the Hawaii Penal Code and recommend changes on the types of penalties imposed, including the potential decriminalization of non-serious offenses.

Testimony in support of the measure was submitted by the Judiciary and the Legislative Reference Bureau.

This measure enables the Legislative Reference Bureau to work with the Judiciary and other state agencies to identify and review sanctions imposed by statutes and rules outside of the Hawaii Penal Code. Your Committee finds that this measure continues the work begun by the Legislative Reference Bureau conducted under the auspices of House Concurrent Resolution No. 261, H.D. 1, S.D. 1 (2004).

Your Committee has amended this measure by making a technical, non-substantive amendment for purposes of clarity.

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. 1749, 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. 1749, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 1416 (Joint/Majority) Water, Land, and Agriculture and Business and Economic Development on S.C.R. No. 22

The purpose of this measure is to authorize the Board of Land and Natural Resources (the Board) to designate land in Sand Island for an industrial park.

The Department of Land and Natural Resources and Matson Navigation Company submitted testimony in support of this measure. The City and County of Honolulu Department of Planning and Permitting submitted testimony in opposition to this measure.

Your Committees find that section 171-134, Hawaii Revised Statutes (HRS), allows the Department of Land and Natural Resources to develop industrial parks on public lands. However, section 171-134, HRS provides that:

- (1) The proposed land must be at least five acres in size;
- (2) The Board must determine, by resolution, that it is suitable and economically feasible as an industrial park; and
- (3) A concurrent resolution must be approved by the Legislature.

Thus, this measure authorizes the Board to designate public lands located at Kaholaloa, Sand Island on the island of Oahu.

Your Committees also noted concerns from the City and County of Honolulu Department of Planning and Permitting that this measure may be an attempt to circumvent the City and County's permitting requirements. However, the Chairperson of the Board testified that this process does not bypass or override any City and County permitting requirements. Rather, this process is in addition

to the requirements. Thus, the Chairperson of the Board explicitly assured your Committees that the City and County's permitting and zoning processes will be followed either by the Department of Land and Natural Resources or by the lessee of the property.

Your Committees have amended this measure by:

- (1) Providing that the Board, rather than the Chairperson of the Board, will be authorized to withdraw portions of the land from the industrial park designation; and
- (2) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Business and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 22, 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. 22, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, 1 (Trimble). Excused, 2 (Menor, Sakamoto).

SCRep. 1417 Judiciary and Hawaiian Affairs on H.B. No. 477

The purpose of this measure is to exempt Roth individual retirement accounts from attachment or seizure.

Testimony in support of this measure was submitted by a State Representative.

Your Committee finds that individual retirement accounts are currently exempt from attachment or seizure, but an ambiguity exists as to whether this exemption extends to Roth individual retirement accounts. This measure provides clarity on this issue by including Roth individual retirement accounts within the exemption from attachment or seizure.

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. 477, 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, none.

SCRep. 1418 (Majority) Judiciary and Hawaiian Affairs on H.B. No. 1214

The purpose of this measure is to provide for the manner in which prevailing wages for laborers and mechanics on public work projects are to be established.

Testimony in support of this measure was submitted by the Hawaii Carpenters Union. Testimony in opposition to the measure was submitted by the Department of Labor and Industrial Relations, the Department of Accounting and General Services, the Department of Taxation, the Department of Business, Economic Development, and Tourism, the Building Industry Association of Hawaii, the Vice President of Jas. W. Glover Ltd., the President of Willocks Construction Corporation, and the President of Kiyosaki Tractor Works, Inc.

This measure extends the prevailing wages law to include public works projects subsidized by tax credits or tax exemptions issued by the State or counties or that involve the lease of state or county lands. This measure also requires the certification and submission of payrolls by entities claiming a state tax credit or leasing the state or county lands.

Your Committee has amended this measure by:

- (1) Making technical, non-substantive amendments for purposes of clarity; and
- (2) Making the effective date defective in order to promote continuing discussion on 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. 1214, 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. 1214, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 2 (Chun Oakland, Whalen). Excused, none.

SCRep. 1419 (Joint/Majority) Judiciary and Hawaiian Affairs and Ways and Means on H.B. No. 1060

The purpose of this measure is to require the Department of Human Services to reimburse federally-qualified health centers and rural health clinics in accordance with the Social Security Act.

Testimony in support of the measure was submitted by the Hawaii Primary Care Association, the Community Clinic of Maui, the Waianae Coast Comprehensive Health Center, Papa Ola Lokahi, the Kalihi-Palama Health Center, Kokua Kalihi Valley, and one individual. The Department of the Attorney General and the Department of Human Services testified in opposition to the measure.

Your Committees find that this measure will support policy and payment protections for federally qualified health centers under Medicaid.

Your Committees have amended this measure by:

- (1) Clarifying that reimbursement to federally-qualified health centers and rural health clinics be made in accordance with section 1902(bb) of the Social Security Act;
- (2) Providing that the services of federally-qualified health centers and rural health clinics remain mandatory;
- (3) Making technical, non-substantive amendments for purposes of clarity; and
- (4) Changing the effective date of this measure to make it effective on July 1, 2005.

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. 1060, H.D. 2, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1060, H.D. 2, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ayes, 15. Noes, 1 (Slom). Excused, 4 (Ihara, Sakamoto, Trimble, Whalen).

SCRep. 1420 (Joint/Majority) Judiciary and Hawaiian Affairs and Ways and Means on H.B. No. 1305

The purpose of this measure is to prohibit an employer from discriminating between male and female employees by paying disparate salaries to these employees for equal work based solely on the sex of the employee. This measure also establishes a pay equity task force to review relevant information and make recommendations to the Legislature to correct gender-based pay inequities.

Testimony in support of the measure was submitted by the Department of Labor and Industrial Relations and the Hawaii State Teachers Association. The Chamber of Commerce of Hawaii testified in opposition to the measure. The Department of Human Resources Development commented on the measure.

Your Committees find that sex-based discrimination in regard to the disparate levels of compensation paid to male and female employees for comparable work exists and must be remedied.

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. 1305, H.D. 1, and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 15. Noes, 1 (Slom). Excused, 4 (Ihara, Sakamoto, Trimble, Whalen).

SCRep. 1421 Education and Military Affairs on S.C.R. No. 53

The purpose of this measure is to request the Auditor to conduct a fiscal audit and the Department of Education to conduct a program audit of the Department's Hawaiian Studies Program.

Testimony in support of the measure was submitted by the Office of Hawaiian Affairs and Ka Lei Papahi o Kakuhihewa.

Your Committee finds that the Hawaiian Studies Program was mandated by the 1978 Constitutional Convention to assist public elementary students to learn, understand, and appreciate Hawaiian culture. However, not all schools implement the program in all required grade levels due to lack of funds. There have also been reports of classes being put on hold and instructors being released. This concurrent resolution would verify the financial situation of the program and clarify the appropriate salaries for the instructors.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 53 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Vice Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Hooser, Tsutsui).

SCRep. 1422 Education and Military Affairs on S.C.R. No. 85

The purpose of this measure is to request the implementation of peer education in all public secondary schools.

Testimony in support of this measure was submitted by the Department of Education, Hawaii State Teachers Association, and Hawaii Youth Services Network.

Your Committee finds that the Department of Education is currently piloting peer education programs in fifteen secondary schools and will be expanding to include seven new schools. Through these programs, students provide valuable information to their peers on

critical issues in an accessible manner. Students from participating high schools have also made presentations at other public schools on important topics including campus violence, substance abuse, ethnic diversity, and self-esteem.

Your Committee believes that this is a positive program that should be encouraged at all high schools. Accordingly, your Committee has amended this measure by making technical amendments regarding the number of schools participating in the peer education programs.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 85, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 85, S.D. 1.

Signed by the Vice Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Tsutsui).

SCRep. 1423 Education and Military Affairs on S.C.R. No. 188

The purpose of this measure is to convene a working group to develop a definition of civic responsibility.

Testimony in support of the resolution was submitted by the Department of Education.

Your Committee finds that civic responsibility lessons are often lost in the current educational system. Civic literacy is essential to long-term social, environmental, and political health. Programs and different approaches in civic learning are needed to build connections for students to develop their skills, disposition, and willingness to participate proactively in addressing social issues.

Although the Department currently has a working group addressing civic responsibility, your Committee is passing along this measure to encourage and help guide the working group's progress.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 188 and recommends its adoption.

Signed by the Vice Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Tsutsui).

SCRep. 1424 Education and Military Affairs on S.C.R. No. 191

The purpose of this measure is to request the development of a volunteer recognition program in each school district.

Testimony in support of this measure was submitted by the Department of Education and Hawaii State Teachers Association.

Your Committee finds that volunteers are an integral part of the public schools. They provide additional support to students by participating in extracurricular activities and make other valuable contributions. An example of a district volunteer recognition program is the Adopt-A-School program in Kauai where each school has a high tech company that sends volunteers to lend their expertise throughout the year. Although most schools have some form of acknowledgment activity for volunteers, your Committee believes that the value of services these volunteers provide warrants recognition throughout all the public schools.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 191 and recommends its adoption.

Signed by the Vice Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Tsutsui).

SCRep. 1425 (Joint) Education and Military Affairs and Intergovernmental Affairs on S.C.R. No. 192

The purpose of this measure is to urge Congress to authorize funds for all members of the armed forces reserve to access the TRICARE program.

The State Department of Defense submitted testimony in favor of this measure.

Your Committees find that, under present law, members of the National Guard and Reserves receive one year of cost-share TRICARE health benefits for every ninety-day period of active duty. This benefit is well-intentioned but falls short in providing adequate medical readiness benefits for those on active duty. Maintaining unit readiness, particularly in the areas of medical and dental access, should be a high priority in preparing our National Guard and Reserves to meet deployment rotation scheduling. Additionally, this health care benefit would be a retention incentive as well as a recruitment tool.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 192 and recommend its adoption.

Signed by the Vice Chair and Chair on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (Baker, English, Hooser, Kim, Tsutsui).

SCRep. 1426 Education and Military Affairs on S.R. No. 47

The purpose of this measure is to request the implementation of peer education in all public secondary schools.

Testimony in support of this measure was submitted by the Department of Education, Hawaii State Teachers Association, and Hawaii Youth Services Network.

Your Committee finds that the Department of Education is currently piloting peer education programs in fifteen secondary schools and will be expanding to include seven new schools. Through these programs, students provide valuable information to their peers on critical issues in an accessible manner. Students from participating high schools have also made presentations at other public schools on important topics including campus violence, substance abuse, ethnic diversity, and self-esteem.

Your Committee believes that this is a positive program that should be encouraged at all high schools. Accordingly, your Committee has amended this measure by making technical amendments regarding the number of schools participating in the peer education programs.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 47, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 47, S.D. 1.

Signed by the Vice Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Tsutsui).

SCRep. 1427 Education and Military Affairs on S.R. No. 102

The purpose of this measure is to convene a working group to develop a definition of civic responsibility.

Testimony in support of the resolution was submitted by the Department of Education.

Your Committee finds that civic responsibility lessons are often lost in the current educational system. Civic literacy is essential to long-term social, environmental, and political health. Programs and different approaches in civic learning are needed to build connections for students to develop their skills, disposition, and willingness to participate proactively in addressing social issues.

Although the Department currently has a working group addressing civic responsibility, your Committee is passing along this measure to encourage and help guide the working group's progress.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 102 and recommends its adoption.

Signed by the Vice Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Tsutsui).

SCRep. 1428 Education and Military Affairs on S.R. No. 103

The purpose of this measure is to request the development of a volunteer recognition program in each school district.

Testimony in support of this measure was submitted by the Department of Education and Hawaii State Teachers Association.

Your Committee finds that volunteers are an integral part of the public schools. They provide additional support to students by participating in extracurricular activities and make other valuable contributions. An example of a district volunteer recognition program is the Adopt-A-School program in Kauai where each school has a high tech company that sends volunteers to lend their expertise throughout the year. Although most schools have some form of acknowledgment activity for volunteers, your Committee believes that the value of services these volunteers provide warrants recognition throughout all the public schools.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 103 and recommends its adoption.

Signed by the Vice Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Tsutsui).

SCRep. 1429 (Joint) Education and Military Affairs and Intergovernmental Affairs on S.R. No. 104

The purpose of this measure is to urge Congress to authorize funds for all members of the armed forces reserve to access the TRICARE program.

The State Department of Defense submitted testimony in favor of this measure.

Your Committees find that, under present law, members of the National Guard and Reserves receive one year of cost-share TRICARE health benefits for every ninety-day period of active duty. This benefit is well-intentioned but falls short in providing adequate medical readiness benefits for those on active duty. Maintaining unit readiness, particularly in the areas of medical and dental

access, should be a high priority in preparing our National Guard and Reserves to meet deployment rotation scheduling. Additionally, this health care benefit would be a retention incentive as well as a recruitment tool.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 104 and recommend its adoption.

Signed by the Vice Chair and Chair on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 5 (Baker, English, Hooser, Kim, Tsutsui).

SCRep. 1430 Health on S.C.R. No. 132

The purpose of this measure is to request the Healthcare Association of Hawaii to establish a task force to design a system for reporting hospital-acquired infections to the public.

The Department of Health, The Queen's Medical Center, the Association for Professionals in Infection Control and Epidemiology, Inc., and the Healthcare Association of Hawaii submitted testimony in support of this measure.

There is a national trend to mandate the reporting of hospital-acquired infection data to the public. However, according to the Department of Health, there is currently no nationally recognized methodology for comparing infection rates of dissimilar institutions. In order to use infection surveillance data to compare the quality of care between hospitals, all hospitals would have to collect the same data on the same types of infections and use the same methods to identify infections. This measure will bring relevant stakeholders together to design a uniform system and propose possible legislation on the subject.

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. 132 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1431 (Joint) Tourism and Commerce, Consumer Protection and Housing on H.B. No. 155

The purpose of this measure is to:

- (1) Allow the Director of Commerce and Consumer Affairs to accept from a developer of time sharing plans a surety bond, escrow bond, irrevocable letter of credit, or other financial assurance in lieu of maintaining a purchaser's funds in escrow, and the amount thereof;
- (2) Exempt from the time share law licensed real estate brokers or salespersons rendering services in the course of the person's practice as a real estate broker or salesperson in the sale of time share interests on behalf of a developer of a time share plan;
- (3) Define "master development" and "person" and clarify the definitions of "blanket lien", "developer", and "project" under the time share law; and
- (4) Clarify when the developer may release a purchaser's funds in escrow without a closing.

Your Committees received testimony in support of this measure from PMCI Hawaii, Pahio Resorts, Starwood Vacation Ownership, and Carlsmith Ball LLP. The Department of Commerce and Consumer Affairs and the Acting Time Share Administrator submitted comments.

This measure represents an ongoing and continuing effort of the time share industry and the State to improve the time share product. These matters include the accuracy of seller representations, deceptive trade practices, and the sale of time share interests. Your Committees find that time shares are becoming increasingly popular with tourists who prefer to own a vacation unit rather than stay in a hotel. An upright and honest time share industry is part of the quality visitor experience.

Your Committees have amended this measure by:

- (1) Deleting the creation of a new section for release of a purchaser's funds pursuant to bond, letter of credit, or other financial assurance;
- (2) Clarifying the definition of "person" to make the term more inclusive;
- (3) Clarifying the exemption from the definition of "developer" for:
 - (a) A person who has acquired one or more time share interests, but less than twelve, for the person's own use and occupancy and then resells it;
 - (b) An association, that is not a developer, that offers for sale through a plan manager or a third party time share interests transferred to the association through specified means; and

- (c) A licensed real estate broker who owns time share interests in a time share plan and resells the interests, under specified conditions;
- (4) Changing the effective date to upon approval; and
- (5) Making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Tourism 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. 155, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 155, 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 (Hee, Sakamoto, Hogue).

SCRep. 1432 Water, Land, and Agriculture on S.C.R. No. 41

The purpose of this measure is to request the Damon Estate to consider dedicating Moanalua Gardens and the Kamananui Valley to Moanalua Gardens Foundation and to assist Moanalua Gardens Foundation in setting up an endowment to ensure the gardens remain available for public use.

The Moanalua Gardens Foundation and the Moanalua Gardens Community Association submitted testimony in support of this measure.

For years, Moanalua Gardens and Kamananui valley have been opened to the public for recreational and educational purposes. The gardens and the valley were placed into a trust by Samuel Mills Damon to manage his assets after his death in 1924. However, his trust is set to terminate, and as a result, all of the trust's assets, including the gardens and the valley, are being liquidated.

This measure requests the Damon Estate trustees and beneficiaries to consider the possibility of dedicating Moanalua Gardens and Kamananui valley to a nonprofit organization. The dedication may result in some tax benefits, but more importantly, it will result in a continued social benefit for the people of Hawaii and would remain as a lasting symbol of the Samuel Mills Damon legacy.

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. 41 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 1433 Water, Land, and Agriculture on S.R. No. 20

The purpose of this measure is to request the Damon Estate to consider dedicating Moanalua Gardens and the Kamananui Valley to Moanalua Gardens Foundation and to assist Moanalua Gardens Foundation in setting up an endowment to ensure the gardens remain available for public use.

The Moanalua Gardens Foundation and the Moanalua Gardens Community Association submitted testimony in support of this measure.

For years, Moanalua Gardens and Kamananui valley have been opened to the public for recreational and educational purposes. The gardens and the valley were placed into a trust by Samuel Mills Damon to manage his assets after his death in 1924. However, his trust is set to terminate, and as a result, all of the trust's assets, including the gardens and the valley, are being liquidated.

This measure requests the Damon Estate trustees and beneficiaries to consider the possibility of dedicating Moanalua Gardens and Kamananui valley to a nonprofit organization. The dedication may result in some tax benefits, but more importantly, it will result in a continued social benefit for the people of Hawaii and would remain as a lasting symbol of the Samuel Mills Damon legacy.

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. 20 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 1434 (Joint) Health and Commerce, Consumer Protection and Housing on S.C.R. No. 39

The purpose of this measure is to assess the social and financial effects of requiring health insurers to offer coverage for cognitive rehabilitation.

Your Committees received testimony in support of the amendments to this measure from the Vice Chair of the Hawaii County Council; the Executive Director, one member of the Board of Directors, and the Hawaii County Advisory Committee of Samaritan Counseling Center of Hawaii; the Executive Director of the Bobby Benson Center, Hale Ipu Kukui Alaka'i, Inspired Transformational Services, Compassionate Counseling, the Maui Chapter Steering Committee of the Hawaii Association for Marriage and Family Therapy; the Chief Executive Director and Clinical Director from Aloha House Maui; Ka Hale A Ke Ola Homeless Resource Center,

Ka Lima O Maui, Chaminade University, and eighteen individuals. Hawaii Medical Service Association submitted testimony in opposition.

There are not enough professional mental health clinicians to meet the needs of Hawaii residents. As many of the proponents noted, marriage and family therapists are highly trained mental health professionals who treat a wide range of serious clinical problems, including various forms of mental illness, alcohol dependence, and substance abuse issues. Your Committees find that the inclusion of marriage and family therapy among the mental illness and alcohol and drug dependence benefits will provide greater access to mental health services and additional treatment options to the presently under-served families of Hawaii.

This measure satisfies the statutory prerequisite that the Auditor prepare and submit a report to the Legislature assessing the social and financial effects of proposed mandated coverage before any such mandated coverage can be considered by the Legislature.

Your Committees have amended this measure by deleting all references to coverage for cognitive rehabilitation and instead requesting the Auditor to assess the social and financial effects of requiring health insurers to offer coverage for marriage and family therapy as proposed in S.B. No. 1228, S.D. 2.

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. 39, 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. 39, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Ige, Sakamoto, Whalen).

SCRep. 1435 Transportation and Government Operations on S.C.R. No. 164

The purpose of this measure is to request the Department of Transportation to paint over graffiti along any state-owned thoroughfares, rights-of-way, or easements within its jurisdiction within ten business days.

Your Committee received testimony in support of this measure from the Department of Transportation (DOT) and Honolulu Police Department.

Your Committee finds that in addition to being unsightly, graffiti undermines community development, especially efforts aimed at bringing in new businesses and attracting revitalizing investments. If graffiti markings are not removed quickly, the affected areas may be more prone to subsequent acts of graffiti, vandalism, and violence, based upon the recognition and competition that often exists between graffiti offenders.

Your Committee has amended this measure upon the request of the DOT to delete the reference to ten days and to substitute "as soon as possible," on the grounds that ten days is onerous and impractical, given the amount of graffiti and the availability of personnel at any given time.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 164, 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. 164, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Hee, Kanno).

SCRep. 1436 Transportation and Government Operations on S.R. No. 96

The purpose of this measure is to request the Department of Transportation to paint over graffiti along any state-owned thoroughfares, rights-of-way, or easements within its jurisdiction within ten business days.

Your Committee received testimony in support of this measure from the Department of Transportation (DOT) and Honolulu Police Department.

Your Committee finds that in addition to being unsightly, graffiti undermines community development, especially efforts aimed at bringing in new businesses and attracting revitalizing investments. If graffiti markings are not removed quickly, the affected areas may be more prone to subsequent acts of graffiti, vandalism, and violence, based upon the recognition and competition that often exists between graffiti offenders.

Your Committee has amended this measure upon the request of the DOT to delete the reference to ten days and to substitute "as soon as possible," on the grounds that ten days is onerous and impractical, given the amount of graffiti and the availability of personnel at any given time.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 96, 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. 96, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Hee, Kanno).

SCRep. 1437 (Joint) Commerce, Consumer Protection and Housing and Health on S.C.R. No. 133

The purpose of this measure is to request a study on the feasibility of establishing a state-sponsored insurance company or captive insurer to provide medical malpractice insurance to health care providers.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs, Hawaii Health Systems Corporation, Hawaii Medical Association, American College of Obstetricians and Gynecologists, and Hawaii Independent Physicians Association. The Legislative Reference Bureau (LRB) presented comments on the measure.

Your Committees find that the cost of hospital professional and general liability coverage continues to rise and that there is a lack of insurers willing to provide coverage in Hawaii. While the access problem exists statewide, it is particularly serious on the neighbor islands. Further, the difficulty in obtaining liability coverage has affected the availability of medical treatment, especially in the areas of obstetrics/gynecology, general surgery, orthopedic surgery, anesthesiology, and gastroenterology.

In order for the Legislature to better address this problem, this measure requests LRB, in consultation with the Insurance Commissioner and other stakeholders, to study the feasibility and advisability of establishing either a state-sponsored insurance company or a captive insurer to provide malpractice coverage to health care providers.

Your Committees have amended this measure:

- (1) To require LRB to review other states' experience with providing medical malpractice insurance coverage under a state-sponsored program, rather than to examine the feasibility of establishing a state-sponsored insurance company;
- (2) To require the Insurance Commissioner to conduct a study that includes:
 - (a) The experience of captive insurance companies domiciled in Hawaii and in other states that provide professional liability insurance, particularly medical malpractice insurance;
 - (b) The trends in medical malpractice verdicts and malpractice insurance premiums since state-established medical claims conciliation panels have come into existence;
 - (c) A comparison of medical malpractice insurance rates in Hawaii with those of other states that do not have medical claims conciliation panels or similar procedures; and
 - (d) A comparison of medical malpractice insurance rates in Hawaii with those of liability policies for other professions; and
- (3) By conforming its title to reflect the above amendments and by making other technical changes for the purpose of consistency.

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. 133, 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. 133, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Hanabusa, Ige, Sakamoto).

SCRep. 1438 (Joint) Human Services and Health on S.C.R. No. 79

The purpose of this measure is to request the convening of a task force to facilitate the establishment of viable naturally occurring retirement communities.

The Executive Office on Aging, Yacht Harbor Towers Condominium, Policy Advisory Board for Elderly Affairs, Waikiki Community Center, Catholic Charities Hawaii, Assisted Living Options Hawaii, and an individual submitted testimony in support of this measure. The Real Estate Commission submitted comments.

Your Committees find that many residential buildings and neighborhoods have a high concentration of elderly, but no provisions for meeting their particular needs have been made. Many of the elderly are experiencing the challenges of failing health and independent living in apartment buildings that are not designed to support elderly needs. The public is now becoming more aware of the growing need for more supportive services for naturally occurring retirement communities. A naturally occurring retirement community refers to an apartment building, housing complex, or geographic community not originally built for seniors but where many individuals have aged in place.

Your Committees further find that convening a task force will address the ways in which condominiums, associations of apartment owners, and others can respond to increase and improve the viability of aging in place. This task force will help gather organizations with interest and experience in housing, social services, and gerontology to share ideas, concerns, and possible alternatives that support the viability of naturally occurring retirement communities. Additionally, the task force will obtain a preliminary estimate on the number of seniors in condominiums and apartments, an assessment of their frailty levels, and the types of problems they are encountering at the facilities where they are residing. The task force will also identify necessary elder care services and create new internal resources to facilitate supportive care.

Your Committees have amended this measure by requesting the task force to:

- (1) Publish information regarding elderly care services and resources, including a guide to educational materials about aging issues, with the costs of publication covered by the Real Estate Commission budget;
- (2) Survey the general conditions and the number of elderly living in condominiums and apartments, the types of problems the elderly are encountering, and how the elderly groups can positively contribute their skills and time to the community; and
- (3) Adding to the task force the Hawaii Council of Association of Apartment Owners, Hawaii Long Term Care Association, Healthcare Association of Hawaii, Hawaii Independent Condominium and Cooperative Owners, and Association of American Retired Persons, and transmitting copies of the measure to them.

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. 79, as amended herein, and recommend its adoption 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 (Hanabusa, Hooser, Kokubun, Whalen).

SCRep. 1439 (Majority) Labor on S.C.R. No. 5

The purpose of this measure is to urge public and private sector employers to consider the implementation of flexible benefit plans and other family-friendly policies for their employees.

Testimony in support of this measure was submitted by the Department of Human Resources Development.

Your Committee finds that in society today, employees face multiple challenges in balancing work and family issues. Employers must adjust their workplace policies to accommodate the needs of their employees in order to maintain a productive and efficient workforce. Family-friendly workplace policies are employment-oriented social policies that facilitate the reconciliation of work and family life by fostering adequacy of family resources and child care development, favoring the parental choice about work and care, and promoting gender equality in employment opportunities.

Your Committee further finds that the utilization of family-friendly policies and flexible benefit plans help to increase employee morale and productivity and to reduce absenteeism and high turnover rates. Therefore, your Committee believes that the Legislature should urge employers in both the public and private sector to explore and implement flexible benefit plans and family-friendly policies to help to improve the lives of their employees.

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. 5 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 2. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 1440 (Majority) Commerce, Consumer Protection and Housing on H.B. No. 106

The purposes of this measure are to require health insurers to provide employers with group health claims experience and to prohibit "broad discretionary authority" clauses in health insurance contracts.

The Department of Commerce and Consumer Affairs, University Health Alliance, and Employers' Chamber of Commerce testified in support of this measure. HMAA, Hawaii Medical Service Association, and Hawaii Association of Health Plans testified in support of part I of this measure. Kaiser Permanente and America's Health Insurance Plans opposed part II of this measure.

This measure requires health insurers to provide aggregate health claims experience to employers with fifty or more employees within sixty days of a request for the information and upon payment of a processing fee not to exceed \$50. Your Committee finds that this requirement will help employers who provide health insurance benefits for their employees to better evaluate their plan rates without compromising the confidentiality of protected personal health information.

Additionally, this measure prohibits the inclusion of clauses in health insurance contracts that provide the insurer with broad discretion to determine the type and scope of coverage provided under the contract. Your Committee further finds that these clauses favor insurers in legal proceedings regarding coverage disputes since, in order to prevail, an insured individual must prove that the insurer's denial was arbitrary and capricious, a difficult legal standard to overcome. Your Committee further finds that prohibiting "broad discretionary authority" clauses will help to level the playing field in disputes between health insurers and their insured.

Your Committee has amended this measure:

- (1) To include the contents of S.B. No. 760, S.D. 1, a measure previously approved by your Committee that lowered the maximum reserves ceiling for managed care plans and prohibited rate increases for plans with reserves in excess thereof;
- (2) To have all provisions take effect upon its approval; and
- (3) 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. 106, 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. 106, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Hogue). Excused, 1 (Ige).

SCRep. 1441 Commerce, Consumer Protection and Housing on H.B. No. 606

The purpose of this measure is to authorize the Public Utilities Commission (PUC) to establish interconnection standards for customer-sited renewable energy systems of greater than ten kilowatts.

Testimony in support of this measure was received from the Consumer Advocate, Department of Business, Economic Development, and Tourism, Hawaiian Electric Company, Inc., Hawaii PV Coalition, PowerLight Corporation, Kauai Island Utility Cooperative, and Hawaii Renewable Energy Alliance. The PUC presented comments on the measure.

Current law does not prohibit utilities from imposing additional requirements on net energy metered systems of greater than ten kilowatts. Therefore, system owners could be required to install additional controls, perform or pay for additional tests, or purchase additional liability insurance, resulting in additional costs for owners, and impeding the installation of customer-sited renewable energy systems.

This measure helps to reduce obstacles to the establishment of larger capacity customer-sited systems by authorizing the PUC to determine standards and requirements for renewable energy systems of greater than ten kilowatts. Your Committee finds that the development of standards by the PUC will facilitate the installation of renewable energy systems, which, in turn, will help to reduce the State's dependence on fossil fuels.

Your Committee has amended this measure:

- (1) To authorize the PUC to adopt standards and requirements for eligible customer-generator systems of greater than ten kilowatts pursuant to administrative rulemaking, as well as through decision and order and by tariff adoption;
- (2) To take effect upon its approval; and
- (3) By making technical changes for greater clarity.

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. 606, 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. 606, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Sakamoto, Hogue).

SCRep. 1442 (Majority) Labor on S.R. No. 3

The purpose of this measure is to urge public and private sector employers to consider the implementation of flexible benefit plans and other family-friendly policies for their employees.

Testimony in support of this measure was submitted by the Department of Human Resources Development.

Your Committee finds that in society today, employees face multiple challenges in balancing work and family issues. Employers must adjust their workplace policies to accommodate the needs of their employees in order to maintain a productive and efficient workforce. Family-friendly workplace policies are employment-oriented social policies that facilitate the reconciliation of work and family life by fostering adequacy of family resources and child care development, favoring the parental choice about work and care, and promoting gender equality in employment opportunities.

Your Committee further finds that the utilization of family-friendly policies and flexible benefit plans help to increase employee morale and productivity and to reduce absenteeism and high turnover rates. Therefore, your Committee believes that the Legislature should urge employers in both the public and private sector to explore and implement flexible benefit plans and family-friendly policies to help to improve the lives of their employees.

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. 3 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 2. Noes, 1 (Slom). Excused, 1 (Ihara).

SCRep. 1443 (Joint) Water, Land, and Agriculture and Ways and Means on H.B. No. 416

The purpose of this measure is to establish an ocean recreation management area (ORMA) from the western end of the Honolulu International Airport's reef runway to Kaena point and to adopt administrative rules.

The Department of Land and Natural Resources (DLNR), the Office of Hawaiian Affairs, and four individuals submitted testimony in support of this measure.

Increased usage of beach parks and state boating facilities to accommodate commercial ocean recreation activities on the leeward coast has had a significant impact on traditional fishing activities, as well as other non-commercial activities. Thus, your Committees find that the ocean waters in this area should be designated by the DLNR as an ORMA to reduce user conflicts, maintain overall public safety, and regulate commercial activities.

This measure:

- (1) Establishes an ORMA between the western end of the Honolulu International Airport's reef runway and Kaena point;
- (2) Places a moratorium on issuing new commercial vessel permits in state small boat harbors involving ocean-related activities between the western end of the Honolulu International Airport's reef runway and Kaena point until the boundaries of the ORMA are established and administrative rules are adopted; and
- (3) Provides requirements and procedures for draft ocean recreational management area rules.

Your Committees have amended this measure by limiting the location of the ORMA to the Waianae coast, specifically between Kalaeloa point to Kaena point.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 416, H.D. 2, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 416, H.D. 2, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ayes, 13. Noes, none. Excused, 2 (Sakamoto, Trimble).

SCRep. 1444 (Joint/Majority) Judiciary and Hawaiian Affairs and Ways and Means on H.B. No. 31

The purpose of this measure is to impose various disclosure requirements on pharmaceutical manufacturers and pharmacy benefits managers as a means of increasing transparency and reducing the costs of providing prescription drugs for Hawaii residents.

Specifically, this measure:

- (1) Requires pharmaceutical manufacturing companies to disclose to the State Pharmacy Board the value, nature, and purpose of any gift, fee, or payment provided in connection with its marketing activities; and
- (2) Increases transparency with respect to pharmacy benefits managers by permitting the disclosure of certain financial information from these entities.

Testimony in support of this measure was submitted by the AARP-Hawaii, ILWU Local 142, and seven individuals. Testimony in opposition to the measure was submitted by the Department of Human Services, the State Board of Pharmacy, the State Insurance Commissioner, Pharmaceutical Research and Manufacturers of America, and Medco Health Solutions, Inc. The Department of the Attorney General and Office of Information Practices offered comments on the measure.

Your Committees find that drug costs continue to increase at a rapid rate annually. This measure seeks to address this issue by requiring the disclosure of certain financial information from drug manufacturers as well as pharmacy benefits managers as a means of increasing transparency with respect to expenditures, costs, fees, and revenues recouped by these entities. Your Committees note the concerns raised by the Attorney General with respect to this measure, but nonetheless believes that this measure is an important first step in addressing the problem of increasing drug costs in this State.

Your Committees have amended this measure by:

- (1) Making technical, non-substantive amendments for purposes of clarity, consistency, and style; and
- (2) Changing the effective date to July 1, 2050 in order to promote further discussion on this measure.

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. 31, H.D. 2, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 31, H.D. 2, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ayes, 13. Noes, 2 (Slom, Trimble). Excused, 5 (Espero, Hee, Hooser, Ihara, Sakamoto).

SCRep. 1445 Judiciary and Hawaiian Affairs on H.B. No. 437

The purpose of this measure is to clarify the maximum term of imprisonment for individuals convicted of operating a vehicle under the influence of an intoxicant while having a person under fifteen years of age in the vehicle at the time of the offense.

Testimony in support of the measure was submitted by the Department of the Prosecuting Attorney for the City and County of Honolulu and the Honolulu Police Department.

This measure clarifies that when a mandatory forty-eight hour term of imprisonment for operating a vehicle under the influence of an intoxicant is added to the mandatory term of imprisonment for the first, second, or third offense of operating a vehicle under the influence of an intoxicant, the total term of imprisonment shall not exceed the maximum term of imprisonment established in statute for these offenses.

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. 437, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Hee, Ihara).

SCRep. 1446 Judiciary and Hawaiian Affairs on H.B. No. 438

The purpose of this measure is to clarify penalties for various traffic offenses. The measure also requires the driver of an approaching vehicle to stop and remain stopped to allow a pedestrian or bicyclist to cross the roadway within a marked crosswalk.

Testimony in support of this measure was submitted by the Department of Transportation, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Honolulu Police Department, and one individual.

This measure removes duplicative or unnecessary penalty provisions for filing false reports or leaving the scene of an accident involving damage to a vehicle or property.

Your Committee has amended this measure by clarifying that a driver of a vehicle approaching within twenty feet of a marked crosswalk shall stop and remain stopped while pedestrians and bicyclists are within a marked crosswalk or, if there is no stop line, at the crosswalk's edge closest to the approaching vehicle.

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. 438, 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. 438, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Hee, Ihara).

SCRep. 1447 Judiciary and Hawaiian Affairs on H.B. No. 502

The purpose of this measure is to impose minimum fine amounts for second and third convictions of the child passenger restraint law as well as to clarify the maximum fine amount for a third violation of the motor vehicle alarm system law within a five-year period.

Testimony in support of the measure was submitted by the Department of Transportation.

This measure provides clarity with respect to minimum and maximum fine amounts that may be assessed for various traffic offenses.

Your Committee has amended this measure by removing the three-year time period with respect to determining the minimum and maximum fine amount for a third or subsequent conviction of the child passenger system 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 H.B. No. 502, 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. 502, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Hee, Ihara).

SCRep. 1448 Judiciary and Hawaiian Affairs on H.B. No. 862

The purpose of this measure is to create the petty misdemeanor offense of excessive speeding for individuals driving a vehicle at a speed exceeding the applicable speed limit by twenty-five miles per hour, or eighty miles per hour regardless of the applicable speed limit.

Testimony in support of the measure was submitted by the Department of Transportation, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Honolulu Police Department, Mothers Against Drunk Driving-Hawaii, and Kuli'ou'ou/Kalani Iki Neighborhood Board #2. The Office of the Public Defender testified in opposition to the measure.

Your Committee finds that the new criminal offense of excessive speeding is designed to address concerns in the community with respect to drivers who operate vehicles at unsafe speeds, thereby endangering the lives of fellow motorists.

Your Committee has amended this measure by:

- (1) Making technical, non-substantive amendments for purposes of clarity, style, and consistency; and
- (2) Changing the effective date to July 1, 2050 for discussion purposes.

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. 862, 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. 862, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ihara).

SCRep. 1449 Judiciary and Hawaiian Affairs on H.B. No. 919

The purpose of this measure is to mandate the forfeiture of a vehicle owned and operated by a person convicted of either operating a vehicle under the influence of an intoxicant within five years of a prior conviction for the same offense or habitually operating a vehicle under the influence of an intoxicant.

The Department of Transportation and Mothers Against Drunk Driving-Hawaii testified in support of the measure. The Honolulu Police Department and the Office of the Public Defender testified in opposition to the measure.

This measure imposes an additional penal sanction, in the form of vehicle forfeiture, on drivers who are convicted of repeatedly or habitually driving a vehicle under the influence of an intoxicant.

Your Committee has amended this measure by:

- (1) Clarifying that the forfeiture of vehicles applies to individuals convicted of operating a vehicle under the influence of an intoxicant within five years of two prior convictions for the same offense; and
- (2) Making the Department of Transportation responsible for the storage of vehicles subject to forfeiture under this measure.

Your Committee notes that requiring the Department of Transportation to store forfeited vehicles will not only require inter and intra agency coordination among public agencies, but also the assistance of private entities, such as tow companies. Funding, manpower, and jurisdictional issues implicit in the impounding and storage of forfeited vehicles require the creative use of Department of Transportation funds to support and sustain this endeavor. Accordingly, your Committee notes the potential role that a State Highway Patrol, utilizing Deputy Sheriffs in conjunction with assistance from private tow companies to hold, at least temporarily, vehicles in the forfeiture process could provide the necessary support to administer and implement this forfeiture program. To provide the Department of Transportation with sufficient time to organize and implement this collaborative effort it is suggested that this program be given an effective date of July 1, 2007.

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. 919, 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. 919, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hee, Ihara).

SCRep. 1450 Judiciary and Hawaiian Affairs on H.B. No. 1550

The purpose of this measure is to permit teachers and other employees of the Department of Education to administer glucagon to students with diabetes in emergency situations.

Testimony in support of the measure was submitted by the Department of Education, the Department of Health, the Consumer Lawyers of Hawaii, Kaiser Permanente, the American Diabetes Association, the Hawaii Association of Diabetes Educators, Tripler Army Medical Center Children With Diabetes Support Group, and fifteen individuals. The Hawaii State Teachers Association testified in opposition to the measure.

This measure authorizes the emergency administration of glucagon to students with diabetes by Department of Education employees and agents who volunteer to do so, provided that certain requirements relating to parental consent and obtaining written certification from a student's doctor are satisfied. Your Committee finds that this measure is designed to balance liability concerns with the need to provide necessary and immediate medical assistance to Hawaii's public school students who are diabetic.

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. 1550, 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, none.

SCRep. 1451 (Joint/Majority) Labor and Intergovernmental Affairs on S.R. No. 49

The purpose of this measure is to urge Hawaii's congressional delegation to reject proposed changes to the social security system.

Testimony in support of this measure was submitted by the Hawaii State AFL-CIO, the Hawaii State Teachers Association, the AARP of Hawaii, and three individuals. Testimony in opposition to this measure was submitted by one individual.

Your Committees find that the social security system provides our retired and disabled workers, and their families, with essential benefits. A vast majority of those receiving social security benefits derive at least half of their income from social security. As such, social security plays a vital role in supporting the lives of the elderly and disabled in our country. Your Committees further find that concerns exist regarding the ability of the system to continue to pay benefits to future generations of retirees and disabled workers, and there are indications that the system will in fact be bankrupt by 2042. As a result, there has recently been much discussion regarding social security reform. Included within the options for social security reform is the proposal to privatize social security. However, your Committees believe that replacing the current system with personal investment accounts will not strengthen the system's finances, but will instead act to reduce guaranteed benefits, dramatically increase the national debt, and create intolerable investment risk for those who cannot afford such risk.

Although your Committees understand that some form of social security reform must be accomplished to ensure that future generations will be able to benefit from social security, they do not believe that privatization is a viable or advisable option for addressing the problems that are currently plaguing the system. Therefore, your Committees wish to encourage Hawaii's congressional delegation to oppose any actions to privatize social security.

As affirmed by the records of votes of the members of your Committees on Labor and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 49 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, 1 (Slom). Excused, 3 (English, Ihara, Inouye).

SCRep. 1452 (Joint/Majority) Labor and Intergovernmental Affairs on S.C.R. No. 76

The purpose of this measure is to urge Hawaii's congressional delegation to reject proposed changes to the social security system.

Testimony in support of this measure was submitted by the Hawaii State AFL-CIO, the Hawaii State Teachers Association, the AARP of Hawaii, and three individuals. Testimony in opposition to this measure was submitted by one individual.

Your Committees find that the social security system provides our retired and disabled workers, and their families, with essential benefits. A vast majority of those receiving social security benefits derive at least half of their income from social security. As such, social security plays a vital role in supporting the lives of the elderly and disabled in our country. Your Committees further find that concerns exist regarding the ability of the system to continue to pay benefits to future generations of retirees and disabled workers, and there are indications that the system will in fact be bankrupt by 2042. As a result, there has recently been much discussion regarding social security reform. Included within the options for social security reform is the proposal to privatize social security. However, your Committees believe that replacing the current system with personal investment accounts will not strengthen the system's finances, but will instead act to reduce guaranteed benefits, dramatically increase the national debt, and create intolerable investment risk for those who cannot afford such risk.

Although your Committees understand that some form of social security reform must be accomplished to ensure that future generations will be able to benefit from social security, they do not believe that privatization is a viable or advisable option for addressing the problems that are currently plaguing the system. Therefore, your Committees wish to encourage Hawaii's congressional delegation to oppose any actions to privatize social security.

As affirmed by the records of votes of the members of your Committees on Labor and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 76 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, 1 (Slom). Excused, 3 (English, Ihara, Inouye).

SCRep. 1453 Education and Military Affairs on S.C.R. No. 90

The purpose of this measure is to review the standards of achievement utilized by other jurisdictions to meet the requirements of the No Child Left Behind Act.

Testimony in support of this measure was submitted by the Department of Education and Hawaii State Teachers Association. The Legislative Reference Bureau submitted comments.

Your Committee finds that ensuring that the Department of Education is utilizing all possible resources and methods to comply with the federal mandates of the No Child Left Behind Act is of high priority. Reviewing the standards of other jurisdictions would aid in assessing the department's accomplishments and shortcomings. As the department works to meet the federal requirements, any information regarding successful approaches and strategies from other states would be welcomed.

Upon further consideration, your Committee has amended this measure by removing language regarding the Legislative Reference Bureau and instead requesting the department to engage the services of an independent and objective entity for the study.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 90, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 90, S.D. 1.

Signed by the Vice Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Tsutsui).

SCRep. 1454 Judiciary and Hawaiian Affairs on S.R. No. 105

The purpose of this measure is to request that each county of the State enact an ordinance or other law that would exempt kuleana land from all real property taxation.

The measure also requests that, if enacted, the real property tax exemption qualifications include that the land shall have been occupied continuously by, and only by, the lineal descendants of the Hawaiian family that received title to the land pursuant to the Kingdom of Hawaii law that granted such title.

Testimony in support of the measure was received from the Office of Hawaiian Affairs.

Your Committee finds that, in 1850, the Kingdom of Hawaii confirmed several resolutions of the Monarch and Privy Council that granted to the maka'ainana allodial titles for their own lands and houselots, often referred to as "kuleana lands". Through the years, commercial development and other market forces have led to sharp increases in real property values and the concomitant increase in real property taxes, including kuleana lands, throughout the State. Currently, many Hawaiian families living on hereditary kuleana lands face the prospect of losing their land, and potential homelessness, due to their inability to afford these increased real property tax assessments.

Your Committee also finds that certain counties of the State already provide real property tax exemptions, in whole or in part, to residents of properties located on Hawaiian Home Lands. These real property tax exemptions on Hawaiian Home Lands contribute to the affordability of homes for the indigenous people of Hawaii. Your Committee believes that providing a narrowly crafted real property tax exemption as envisioned in this measure would serve the same purposes and benefits as a Hawaiian Home Lands real property tax exemption.

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. 105 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 1455 Judiciary and Hawaiian Affairs on S.C.R. No. 193

The purpose of this measure is to request that each county of the State enact an ordinance or other law that would exempt kuleana land from all real property taxation.

The measure also requests that, if enacted, the real property tax exemption qualifications include that the land shall have been occupied continuously by, and only by, the lineal descendants of the Hawaiian family that received title to the land pursuant to the Kingdom of Hawaii law that granted such title.

Testimony in support of the measure was received from the Office of Hawaiian Affairs.

Your Committee finds that, in 1850, the Kingdom of Hawaii confirmed several resolutions of the Monarch and Privy Council that granted to the maka'ainana allodial titles for their own lands and houselots, often referred to as "kuleana lands". Through the years, commercial development and other market forces have led to sharp increases in real property values and the concomitant increase in real property taxes, including kuleana lands, throughout the State. Currently, many Hawaiian families living on hereditary kuleana lands face the prospect of losing their land, and potential homelessness, due to their inability to afford these increased real property tax assessments.

Your Committee also finds that certain counties of the State already provide real property tax exemptions, in whole or in part, to residents of properties located on Hawaiian Home Lands. These real property tax exemptions on Hawaiian Home Lands contribute to the affordability of homes for the indigenous people of Hawaii. Your Committee believes that providing a narrowly crafted real property tax exemption as envisioned in this measure would serve the same purposes and benefits as a Hawaiian Home Lands real property tax exemption.

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. 193 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, none.

SCRep. 1456 Education and Military Affairs on S.C.R. No. 222

The purpose of this measure is to request the Charter School Administrative Office to conduct a comprehensive review of the impact of Hawaiian-focused charter schools on Hawaiian student performance.

The Charter School Administrative Office submitted comments on this measure.

Your Committee finds that Hawaiian students rank among the lowest of all major ethnic groups in the public schools system. They have disproportionately high numbers of special education referrals and have the highest dropout and lowest graduation rates. In an effort to address these poor outcomes, Hawaiian-focused charter schools have worked to incorporate culture into the education process. Analysis demonstrates that this process has allowed Hawaiian students to excel in academic settings and life, and further review of its effectiveness is needed to assess any improvements to the system.

Due to concerns raised regarding the lack of resources needed to conduct a comprehensive review, your Committee has amended this concurrent resolution to address the comments expressed by the Charter School Administrative Office (CSAO). Accordingly, your Committee has made the following amendments:

- (1) Requesting the CSAO to coordinate rather than conduct the review;
- (2) Including participation from the University of Hawaii and the Hawaii Charter School Network;
- (3) Assessing the effectiveness of schools regarding their responsiveness to the No Child Left Behind Act requirements; and
- (4) Making various corrections to clarify the intent of the concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 222, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 222, S.D. 1.

Signed by the Vice Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Hooser, Tsutsui).

SCRep. 1457 Water, Land, and Agriculture on S.C.R. No. 134

The purpose of this measure is to authorize the lease of submerged lands at Keehi small boat harbor for redevelopment, management, and operation by Honolulu Marine, Inc. for a commercial ship repair facility.

The Department of Land and Natural Resources, the Hawaii Community Development Authority, the Hawaii Boaters Political Action Association, Paradise Cruise, Ltd., and one individual submitted testimony in support of this measure. One individual submitted testimony in opposition to this measure.

Honolulu Marine, Inc. is a private company that operates a commercial marine railway and ship repair facility on the ewa boundary of Kewalo Basin. The land that Honolulu Marine currently occupies is owned by the State, and it has been targeted for redevelopment. Thus, Honolulu Marine has been notified that it must vacate the premises.

An area located adjacent to the Keehi small boat harbor has been identified as a good location for Honolulu Marine to relocate, and once established, Honolulu Marine will have the ability to perform ship repairs on shore, on the drydock, and in the water.

Pursuant to section 171-53(c), Hawaii Revised Statutes, the Board of Land and Natural Resources is authorized to lease the necessary lands to any private entity upon the prior approval of the Governor and prior authorization of the Legislature by concurrent resolution. Accordingly, this measure authorizes the Board of Land and Natural Resources to lease the fast and submerged lands at Keehi small boat harbor to Honolulu Marine for redevelopment, management, and operation of a commercial ship repair facility.

Your Committee has amended this measure by:

- (1) Clarifying that the land where Honolulu Marine is located is owned by the Hawaii Community Development Authority and leased by the Department of Transportation Harbors Division; and
- (2) Deleting the information that provides that Honolulu Marine's lease is managed by the Hawaii Community Development Authority.

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. 134, 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. 134, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1458 (Joint) Education and Military Affairs and Human Services on S.C.R. No. 57

The purpose of this measure is to request the establishment of sobriety schools, alternative schools, or dropout centers for students with substance abuse problems.

Testimony in support of the measure was submitted by the Hawaii State Teachers Association. The Department of Education and Hawaii Youth Services Network submitted testimony in opposition.

Your Committees find that students who are recovering from substance abuse need a transitional haven to readjust to the demands of school. It has been shown that the first six to twelve months are vital for a newly sober youth, as approximately eighty percent return to substance abuse one year after treatment. One factor attributed to the high rate of recidivism is the return of the student to the same environment that caused the addiction. Providing a transitional environment would lower the rate of recidivism and open opportunities for the student to develop into a valuable and contributing member to society.

Although your Committees believe that providing a transitional environment is essential, there are concerns regarding the negative stigma attached to establishing alternative schools for substance abusers as well as privacy issues. Thus, your Committees have amended this measure by expanding alternative schools to include students who suffer from substance abuse.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 57, 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. 57, S.D. 1.

Signed by the Vice Chair and Chair on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 3 (Hooser, Kokubun, Tsutsui).

SCRep. 1459 Judiciary and Hawaiian Affairs on H.B. No. 1747

The purpose of this measure is to amend provisions of Hawaii's campaign spending laws.

Specifically, this measure:

- (1) Limits contributions from nonresident individuals, persons, and noncandidate committees organized under the laws of another state to thirty per cent of the total contributions received by a candidate or candidate's committee during an election period;
- (2) Requires candidates to file an organizational report within ten days of filing nomination papers for office or the date that the candidate or candidate's committee receives contributions or makes expenditures that exceed \$100 in the aggregate;
- (3) Extends electronic filing requirements to the offices of State Senate, State House of Representatives, and the Office of Hawaiian Affairs;
- (4) Limits donors to a maximum contribution of \$500 to an individual candidate and a total contribution limit of \$25,000 for all candidates in an election period; and
- (5) Makes Office of Hawaiian Affairs candidates eligible to participate in as well as receive \$1500 in the public funds for campaign expenses.

Testimony in support of this measure was submitted by the Campaign Spending Commission and the Hawaii State Teachers Association. The Hawaii Government Employees Association testified in opposition to the measure. The Department of the Prosecuting Attorney for the City and County of Honolulu and the Department of the Attorney General commented on the measure.

Your Committee finds that this measure is designed to address concerns in the community with respect to reforming Hawaii's campaign spending laws.

Your Committee has amended this measure by inserting certain provisions of Senate Bill No. 440, S.D.1, H.D. 1 into this measure. Additionally, your Committee has amended this measure by:

- (1) Clarifying that contributions from an individual or any person who is not a resident of this State, at the time the contribution is made, shall not exceed thirty per cent of the total contributions received by a candidate or candidate's committee during the election;
- (2) Establishing a public funding program for elections to the office of the Prosecuting Attorney, including qualifying contribution requirements, expenditure limits, and disposition of surplus funds;
- (3) Removing the prohibition against contributing campaign funds to community service, educational, youth, recreational, charitable, scientific or literary organizations; provided that these contributions are not made during the time period between a candidate's filing of nomination papers to the date of the general election;
- (4) Clarifying that campaign contributions received from government contractors that are limited liability companies, limited liability partnerships, and limited liability limited partnerships are subject to contribution limits established by administrative rule by the Campaign Spending Commission, but sole proprietors are subject to contribution limits imposed on all other persons or entities;
- (5) Requiring the return of campaign contributions to a donor within thirty days of deposit if the report submitted by the candidate to the Campaign Spending Commission is incomplete with respect to information relating to a donor of the campaign contribution; and

- (6) Making technical, non-substantive amendments for purposes of clarity, consistency, and style.

Your Committee notes that this measure also protects employees from solicitation at work by requiring the individual soliciting campaign contributions to inform the employee of the employee's right to refuse to contribute without fear of reprisal.

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. 1747, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1747, 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, none.

SCRep. 1460 Commerce, Consumer Protection and Housing on H.B. No. 835

The purpose of this measure is to amend the time share laws relating to gift offer disclosures, acceptance of payment from a purchaser prior to the sale of a time share interest, and signage.

The Department of Commerce and Consumer Affairs, Pahio Resorts, Inc., and American Resort Development Association-Hawaii testified in support of this measure.

This measure clarifies and modifies the laws relating to prohibited and deceptive time share practices, as follows:

- (1) Currently, the law requires a time share sales or acquisition agent who offers a gift or prize to promote a time share project to provide the prospective purchaser with a written disclosure of all terms and conditions attached to the gift and of certain details regarding the time share project. Under this measure, only material gift and prize terms and conditions would require disclosure, and exchange privileges and limitations related to the project would not require disclosure;
- (2) The law currently prohibits the acceptance of money or other consideration from a purchaser prior to sale. This measure clarifies that the prohibition does not apply to payment received from a purchaser to participate in a tourist or promotional activity;
- (3) Current signage requirements prohibit artwork and establish other restrictions related to letter size and styling and use of colors. This measure instead requires that signage contain the words "time share" or "time sharing" in three inch-tall letters that contrast in color from the background;
- (4) Presently, time share signs are required to be permanently affixed to each side of the time share booth. This measure would permit signage to be posted on or in the time share booth, but bans any posting, upon, adjacent to, or in the sign that indicates the booth is not being used for time share solicitation purposes. Additionally, this measure provides that the signage requirements do not apply to a booth located within a time share project; and
- (5) The time share law deems it a deceptive trade practice to fail to disclose in promotional and other written materials that the product or activity involves a time share. This measure clarifies that the disclosure requirement does not apply to signs and banners.

Your Committee finds that this measure provides adequate disclosures to tourists, hotel guests, and other prospective time share purchasers, while providing time share marketers with greater flexibility to promote their products.

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. 835, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1461 Judiciary and Hawaiian Affairs on H.B. No. 588

The purpose of this measure is to amend provisions of Hawaii's expungement law.

Specifically, this measure:

- (1) Clarifies that a conviction of a violation is not expungeable; and
- (2) Permits the deletion of digital images pursuant to an expungement order.

Testimony in support of the measure was submitted by the Department of the Attorney General. The Office of the Public Defender and two individuals testified in opposition to the measure.

Your Committee has amended this measure by:

- (1) Adding a new section permitting the expungement of violations by submitting a written application to the Attorney General; and
- (2) Removing the provision making a conviction of a violation not subject to expungement.

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. 588, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 588, 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, none.

SCRep. 1462 (Majority) Judiciary and Hawaiian Affairs on H.B. No. 150

The purpose of this measure is to establish a graduated provisional licensing program for persons under the age of eighteen.

Specifically, this measure:

- (1) Establishes that a person at least sixteen years of age but under the age of eighteen may be granted a provisional license subject to certain requirements;
- (2) Limits the number of passengers as well as the hours of operation for drivers with a provisional license, subject to certain exceptions relating to travelling to and from employment or school-related functions; and
- (3) Creates penalties, including suspension and revocation of the provisional license, for violating passenger limits and operating a motor vehicle between 11 p.m. and 5 a.m. without appropriate verification from a parent or employer or if the provisional licensee is not accompanied by a licensed parent or guardian.

Testimony in support of the measure was submitted by the Department of Transportation, the Department of Education, the Department of Health, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Honolulu Police Department, the Keiki Injury Prevention Coalition, State Farm Mutual Automobile Insurance Company, Mothers Against Drunk Driving-Hawaii, and three members of MADD-Hawaii Youth in Action. The Office of the Public Defender testified in opposition to the measure. The American Academy of Pediatrics and the Judiciary commented on the measure.

This measure institutes a graduated provisional licensing program to address concerns in the community with respect to the operation of motor vehicles by persons under the age of eighteen.

Your Committee has amended this measure by:

- (1) Inserting a sunset provision that ends this graduated licensing program in three years;
- (2) Requiring the Department of Transportation and Department of Health to compile and analyze all traffic and accident data to determine the effectiveness of this graduated licensing program in reducing traffic fatalities and accidents in the State; and
- (3) Making technical, non-substantive changes for purposes of clarity, style, and consistency.

Your Committee notes that this measure touches upon many different aspects of driving beyond the licensing of underage drivers. This measure may also have an impact on car insurance rates and thus your Committee suggests that an insurance rollback provision be studied for possible implementation in the future. Further, your Committee is also cognizant of the serious concerns expressed by residents of the neighbor islands that this provisional licensing program may have on the transportation of family members and the transaction of business. Your Committee is also aware that when statewide regulatory schemes, such as this provisional licensing program, are enacted, there is often a larger impact felt in rural communities with respect to complying with the mandates of a program that is often not sensitive to the needs of each community.

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. 150, 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. 150, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 2 (English, Whalen). Excused, none.

SCRep. 1463 (Joint) Commerce, Consumer Protection and Housing and Health on S.C.R. No. 125

The purpose of this measure is to request the Legislative Reference Bureau to study and report on the competitive practices of health insurers, mutual benefit societies, health maintenance organizations, and other organizations providing health care coverage in the State.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs, Employers' Chamber of Commerce, Hawaii Coalition for Health, Summerlin Life and Health Insurance Company, Hawaii Congress of Physicians, and Hawaii Independent Physicians Association. Kaiser Permanente and Hawaii Medical Service Association opposed the measure. The Legislative Reference Bureau (LRB) presented comments.

Your Committees find that health insurance costs continue to rise in the State and that a lack of competition in Hawaii's marketplace has been cited as a contributing factor. Therefore, this measure requests LRB to undertake a study of the competitive practices of health insurers, mutual benefit societies, and health maintenance organizations, which includes a review of each insurer's administrative structure and operations, and examines the level of oversight exercised by state agencies.

Your Committees have amended this measure by replacing its contents with language that:

- (1) Sets forth allegations previously presented to the Legislature regarding the anti-competitive, monopolistic and predatory pricing practices of health insurers;
- (2) Requests the Insurance Commissioner and the Attorney General to:
 - (a) Review, investigate and, if appropriate, prosecute the alleged illegal practices; and
 - (b) Submit to the 2006 Legislature proposed corrective legislation that addresses the anti-competitive, monopolistic, and predatory pricing practices, accompanied by the agencies' positions on adoption of the proposed measures; and
- (3) Conforms the measure's title to the above changes.

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. 125, 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. 125, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Hanabusa, Ige, Sakamoto).

SCRep. 1464 (Joint) Commerce, Consumer Protection and Housing and Health on S.R. No. 69

The purpose of this measure is to request the Legislative Reference Bureau to study and report on the competitive practices of health insurers, mutual benefit societies, health maintenance organizations, and other organizations providing health care coverage in the State.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs, Employers' Chamber of Commerce, Hawaii Coalition for Health, Summerlin Life and Health Insurance Company, Hawaii Congress of Physicians, and Hawaii Independent Physicians Association. Kaiser Permanente and Hawaii Medical Service Association opposed the measure. The Legislative Reference Bureau (LRB) presented comments.

Your Committees find that health insurance costs continue to rise in the State and that a lack of competition in Hawaii's marketplace has been cited as a contributing factor. Therefore, this measure requests LRB to undertake a study of the competitive practices of health insurers, mutual benefit societies, and health maintenance organizations, which includes a review of each insurer's administrative structure and operations, and examines the level of oversight exercised by state agencies.

Your Committees have amended this measure by replacing its contents with language that:

- (1) Sets forth allegations previously presented to the Legislature regarding the anti-competitive, monopolistic and predatory pricing practices of health insurers;
- (2) Requests the Insurance Commissioner and the Attorney General to:
 - (a) Review, investigate and, if appropriate, prosecute the alleged illegal practices; and
 - (b) Submit to the 2006 Legislature proposed corrective legislation that addresses the anti-competitive, monopolistic, and predatory pricing practices, accompanied by the agencies' positions on adoption of the proposed measures; and
- (3) Conforms the measure's title to the above changes.

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.R. No. 69, as amended herein, recommend that it be referred to the Committee on Ways and Means, 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, 3 (Hanabusa, Ige, Sakamoto).

SCRep. 1465 (Joint) Commerce, Consumer Protection and Housing and Health on S.C.R. No. 81

The purpose of this measure is to request a "sunrise" analysis of a bill proposing to require health insurers to include coverage for substance abuse screening and counseling in emergency rooms and as part of routine primary care under all health insurance policies issued or renewed after December 31, 2005.

Testimony in support of this measure was received from NAMI Oahu, Mililani Town Anti-Drug Committee, and an individual. The Hawaii Medical Service Association presented comments on the measure.

Your Committees find that substance abuse testing in the emergency room is a “best practice” recommended by the National Institute for Substance Abuse. The goal of such testing is to refer persons identified with a substance abuse problem for treatment in the hopes of preventing the development of a more serious and long-term problem. To facilitate these procedures, S.B. No. 1443 (2005) establishes as a mandatory covered health insurance benefit screening and counseling for substance abuse in emergency rooms and as part of routine primary care under health insurance policies issued or renewed after December 31, 2005.

Section 23-51, Hawaii Revised Statutes, requires the Auditor to assess the social and financial effects of mandating coverage for a specific health service, specific disease, or treatment rendered by a certain health care provider, before the Legislature may enact a bill effecting the mandate. This measure authorizes the required “sunrise” analysis.

Your Committees have amended this measure:

- (1) By inserting references to S.B. No. 1443 (2005), a bill that proposes mandatory health insurance coverage for substance abuse screening;
- (2) To narrow the scope of the requested analysis by excluding substance abuse counseling and treatment provided as part of routine primary care as components of the proposed mandatory coverage;
- (3) By changing the title of this measure to reflect the revised scope of the analysis; and
- (4) By making technical amendments for the purposes of style, clarity, and consistency.

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. 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, 6. Noes, none. Excused, 4 (Hanabusa, Ige, Sakamoto, Whalen).

SCRep. 1466 (Joint) Tourism and Intergovernmental Affairs on S.R. No. 21

The purpose of this measure is to request the Department of Taxation (DOTAX) to enforce the collection of the transient accommodations tax on unregistered vacation rentals, and requesting the counties to enforce the zoning laws against illegal operations of vacation rentals.

Your Committees received testimony in support of this measure from DOTAX and Hawaii Government Employees Association. Comments were submitted by the Maui Vacation Rental Association.

All transient accommodations are required under section 237D-4, Hawaii Revised Statutes, to register with the Department of Taxation and to obtain a transient accommodations tax (TAT) license to legally operate. Transient accommodations include “bed and breakfast” operations, which are located in private residences in residentially zoned neighborhoods and in which the owner also occupies the same premises.

Your Committees find that many bed and breakfast operations are unregistered and unlicensed, and operate illegally. Your Committees further find that some operators of bed and breakfasts and of transient residential vacation rentals are in violation of county zoning laws as they lack the required permit. Any loss of revenue from the TAT has a wide-ranging effect on broad categories of programs and county revenues that depend on the TAT. This measure would enhance collections of the TAT.

Your Committees have amended the fifth whereas clause to clarify that many bed and breakfast operations are unregistered, unlicensed, and operate illegally, and that this is not necessarily typical as the original measure had previously stated.

As affirmed by the records of votes of the members of your Committees on Tourism and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 21, as amended herein, recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 21, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Baker, English, Hee, Inouye).

SCRep. 1467 (Joint) Tourism and Intergovernmental Affairs on S.C.R. No. 42

The purpose of this measure is to request the Department of Taxation (DOTAX) to enforce the collection of the transient accommodations tax on unregistered vacation rentals, and requesting the counties to enforce the zoning laws against illegal operations of vacation rentals.

Your Committees received testimony in support of this measure from DOTAX and Hawaii Government Employees Association. Comments were submitted by the Maui Vacation Rental Association.

All transient accommodations are required under section 237D-4, Hawaii Revised Statutes, to register with the Department of Taxation and to obtain a transient accommodations tax (TAT) license to legally operate. Transient accommodations include “bed and breakfast” operations, which are located in private residences in residentially zoned neighborhoods and in which the owner also occupies the same premises.

Your Committees find that many bed and breakfast operations are unregistered and unlicensed, and operate illegally. Your Committees further find that some operators of bed and breakfasts and of transient residential vacation rentals are in violation of county zoning laws as they lack the required permit. Any loss of revenue from the TAT has a wide-ranging effect on broad categories of programs and county revenues that depend on the TAT. This measure would enhance collections of the TAT.

Your Committees have amended the fifth whereas clause to clarify that many bed and breakfast operations are unregistered, unlicensed, and operate illegally, and that this is not necessarily typical as the original measure had previously stated.

As affirmed by the records of votes of the members of your Committees on Tourism and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 42, 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. 42, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Baker, English, Hee, Inouye).

SCRep. 1468 (Joint) Higher Education, Health and Media, Arts, Science and Technology on S.R. No. 108

The purpose of this measure is to request that the University of Hawaii conduct a study and make recommendations on the feasibility of encouraging stem cell research in Hawaii.

Testimony in support of the measure was received from the University of Hawaii John A. Burns School of Medicine. Comments were submitted by the Hawaii Catholic Conference and the Hawaii Family Forum.

Your Committees find that an estimated 128,000,000 Americans suffer from the crippling economic and psychological burden of chronic, degenerative, and acute diseases, including diabetes, Parkinson’s disease, cancer, and Alzheimer’s disease. The costs of treatment and lost productivity of chronic, degenerative, and acute diseases in the United States run into hundreds of billions of dollars every year, and these economic estimates do not account for the extreme cost in human loss and suffering associated with these conditions.

Your Committees also find that stem cell research could lead to unprecedented treatments and potential cures for diabetes, Alzheimer’s disease, cancer, and other diseases and offer immense promise for developing new medical therapies for these debilitating diseases.

Your Committees further find that publicly funded stem cell research, conducted under established standards of open scientific exchange, peer review, and public oversight, offers the most efficient and responsible means of fulfilling the promise of the use of stem cells in providing regenerative medical therapies.

However, because stem cell research, including the use of embryonic stem cells for medical research, raises significant ethical and policy concerns, public policy on stem cell research must balance ethical and medical considerations. As such, any stem cell research policy adopted by Hawaii must be based on an understanding of the science associated with stem cell research, grounded on a thorough consideration of the ethical concerns regarding that research, and crafted in a way that researchers will have the scientific and ethical tools necessary to fulfill the promise of stem cell research.

In light of these concerns, your Committees believe that in order to ameliorate any appearance of a conflict of interest, the University of Hawaii, a potential participant in such stem cell research, should not be the agency responsible for the study.

Your Committees have amended the measure by removing the University of Hawaii as the agency charged with the responsibility of conducting the study and inserting in its place the Legislative Reference Bureau. Your Committees have also amended the title of the measure to reflect this amendment.

Your Committees believe that conducting the study outlined in this measure is a complex task that would benefit from the assistance of an independent third party skilled in the research and development of policy issues. To that end, your Committees suggest that the Legislative Reference Bureau consider an organization such as the Hawaii Institute for Public Affairs to assist with the study.

As affirmed by the records of votes of the members of your Committees on Higher Education and Health and Media, Arts, Science, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 108, as amended herein, recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as S.R. No. 108, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 3 (English, Hanabusa, Sakamoto).

SCRep. 1469 (Joint) Higher Education, Health and Media, Arts, Science and Technology on S.C.R. No. 200

The purpose of this measure is to request that the University of Hawaii conduct a study and make recommendations on the feasibility of encouraging stem cell research in Hawaii.

Testimony in support of the measure was received from the University of Hawaii John A. Burns School of Medicine. Comments were submitted by the Hawaii Catholic Conference and the Hawaii Family Forum.

Your Committees find that an estimated 128,000,000 Americans suffer from the crippling economic and psychological burden of chronic, degenerative, and acute diseases, including diabetes, Parkinson's disease, cancer, and Alzheimer's disease. The costs of treatment and lost productivity of chronic, degenerative, and acute diseases in the United States run into hundreds of billions of dollars every year, and these economic estimates do not account for the extreme cost in human loss and suffering associated with these conditions.

Your Committees also find that stem cell research could lead to unprecedented treatments and potential cures for diabetes, Alzheimer's disease, cancer, and other diseases and offer immense promise for developing new medical therapies for these debilitating diseases.

Your Committees further find that publicly funded stem cell research, conducted under established standards of open scientific exchange, peer review, and public oversight, offers the most efficient and responsible means of fulfilling the promise of the use of stem cells in providing regenerative medical therapies.

However, because stem cell research, including the use of embryonic stem cells for medical research, raises significant ethical and policy concerns, public policy on stem cell research must balance ethical and medical considerations. As such, any stem cell research policy adopted by Hawaii must be based on an understanding of the science associated with stem cell research, grounded on a thorough consideration of the ethical concerns regarding that research, and crafted in a way that researchers will have the scientific and ethical tools necessary to fulfill the promise of stem cell research.

In light of these concerns, your Committees believe that in order to ameliorate any appearance of a conflict of interest, the University of Hawaii, a potential participant in such stem cell research, should not be the agency responsible for the study.

Your Committees have amended the measure by removing the University of Hawaii as the agency charged with the responsibility of conducting the study and inserting in its place the Legislative Reference Bureau. Your Committees have also amended the title of the measure to reflect this amendment.

Your Committees believe that conducting the study outlined in this measure is a complex task that would benefit from the assistance of an independent third party skilled in the research and development of policy issues. To that end, your Committees suggest that the Legislative Reference Bureau consider an organization such as the Hawaii Institute for Public Affairs to assist with the study.

As affirmed by the records of votes of the members of your Committees on Higher Education and Health and Media, Arts, Science, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 200, 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. 200, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 3 (English, Hanabusa, Sakamoto).

SCRep. 1470 (Joint) Business and Economic Development and Higher Education on S.C.R. No. 19

The purpose of this measure is to request the Auditor to conduct a "sunrise" analysis of the probable effects of proposed regulation of athlete agents and assess whether its enactment is consistent with State policy.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs and the University of Hawaii.

Your Committees find that H.B. No. 51 was introduced in the 2005 Regular Session to enact a Uniform Athlete Agents Act that would provide for the registration, certification, and background check of agents seeking to represent student athletes. Under section 26H-6, Hawaii Revised Statutes, all measures being considered that would subject unregulated professions and vocations to licensing or other regulatory controls must be referred by concurrent resolution to the Auditor for analysis prior to enacting the legislation.

Your Committees have made technical, nonsubstantive amendments to this measure.

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 19, as amended herein, recommend that it be referred to the Committee on Commerce, Consumer Protection, and Housing, in the form attached hereto as S.C.R. No. 19, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Baker, Chun Oakland, Menor).

SCRep. 1471 (Joint) Business and Economic Development and Intergovernmental Affairs on S.C.R. No. 17

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism to convene a task force to consider the establishment of a statewide uniform building code.

Your Committees received testimony in support of this measure from State Farm Insurance, the Hawaii Association of Realtors, the Disability and Communication Access Board, and the Hawaii Insurers Council. Your Committees also received comments from the Department of Accounting and General Services and the Department of Business, Economic Development, and Tourism.

Your Committees find that the individual counties traditionally have established their own building codes, which has resulted in a lack of uniformity among the counties, whereas a statewide uniform building code would replace the existing, fragmented building codes. Your Committees support the formation of a Uniform Statewide Building Code Task Force to consider the feasibility and ramifications of adopting a statewide uniform building code.

Your Committees have amended this measure to request the Department of Accounting and General Services to convene the task force rather than the Department of Business, Economic Development, and Tourism. Your Committees further have amended this measure by amending the proposed membership of the task force as follows:

- (1) Replacing "county fire officials" with "the State Fire Council";
- (2) Replacing "American Institute of Architects, Hawaii Chapter" with "American Institute of Architects Hawaii State Council";
- (3) Adding "One person appointed by the Insurance Commissioner representing an insurer that writes at least twenty per cent of the Hawaii homeowners insurance market"; and
- (4) Adding "One person appointed by the Insurance Commissioner representing an insurer that writes less than twenty per cent of the Hawaii homeowners insurance market".

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 17, 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. 17, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Baker, Kim, Menor, Sakamoto).

SCRep. 1472 Business and Economic Development on S.C.R. No. 142

The purpose of this measure is to request that the Governor establish a task force on sportsmanship in youth sports to evaluate the nature and extent of the problem of violence and threats against sports officials in Hawaii, the factors that contribute to this, and how the problem can be addressed.

Your Committee received testimony in support of this measure from the American Youth Soccer Organization, Positive Coaching Alliance, and three individuals. Your Committee also received comments regarding this measure from the Department of Education.

Your Committee finds that a task force on sportsmanship in youth sports is an important preliminary step to investigate and resolve the issue of violence, both verbal and physical, against sports officials. Youth sporting events in Hawaii range from players on youth recreational leagues to interscholastic high school teams to intercollegiate sports. Your Committee believes that it is imperative to curtail violence at youth sporting events before it becomes even more widespread and commonplace.

Your Committee has amended this measure by:

- (1) Replacing "the Hawaii State Basketball Officials Association" with "four sports officials recommended by the Hawaii High School Sports Association;"
- (2) Adding youth recreational league officials to the recommended task force membership;
- (3) Replacing "Representatives of the Chiefs of Police" with "A Hawaii member of the International Association of Chiefs of Police;" and
- (4) Making technical amendments.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 142, 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. 142, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Menor, Sakamoto).

SCRep. 1473 Business and Economic Development on S.R. No. 80

The purpose of this measure is to request that the Governor establish a task force on sportsmanship in youth sports to evaluate the nature and extent of the problem of violence and threats against sports officials in Hawaii, the factors that contribute to this, and how the problem can be addressed.

Your Committee received testimony in support of this measure from the American Youth Soccer Organization, Positive Coaching Alliance, and three individuals. Your Committee also received comments regarding this measure from the Department of Education.

Your Committee finds that a task force on sportsmanship in youth sports is an important preliminary step to investigate and resolve the issue of violence, both verbal and physical, against sports officials. Youth sporting events in Hawaii range from players on youth recreational leagues to interscholastic high school teams to intercollegiate sports. Your Committee believes that it is imperative to curtail violence at youth sporting events before it becomes even more widespread and commonplace.

Your Committee has amended this measure by:

- (1) Replacing “the Hawaii State Basketball Officials Association” with “four sports officials recommended by the Hawaii High School Sports Association;”
- (2) Adding youth recreational league officials to the recommended task force membership;
- (3) Replacing “Representatives of the Chiefs of Police” with “A Hawaii member of the International Association of Chiefs of Police;” and
- (4) Making technical amendments.

As affirmed by the record of votes of the members of your Committee on Business and Economic Development that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 80, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as S.R. No. 80, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 4. Noes, none. Excused, 2 (Menor, Sakamoto).

SCRep. 1474 (Joint) Business and Economic Development and Tourism on S.C.R. No. 155

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism and the Hawaii Tourism Authority to convene a work group of interested parties to examine the feasibility of hosting an international Pacific Asian Little League Baseball championship tournament in Hawaii.

Your Committees received testimony in opposition to this measure from the Hawaii Tourism Authority. The Department of Business, Economic Development, and Tourism submitted comments regarding this measure.

Your Committees find that hosting a Little League Baseball tournament would have a positive impact on the State’s economy and promote a healthy, drug-free lifestyle for our youth. The tournament also would generate good publicity, international media coverage, and reinforce Hawaii as a good visitor destination. The work group requested in this measure would provide helpful information regarding the feasibility of hosting such a tournament in the State.

Your Committees have amended this measure by:

- (1) Deleting the request that the work group include representatives from the Hawaii baseball leagues and other interested parties named by the Director of the Department of Business, Economic Development, and Tourism;
- (2) Inserting a request that the work group include representatives from the Hawaii Tourism Authority’s Sports Investigating Committee and the Hawaii Tourism Authority Sports Coordinator; and
- (3) Replacing “Little League baseball” with “youth baseball league” throughout the measure.

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Tourism that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 155, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 155, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Hee, Sakamoto, Trimble).

SCRep. 1475 (Joint) Business and Economic Development and Tourism on S.R. No. 87

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism and the Hawaii Tourism Authority to convene a work group of interested parties to examine the feasibility of hosting an international Pacific Asian Little League Baseball championship tournament in Hawaii.

Your Committees received testimony in opposition to this measure from the Hawaii Tourism Authority. The Department of Business, Economic Development, and Tourism submitted comments regarding this measure.

Your Committees find that hosting a Little League Baseball tournament would have a positive impact on the State’s economy and promote a healthy, drug-free lifestyle for our youth. The tournament also would generate good publicity, international media coverage, and reinforce Hawaii as a good visitor destination. The work group requested in this measure would provide helpful information regarding the feasibility of hosting such a tournament in the State.

Your Committees have amended this measure by:

- (1) Deleting the request that the work group include representatives from the Hawaii baseball leagues and other interested parties named by the Director of the Department of Business, Economic Development, and Tourism;
- (2) Inserting a request that the work group include representatives from the Hawaii Tourism Authority's Sports Investigating Committee and the Hawaii Tourism Authority Sports Coordinator; and
- (3) Replacing "Little League baseball" with "youth baseball league" throughout the measure.

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Tourism that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 87, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 87, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Hee, Sakamoto, Trimble).

SCRep. 1476 (Majority) Ways and Means on H.B. No. 957

The purpose of this measure is to provide Hawaii residents an earned income tax credit equal to twenty per cent of the earned income tax credit provided under the Internal Revenue Code.

Your Committee finds that the earned income tax credit is an effective method of increasing the resources of low-income taxpayers and countering the regressive nature of other taxes.

Your Committee has amended this measure by substituting the contents of S.B. No. 1410, S.D. 1, which was passed earlier by your Committee, which provides for an earned income tax credit at an unspecified percentage of the federal earned income credit.

As your Committee stated earlier with regard to S.B. No. 1410, S.D. 1, your Committee is in agreement with the intent of this measure as well but has left the amount of the tax credit unspecified 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. 957, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 957, 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, 2 (Slom, Trimble). Excused, 1 (Sakamoto).

SCRep. 1477 (Majority) Ways and Means on H.B. No. 1224

The purpose of this measure is to require the Department of Taxation not to collect or refund amounts of less than \$1.

Your Committee has amended the bill by removing its contents and replacing it with provisions that establish a method to tax electronic commerce.

As amended, the bill requires the Department of Taxation to work with designees appointed by the President of the Senate and the Speaker of the House of Representatives regarding the Streamlined Sales Tax Project.

Specifically, the bill requires the Department and the designees to:

- (1) Identify the issues that require resolution to enact and operate a streamlined sales and use tax that is based on the Streamlined Sales Tax Project's model Agreement and Act;
- (2) Draft policy recommendations to resolve these issues;
- (3) Conduct informational briefings; and
- (4) Report back to the Legislature.

The bill also repeals the Streamlined Sales and Use Tax Advisory Council and provides an appropriation of an unspecified amount for each year of the fiscal biennium for the purposes of the bill.

Your Committee finds that in 2003, the State lost approximately \$115,000,000 in state and local revenue because of an inability to collect taxes from electronic commerce transactions. Those estimates increase to approximately \$200,000,000 by the year 2008.

In response to this data, the Legislature enacted chapter 255D, Hawaii Revised Statutes, the Hawaii Simplified Sales and Use Tax Administration Act. The Act, essentially directed the Department of Taxation to enter into streamlined sales and use tax agreements with other states to simplify and modernize the administration of sales and use taxes. The modernization included, among other things, preventing the widespread nonpayment of taxes from electronic commerce transactions. The Department of Taxation, however, was also required to consult with an Advisory Council that was to be appointed by the Governor.

As of this date, the Governor has yet to appoint any members to that Council, which in effect, prevents the Department of Taxation from performing its duties under chapter 255D, Hawaii Revised Statutes.

To address this problem, this bill repeals the provision relating to the Council. The bill also requires the President of the Senate and the Speaker of the House of Representatives to appoint designees to work with the Department of Taxation on this matter to provide the input that the council would have otherwise provided.

As affirmed by the record of votes of the members 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. 1224, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1224, 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, Slom). Excused, 2 (Hooser, Sakamoto).

SCRep. 1478 Ways and Means on H.B. No. 1235

The purpose of this measure is to modify the legislative allowance for travel expenses for board, lodging, and incidentals.

Present law ties the legislative travel allowance for board, lodging, and incidental expenses to the maximum rate paid for any public officer or employee. The intent of the measure is to make the rate more flexible, by setting it at an amount that does not exceed the rate paid to any public officer of the state or federal government.

Your Committee finds that establishing additional flexibility for the rate of these expenses is appropriate. Your Committee has amended this measure by:

- (1) Specifying that the single rate shall be jointly set by the President of the Senate and the Speaker of the House of Representatives;
- (2) Adding that the rate shall be reasonably calculated to cover these expenses; and
- (3) Making the rate effective at the start of the next regular 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 H.B. No. 1235, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1235, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1479 (Majority) Ways and Means on H.B. No. 1236

The purpose of this measure is to increase the legislative expense allowance.

Your Committee notes that the legislative expense allowance was last increased in 1987. Since then, according to the Department of Labor consumer price index, inflation has risen at a rate of over sixty per cent. Your Committee finds that one of the primary purposes for the expense allowance is to permit legislators to communicate with their constituents. Accordingly, raising the legislative expense allowance by fifty per cent is necessary and reasonable. Further, tying future increases in the allowance to any increases to legislators' salaries will keep the expense allowance abreast with inflation.

Your Committee has amended this measure by making it effective at the start of the next regular legislative session, and making technical nonsubstantive changes for purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1236, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1236, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, 1 (Slom). Excused, 1 (Sakamoto).

SCRep. 1480 Ways and Means on H.B. No. 1461

The purpose of this measure is to make a technical amendment to the law pertaining to the transfer of nongeneral funds to general funds.

Your Committee finds that, currently, the Public Utilities Commission is not authorized to use the Public Utilities Commission special fund for expenses incurred in the administration of chapter 486H, Hawaii Revised Statutes, relating to gasoline dealers. Your Committee has received testimony on a proposed draft of this measure that would allow the Commission to use the special fund for this purpose.

Your Committee has amended this measure by replacing its contents with provisions that authorize the Public Utilities Commission to use its special fund for expenses incurred in the administration of chapter 486H, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1461, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1461, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Fukunaga).

SCRep. 1481 Ways and Means on H.B. No. 1462

The purpose of this measure is to make a technical amendment to the law pertaining to the deposit of funds into the state treasury.

Your Committee has amended this measure by deleting its contents and substituting in its place the provisions of S.B. No. 788, S.D. 1, relating to the voluntary environmental response program under Chapter 128D, Hawaii Revised Statutes, and H.B. No. 1183, H.D. 1, relating to the administration of sexual violence prevention and treatment programs.

The purpose of S.B. No. 788, S.D. 1, is to clarify certain provisions of the voluntary response program law to protect against the release or potential release of hazardous substances, pollutants, or contaminants in the environment. Specifically, the bill clarifies the exemption from future liability to the Department of Health of a party that undertakes a voluntary response action under an agreement with the Department of Health. The measure further allows the Department of Health to reduce or waive a response fee for a public or nonprofit agency.

The purpose of H.B. No. 1183, H.D. 1, is to allow the Attorney General to administer programs for the prevention of sexual violence and the protection and treatment of victims of sexual violence.

As affirmed by the record of votes of the members 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. 1462, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1462, 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 (Espero, Hooser, Sakamoto).

SCRep. 1482 (Majority) Ways and Means on H.B. No. 1465

The purpose of this measure is to improve the State's Income Tax Law by clarifying that section 231-24, Hawaii Revised Statutes, shall apply to the taxes imposed on taxpayers and employers under the Income Tax Law.

Your Committee amended the measure by deleting its contents and inserting therefor provisions that increases the tax on cigarettes.

Specifically, the amended measure:

- (1) Increases the state cigarette tax to 9 cents per cigarette, effective after June 30, 2006;
- (2) Increases the state cigarette tax to 11 cents per cigarette, effective after June 30, 2007;
- (3) Increases the state cigarette tax to 13 cents per cigarette, effective after June 30, 2008;
- (4) Earmarks twenty-five per cent of the moneys collected under the cigarette tax that represent the difference between 7 cents and the additional per cigarette tax amounts imposed in each succeeding fiscal year to the general fund;
- (5) Earmarks twenty-five per cent of the moneys collected under the cigarette tax that represent the difference between 7 cents and the additional per cigarette tax amounts imposed in each succeeding fiscal year to the Department of Health for health promotion and disease prevention programs authorized under section 328L-4(2), Hawaii Revised Statutes; and
- (6) Earmarks fifty per cent of the moneys collected under the cigarette tax that represent the difference between 7 cents and the additional per cigarette tax amounts imposed in each succeeding fiscal year to the Hawaii Tobacco Prevention and Control Trust Fund established under section 328L-5, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1465, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1465, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (Sakamoto).

SCRep. 1483 Ways and Means on H.B. No. 1666

The purpose of this measure is to reconsider the Governor's authority on budgeting of state funds.

Your Committee has amended the measure by removing its contents and replacing it with provisions to provide for the consistent administration of security services at all state hospitals under the Hawaii Health Systems Corporation.

Your Committee finds that the Corporation is responsible for hiring private security services at all state hospitals, except for Maui Memorial Hospital. Security services at Maui Memorial Hospital are provided by the Department of Public Safety.

This bill streamlines the administration of security services at state hospitals (including Maui Memorial Hospital), by transferring the administration of security services at all state hospitals from the Department of Public Safety to the Corporation. The transfer will allow the Corporation to not only hire a private security agency to provide security services at Maui Memorial Hospital, but will provide for the more efficient operation of security services at all state hospitals.

As affirmed by the record of votes of the members 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. 1666, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1666, 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, 13. Noes, none. Excused, 2 (Hooser, Sakamoto).

SCRep. 1484 Ways and Means on H.B. No. 1668

The purpose of this measure is to authorize the issuance of general obligation bonds.

Your Committee finds that this measure will finance project appropriations contained in acts of the Legislature for which the means of funding are designated as general obligation bond funds or reimbursable general obligation bond funds.

Your Committee finds that in its final form this measure will contain a declaration of findings, as required by the State Constitution, that the total amount of principal and interest will not cause the debt limit to be exceeded at the time of issuance.

Your Committee has amended this measure by making technical nonsubstantive amendments for purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1668, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1668, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Fukunaga).

SCRep. 1485 (Majority) Ways and Means on H.B. No. 1672

The purpose of this measure is to require the Governor or Director of Finance to conduct a hearing before restricting or withholding any funds appropriated by the Legislature.

Your Committee finds that the restriction or withholding of state funds by the Governor has become a major problem for many state-financed programs. The State depends on these programs to provide critical services to meet the many needs of the community. But the delivery of these services is placed in limbo when the administration restricts or withholds funding for these services.

It is not the intent of this bill to compromise or reduce the Governor's budgetary powers that are necessary to administer the State's multi-billion-dollar budget. But rather, it is the intent of your Committee to support and assist state-financed programs by requiring the administration to inform them on the status of restricted or withheld funds. The sharing of this information will assist program administrators to better prepare budgets and to service the needs of the community.

Accordingly, your Committee has amended the bill by expanding its scope to provide grant recipients under chapter 42F, Hawaii Revised Statutes, with notice with respect to the status of unreleased funds. Your Committee has also amended the bill by:

- (1) Requiring budget allotment estimates to include all funds lawfully budgeted and appropriated;
- (2) Requiring only the director of finance to conduct hearings with respect to restricted or withheld state funds; and
- (3) Making technical 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 H.B. No. 1672, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1672, 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 (Fukunaga).

SCRep. 1486 Ways and Means on H.B. No. 100

The purpose of this measure is to appropriate funds for the operating and capital improvement costs of the Executive Branch for the fiscal biennium of July 1, 2005 through June 30, 2007.

Overview

Your Committee has developed a balanced budget that is fiscally responsible and financially sound. It addresses the concerns and needs of our communities by taking into consideration the State's economic outlook and the impact of the federal government's spending and mandates.

Council on Revenues

At its March 8, 2005 meeting, the Council on Revenues updated its forecast of the general fund tax revenues for fiscal year 2004-2005 and beyond. The growth rate for the current fiscal year is forecast at 10 per cent, up from 8.8 per cent from their January 6, 2005 prediction. However, the Director of Taxation cautioned the Council that a good portion of the increase in revenues over the last fiscal year are attributable to one-time events that are unlikely to be repeated. The Council also revisited their visitor arrival assumptions and deemed them too high. Applying that rate to our current visitor levels would mean that total visitor arrivals would exceed eight million a year in the very near future. This was deemed to be an unrealistic forecast given our current capacity and lack of plans to increase it. The growth forecast was therefore lowered for fiscal year 2005-2006 from 5.3 per cent to 5 per cent and for the following year from 5.7 per cent to 4.9 per cent.

Although the outlook based upon the Council's projections is promising, your Committee remains cautious because of the anticipated reduction in state tax revenue. Additionally, a reduction in federal funding to Hawaii is looming on the horizon, as Congress debates the President's plan to shift more of its current services and obligations onto the states.

Federal Budget Impact

President Bush and Congress, in their efforts to control the growing federal deficit, have increasingly forced states to shoulder a greater burden of federally-mandated programs. According to the National Conference of State Legislatures' March 8, 2005 edition of the *Mandate Monitor*, at least \$30,000,000,000 in federal mandates and cost shifts have been proposed by the President in the 2006 federal budget. These come after at least \$51,000,000,000 in unfunded mandates and cost shifts previously enacted in fiscal year 2003-2004 and fiscal year 2004-2005. Some of the potential adjustments identified by the National Conference on State Legislatures that would hurt states are:

- Elimination of several education programs that states use to help implement provisions of the No Child Left Behind Act (\$1,150,000,000);
- Elimination of the Economic and Community Development program (\$1,600,000,000);
- Changes to Medicaid Safe Harbor Tax and targeted case management formula (\$360,000,000); and
- New federally mandated driver's license standards (\$60,000,000).

These cuts and mandates leave the State of Hawaii potentially underfunded by \$75,300,000 for the No Child Left Behind Act, and reduces federal funding by \$7,300,000 for community and economic development. Other proposals in the President's budget are a reduction of \$10,700,000 in homeland and security funding for the State, and a reduction for Hawaii's elementary and secondary schools of 1.7 per cent, or \$178,000,000.

The President's budget proposal also does not include funding for the ongoing war in Iraq, social security reforms, or for existing federal tax cuts to be extended or made permanent. If adopted by Congress, this budget package will have a severe impact on Hawaii's state budget as well as our economy as a whole. Hawaii's current optimistic economic forecast may need to be discounted with these impending federal burdens.

Budget Situations in Other States

According to the *State Budget Update* of November 2004 by the National Conference of State Legislatures, state finances are improving in the near term. The National Conference of State Legislatures reports that the recovery that began last year is stronger and more widespread today with revenues for the first few months of fiscal year 2004-2005 at or above projections in nearly every state. Budget overruns are less severe than in recent years and budget gaps are almost eliminated. In short, state finances are stable or improving for most states.

Unfortunately, this reprieve from budget problems is likely to be temporary. A preliminary look at fiscal year 2005-2006 budget issues reveals that another round of fiscal challenges is developing. States will face funding pressures from elementary-secondary (K-12) education, medicaid and other state programs, coupled with concerns about structural gaps in taxation and spending, creating challenges for next year's budget deliberations.

Hawaii in Relation to Other States

According to National Conference of State Legislatures, Hawaii joins the overwhelming majority of states with no budget gaps for fiscal year 2004-2005, with only three states reporting gaps. Hawaii also falls in line with half of the states entering fiscal year 2005-2006 without any spending overruns (however, emergency appropriation requests are anticipated). Performance of major tax categories has exceeded fiscal year 2003-2004 expectations, with the outlook for fiscal year 2005-2006 positive but not likely to match or exceed the current fiscal year.

Like the majority of the states, one of Hawaii's top three fiscal issues for the current session is K-12 education, focusing on education reform and supporting the weighted student formula that was enacted last year. In addition, Hawaii is one of seven states to name corrections and public safety as a priority, as well as one of five states most concerned about transportation.

Budget Highlights

Department of Education

In October of 2004, the Board of Education approved a biennial operating budget request of an additional \$102,700,000 to address essential public school programs. The biennial budget was later revised upward of an additional \$3,000,000. After reviewing and revising the Board of Education's biennial budget, the executive branch submitted a biennial budget on behalf of the Department of Education totaling only \$23,500,000, creating a shortfall of \$79,200,000 to \$82,100,000.

Due to fiscal constraints, your Committee could not provide for the total shortfalls created by the executive branch. However, your Committee provided funding for key educational programs, including \$10,600,000 over the fiscal biennium 2005-2007 to address shortfalls for services for children with autism and an additional \$6,000,000 over fiscal biennium 2005-2007 for increases in contracted services for children with autism.

In addition, your Committee provided \$2,600,000 over fiscal biennium 2005-2007 to address shortfalls for special education teachers in grades K-12 and \$2,000,000 over fiscal biennium 2005-2007 to address shortfalls in student transportation. Your Committee also provided \$4,900,000 (\$2,000,000 in fiscal year 2005-2006 and \$2,900,000 in fiscal year 2006-2007) for non-recurring costs for school equipment and textbooks.

In fiscal biennium 2003-2005, the Legislature noted that there were accumulated balances in federal and special funds for school food services. As a result, general fund appropriations were reduced in the 2003-2005 fiscal biennium in order for the Department of Education to expend the excess federal and special funds. The Department of Education has informed the legislature that those federal and special funds will be depleted by the end of fiscal year 2004-2005. The executive branch restored less than half of the amounts required by school food service. Due to fiscal constraints, your Committee could not fully restore the entire request for school food service, and has provided an additional \$10,000,000 over the fiscal biennium for school food service.

As part of Act 51, Session Laws of Hawaii 2004, also known as the Reinventing Education Act of 2004, your Committee approved the transfer of one hundred sixty-four permanent positions and the related \$13,000,000 from the Department of Accounting and General Services to the Department of Education for repairs and maintenance of school facilities.

Furthermore, your Committee provided \$6,000,000 (\$783,000 in fiscal year 2005-2006 and \$5,300,000 in fiscal year 2006-2007) to implement conversion of school principals from a ten-month to twelve-month salary schedule.

Finally, the executive branch only provided a scant \$200,000,000 in capital improvements program funds over the fiscal biennium for all of the Department of Education's capital requirements. Your Committee finds that this offering is embarrassingly short of the \$500,000,000 needed to satisfy the enormous need in repair and maintenance projects, as well as other needed improvements. As a result, your Committee provided a total of \$295,000,000 in capital improvements program funds: \$150,000,000 for school repairs and maintenance, and \$145,000,000 for other school improvements.

University of Hawaii

On September 10, 2004, the University of Hawaii Board of Regents approved a detailed biennial operating budget request of \$70,000,000 (\$31,000,000 in fiscal year 2005-2006 and \$39,000,000 in fiscal year 2006-2007) and forwarded that plan to the Governor. The Board's budget plan included the creation of many positions vital to the expansion of programs such as Workforce Development and Economic Diversification Initiatives to meet the needs of the State in areas of occupational growth as well as personnel shortages (e.g. teaching, nursing, and construction), and leveraging the resources of the University of Hawaii for economic expansion and job creation. However, the executive branch revised the budget down to \$25,000,000 -- lump-sum amounts of \$10,000,000 in fiscal year 2005-2006 and \$15,000,000 in fiscal year 2006-2007. The University of Hawaii was allowed to revise its request to include a one-time appropriation of \$20,000,000 in fiscal year 2005-2006 to initiate a student scholarship and assistance fund.

The inherent nature of budgeting in lump sum amounts prevents your Committee from performing its due diligence analysis of budget proposals. By its very nature, lump sum budgets do not present basic information such as where money is expended (which campus of the University of Hawaii system), who benefits from the expenditures, what is being received as a result of expenditures, and how the money is to be expended. As a result, lump sum budgets prevent subsequent oversight of expenditures. As the lump sum budget request did not originate from the University of Hawaii Board of Regents, the University of Hawaii administration could not provide adequate detailed information as to the distribution of the lump sum amounts, which frustrated your Committee.

Based on the difficulties inherent in lump sum budgets, your Committee did not approve these budget requests as presented by the executive branch. Furthermore, the lump sum amounts did not take into consideration the future collective bargaining costs related to the contract between the University of Hawaii and the University of Hawaii Professional Assembly.

In addition, the University of Hawaii administration could not provide your Committee with adequate information as to the details regarding the student scholarship and assistance revolving fund, again preventing your Committee from performing its due diligence analysis. Essentially, the University of Hawaii must expend resources to provide instructional services to students, regardless of whether students pay for the services. The student scholarship and assistance fund would replace the current tuition waiver system.

However, as informally explained to your Committee, the student tuition and assistance revolving fund would only provide an accounting resource and not the actual monetary infusion that the University of Hawaii currently loses from students that are granted tuition waivers. In addition, the intent of the student scholarship and assistance revolving fund was to enable students to claim tax credits which they could not do with tuition waivers. In this respect, your Committee believes that the University of Hawaii was misinformed as to the nature of educational tax credits. Individuals must pay educational costs in order to claim any educational tax credits. Assistance, whether in the form of tuition waivers or scholarships cannot be used to claim tax credits.

On March 25, 2004, the Governor, jointly with the President of the University, members of the University of Hawaii Board of Regents, and the University of Hawaii Professional Assembly announced that it had reached an unprecedented six-year collective bargaining contract between the State and University of Hawaii professors. Among other things, the contract provided for pay increases equating to raises of over thirty-four per cent over the six-year contract, with the cost borne entirely by the State for the first three years, and then split between the State and the University of Hawaii over the last three years. Total obligations are estimated to be \$124,000,000 to the State and \$39,000,000 to University of Hawaii. State law requires that this contract becomes valid only if the Legislature appropriates the necessary funds to pay for the new cost items. Last year, your Committee raised several concerns regarding this multi-biennial contract.

During the 2004 legislative session, one of your Committee's greatest concerns was that, in order for the University of Hawaii to pay for its portion of the contract, tuition for students may have to be raised. While your Committee cannot draw a direct correlation between the pay raises and the actions of the University of Hawaii, we note that in March of this year, the University of Hawaii proposed an increase in tuition to more than double its current rate within the next five years. Among its priorities, the University of Hawaii cites the need to hire and retain faculty and fix classrooms and buildings. While your Committee recognizes that the needs expressed by the University of Hawaii are legitimate and valid, it notes that, in its current biennial budget, the University of Hawaii identified \$20,000,000 (\$4,500,000 in fiscal year 2005-2006 and \$15,500,000 in fiscal year 2006-2007) in addition to collective bargaining costs over and above the \$8,600,000 in collective bargaining costs expended in prior years. Despite these concerns, your Committee intends to fully provide for the University of Hawaii Professional Assembly's collective bargaining costs of \$37,200,000 (\$13,100,000 in fiscal year 2005-2006 and \$24,100,000 in fiscal year 2006-2007).

Despite substantial collective bargaining costs and lower overall revenue expectations from the Council of Revenues, your Committee remains committed to the vision of creating a world-class institution of higher learning and has provided nearly \$13,000,000 (\$5,800,000 in fiscal year 2005-2006 and \$6,900,000 in fiscal year 2006-2007) in increased support for University of Hawaii programs, including approximately \$3,000,000 (\$1,400,000 in fiscal year 2005-2006 and \$1,600,000 in fiscal year 2006-2007) for community college programs and \$3,000,000 (\$1,000,000 in fiscal year 2005-2006 and \$2,000,000 in fiscal year 2006-2007) for the "B Plus" State Scholarship program.

Your Committee also provided \$13,000,000 (\$6,100,000 in fiscal year 2005-2006 and \$6,900,000 in fiscal year 2006-2007) in general funds and revolving funds to address projected shortfalls in operating, faculty, and support functions at the new facilities for the John A. Burns School of Medicine. Your Committee believes that prior University of Hawaii administrations may have been overly optimistic as to the short-term potential of the new John A. Burns School of Medicine facilities at Kakaako to generate external grant and other non-general funds. However, your Committee continues to believe in the medium and long-range potential of the John A. Burns School of Medicine facilities at Kakaako in becoming a world-class health, biomedical, and biotech research and teaching facility.

In this regard, your Committee provided for budget shortfalls of the John A. Burns School of Medicine with a combination of general fund and revolving fund moneys. Although the University of Hawaii administration did not adequately budget for "start-up" or operating costs, your Committee acknowledges that millions of dollars have already been committed to the construction of the John A. Burns School of Medicine. It would not be fiscally responsible to then have the facilities sit dormant or under-utilized because funds were not provided for the "start-up" or day-to-day operations. Your Committee also recognizes the fact that, while research has the potential of becoming "self-supporting", this does not apply to the educational portion of the Kakaako facility. The intent of your Committee is to add general funds to support costs associated with the educational functions of the facility while authorizing expenditure ceiling increases from the research and training revolving fund to temporarily support the research component of the John A. Burns School of Medicine Kakaako facility. This will give the research component of the facility time to become fully operational to fulfill the expectations of the legislature, the university community, and the general public in becoming a world-class medical, biomedical, and biotech center. It is hoped that, as more external funding is obtained for research by the school of medicine, the initial "investment" from the research and training revolving fund will be returned exponentially.

The research and training revolving fund is the depository for overhead reimbursements that the State or the University of Hawaii expended in support of administering federal grants. Historically, the University of Hawaii has allowed the research unit that obtained federal grants to retain approximately fifty per cent of the reimbursement with the vice-president for research and various chancellors receiving the remaining fifty per cent. There are no federal guidelines as to the disposition of federal overhead reimbursements. In the distant past, all federal overhead reimbursements were deposited into the state treasury as general funds.

Finally, your Committee is authorizing expenditures of up to \$2,500,000 over the biennium from the research and training revolving fund to provide state matching funds for the Hawaii Experimental Program to Stimulate Competitive Research for energy, sponsored by the National Science Foundation.

Department of Public Safety

The paramount concerns of the Department of Public Safety continues to be the overcrowded conditions of our correctional facilities, the deteriorating physical condition of these facilities, and the increased demand for correctional services. Between fiscal year 1991-1992 and fiscal year 2004-2005, the Department has seen its base budget reduced by \$23,400,000 and two hundred forty-six positions. During that same period, however, the inmate population has escalated by 123 per cent, from 2,700 to 6,030. As an

example, on March 7, 2005, there were 3,943 inmates in facilities in Hawaii, although the capacity is only 3,487. Additionally, 1,617 Hawaii inmates were held in facilities on the mainland and ninety-nine were held at the Federal Detention Center on Oahu.

With the unlikelihood of any new facilities being built in the near future, transferring inmates to the mainland or to the Federal Detention Center is the best solution to reducing the overcrowding at our correctional facilities. This budget approves the Governor's request to transfer an additional five hundred twenty-six inmates to out-of-state facilities, which would bring the total Hawaii inmate population housed on the mainland to 2,143. Your Committee provided \$10,200,000 for fiscal year 2005-2006 and \$12,700,000 for fiscal year 2006-2007 for this purpose. Those amounts include \$1,500,000 per year to cover a 2.50 per cent annual increase in the basic daily fee for the one thousand six hundred inmates currently held in mainland facilities. Furthermore, your Committee provided \$8,200,000 for each fiscal year for one hundred forty more contract beds at the Federal Detention Center.

With the recent construction of new court buildings and the increased responsibility over state buildings and its interests, your Committee has provided for eighteen new deputy sheriff positions for Hawaii, Maui, and Oahu courts at a cost of \$566,230 in fiscal year 2005-2006 and \$851,604 in fiscal year 2006-2007.

Department of Health

Your Committee affirms its support and commitment to provide the resources necessary to address the various health needs of the people of Hawaii. Toward this end, the appropriations authorized by your Committee ensure sufficient funds for the Department's high priority areas, specifically -- substance abuse, developmental disabilities, and adult mental health.

Your Committee commends the Department of Health for its dedicated and continued efforts to comply with various court mandates. The Department's successes include the dismissal in December 2004 of the thirteen-year old civil rights Department of Justice lawsuit against the Hawaii State Hospital. Also, the Felix Consent Decree for children with severe mental disorders nears the end of its sustainability period and court mandate in June 2005.

Your Committee firmly recognizes the need to continue the work of the Joint House-Senate Task Force on Ice and Drug Abatement, which provided a comprehensive plan last legislative session established under Act 40, Session Laws of Hawaii 2004, to address the ice epidemic. Accordingly, your Committee provided an additional \$13,700,000 in general funds for substance abuse treatment services and prevention programs over the biennium for both adolescents and adults. Your Committee also notes that the level of funding provided for substance abuse exceeds the executive branch's biennial request, which only provided marginal support to stem the ice epidemic.

To provide for the increase in the number of individuals with developmental disabilities admitted to the Home and Community Based Waiver Services, your Committee provided \$15,710,000 in general funds over the biennium to be matched by Title XIX federal funds.

Your Committee also provided \$1,000,000 in general funds for each year of the biennium to fund emergency medical services for the County of Maui's aeromedical services.

Funding levels for outpatient services of the Adult Mental Health Division for the biennium was based on its emergency appropriation request for this current fiscal year. Earlier this year, your Committee, upon review of the data provided by Adult Mental Health Division, determined that there was a need for closer scrutiny of its budget request and requested the Adult Mental Health Division to reevaluate its data and methodology and present its updated recommendations. These findings included a smaller than expected growth in the cost of its contracted services. The Adult Mental Health Division also determined that its original fifteen per cent rate increase in clients did not materialize as projected.

Toward this end, your Committee was informed that no additional general funds are required for the upcoming biennium. Your Committee however did provide a special fund ceiling increase to allow for reimbursements under the new Medicaid Rehabilitation Option program for the Adult Mental Health Division. Furthermore, \$996,960 in general funds was provided to the Hawaii State Hospital to cover increasing costs for pharmaceutical drugs, implement an automated medication dispensing system and acquire medication carts over the biennium. Your Committee also provided \$2,820,000 in general funds for staffing support for the Community Mental Health Centers statewide.

The Hawaii Health Systems Corporation has been provided with a continued recurring source of general funds amounting to \$27,800,000 annually. Your Committee believes that significant progress has been made over the last few sessions to create transparency, resulting in more open communication between the Corporation and the Legislature. Moreover, your Committee is aware of the on-going negotiations between the Department of Human Services and the Centers for Medicare and Medicaid Services to amend its current Medicaid QUEST Demonstration Project waiver program. When implemented, the waiver will permit the Hawaii Health Systems Corporation's acute care hospitals to recover a portion of their unreimbursed costs for providing health care to those in our population that are either indigent or uninsured. These payments, aptly named "DSH-Like" payments, simulate for Hawaii the "Disproportionate Share Hospital" reimbursements that other states receive by federal allotment provided under federal law.

Your Committee is mindful that, when implemented, these reimbursements will provide some fiscal relief to the Hawaii Health Systems Corporation. Concurrently, upon receipt of the federal reimbursements, your Committee expects the Hawaii Health Systems Corporation to cooperate and to reimburse the state treasury with the appropriate amount of general funds that the Corporation will receive in federal funds.

Your Committee believes that the Healthy Start program under the Maternal and Child Health Services Division deserves further scrutiny. In January of 2005, the Department of Health, on its own volition, chose not to include a proviso similar to Section 24 of Act 200, Session Laws of Hawaii 2003, earmarking \$5,200,000 in Tobacco Settlement Special Funds for the Healthy Start program. As a

result of this exclusion, the Healthy Start program's base funding may be reduced by \$5,200,000. Your Committee has not been able to obtain timely or forthright responses from the Healthy Start program.

Your Committee also notes that the Department of Health readily acknowledges this is an internal issue that needs to be rectified in the very near future. The Department further acknowledges that the program is in need of retooling and program review. Toward this end, your Committee has issued a proviso for the Healthy Start program to address its internal issues and determine its effectiveness and relevance.

Department of Business, Economic Development, and Tourism

Your Committee has added \$8,200,000 in fiscal year 2005-2006 and \$9,200,000 in fiscal year 2006-2007 in tourism special funds for the continued expansion of its promotional programs. However, the Committee has also reduced funding for marketing in other areas where the results were significant in showcasing Hawaii's assets, but the return on investment could not be quantified to justify additional funds.

Your Committee has provided \$1,500,000 in each fiscal year of the biennium for the Hawaii Experimental Program To Stimulate Competitive Research that has proven to be successful over the last three years and \$551,769 in fiscal year 2005-2006 and \$251,769 in fiscal year 2006-2007 for the implementation of the Petroleum Industry Data and Information Functions as mandated by chapter 486J, Hawaii Revised Statutes.

Department of Taxation

Since 1999, when the Department began installing the first phase of the Integrated Tax Management System, the State began to locate and generate additional revenues through improved tax collection efficiencies. Now with its final phase of implementation just about completed, your Committee continues to support the Integrated Tax Management System and is appropriating \$2,500,000 over the next biennium for production support to ensure that the system continues to operate at its fullest potential.

Your Committee has also provided twenty-six new auditor and collector positions in fiscal year 2005-2006 and six new positions in fiscal year 2006-2007 to allow for the eventual collection of approximately \$38,700,000 in additional annual tax revenues.

Department of Land and Natural Resources

Your Committee believes that continued and expanded efforts to combat invasive species in the State is necessary. In response to various threats such as the Coqui frog and Salvinia Molesta, the 2003 Legislature established the Hawaii Invasive Species Council. The Hawaii Invasive Species Council was charged with protecting the State against invasive species 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 \$4,000,000 for fiscal years 2005-2006 and 2006-2007, subject to matching non-state funds.

Department of Agriculture

Hawaii's environment is its most important economic asset. It spurs a tourist industry that has dominated Hawaii's economy for decades. There is a need to prevent the incursion of invasive species that pose a threat to Hawaii's unique flora and fauna. To address this, your Committee approved the addition of ten plant quarantine inspector positions to perform detector dog handler duties. Your Committee also supports the Senate's commitment to agricultural research. Your Committee restored \$494,721 in general funds for both fiscal years for agriculture development, research, and marketing.

Your Committee also values the economic contribution of Hawaii's farmers. In March 23, 2005, the Governor requested the addition of more than \$184,000 in general funds to the Department of Agriculture's supplement for both fiscal years. This is to help farmers cover the increasing costs of water use and irrigation maintenance. Your Committee concurs with the administration to address the farmers' plight.

Department of Defense

Your Committee appreciates the sacrifices of our dearly departed veterans who defended our freedom and liberties. However, the executive branch's request for the rehabilitation of the Hawaii State Veteran's Cemetery for \$131,200 for fiscal year 2006 and \$56,250 for fiscal year 2007 was not approved. Instead, the requested amount plus the addition of more than \$21,000 for fiscal year 2006 was appropriated under House Bill No. 115, Senate Draft 2, as a senate amendment. Your Committee believes that the use of only one bill for this endeavor promotes fiscal transparency and legislative efficiency.

Your Committee understands the geographical vulnerability of Hawaii. In light of recent events in South Asia, your Committee funded the conversion of various temporary civil defense positions to permanent status. This will enable the State to be more informed on, and prepared for, natural and man-made disasters. Your Committee also authorized more than \$10,000,000 in federal funds to reflect homeland security grant funds to assist counties and state agencies in combating terrorist threats and calamities.

Conclusion

Despite the strong economic indicators for Hawaii and the Council on Revenues' positive revenue projections, your Committee has taken a very prudent approach to allocating our financial resources in a manner that will continue to keep our economy on the track of sustainable growth.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 100, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 100, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 1487 Ways and Means on H.B. No. 450

The purpose of this measure is to appropriate funds for the biennial budget of the Office of Hawaiian Affairs.

Your Committee finds that this measure appropriates necessary funds for the operation and administration of the Office of Hawaiian Affairs as well as outreach programs funded by the Office of Hawaiian Affairs.

Your Committee has amended this measure to include funding in fiscal year 2005-2006 to provide grants for the following programs: Alu Like, Na Pua No'eau, and the Native Hawaiian Legal Corporation. However, funding for these programs will not be provided as grants in fiscal year 2006-2007; instead, the Office of Hawaiian Affairs will have to expend the appropriated funds pursuant to chapter 103D or chapter 103F, Hawaii Revised Statutes, as appropriate.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 450, H.D. 2, S.D. 1 as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 450, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 1488 Ways and Means on H.B. No. 500

The purpose of this measure is to appropriate funds for the operating and capital improvement project budgets of the Judiciary for the 2005-2007 fiscal biennium.

Your Committee finds that this measure will fund critical services, facilities, and operations of the Judiciary, including appropriating \$95,000,000 for the Kapolei Judiciary Complex. An immediate appropriation for the Complex is necessary to secure 13.6 acres of land from the Estate of James Campbell at no cost to the State. Your Committee is prepared to work and deliberate with members of the House of Representatives 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. 500, 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. 500, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 1489 Water, Land, and Agriculture on H.B. No. 85

The purpose of this measure is to exclude Piers 1 and 2 from the Kakaako Community Development District.

The Chamber of Commerce of Hawaii, the Hawaii Boaters Political Action Association, the Hawaii Pilots Association, the Hawaii Ship Agents Association, the Hawaii Stevedores, Inchcape Shipping Services, the International Longshore and Warehouse Union Local 142, Matson Navigation Company, Young Brothers, Ltd., and seven individuals submitted testimony in support of this measure. The Hawaii Community Development Authority (HCDA), the Department of Transportation (DOT), and the Kakaako Improvement Association submitted testimony in opposition to this measure.

Maritime lands, particularly harbors, are a finite resource of the State. Areas such as Piers 1 and 2 located in Honolulu Harbor contain vital and unique maritime cargo facilities that cannot easily be relocated, and projections made by the DOT Harbors Division indicate that foreign cargo capacity will be exhausted within five years at its present rate of growth. Thus, your Committee finds that the DOT Harbors Division is best equipped to manage the two piers. Accordingly, this measure transfers the jurisdiction of Piers 1 and 2 and the contiguous backup fast lands, approximately twenty-nine acres, from the Kakaako Community Development District to the DOT Harbors Division.

Your Committee noted testimony from both HCDA and DOT that a memorandum of agreement between the two agencies was being finalized to address the future need for Piers 1 and 2 to remain in maritime use. However, after visiting Piers 1 and 2 and reviewing a copy of the memorandum of agreement, your Committee finds that the transfer of jurisdiction from HCDA to DOT Harbors Division is necessary.

Your Committee specifically noted that the property being transferred to DOT Harbors Division is bounded to the west by Forrest Avenue and runs from Ala Moana Boulevard to the ocean. Your Committee also noted that HCDA has an existing agreement with the University of Hawaii for lot 5, containing approximately three acres, and has also received inquiries from the Office of Hawaiian Affairs for lot 1, which is east of Forrest Avenue and contains approximately five acres. Thus, your Committee has amended this measure by:

- (1) Excluding lots 1 and 5 from the property being transferred from HCDA to the DOT Harbors Division; and
- (2) Clarifying that the property being transferred is bounded to the west by Forrest Avenue and runs from Ala Moana Boulevard to the ocean.

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. 85, 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. 85, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 1490 Commerce, Consumer Protection and Housing on S.C.R. No. 103

The purpose of this measure is to request the Auditor to conduct a comparative analysis of Hawaii's and other states' professional and vocational regulatory programs.

The Department of Commerce and Consumer Affairs (DCCA) and Hawaii Association of Realtors testified in support of this measure.

The Hawaii Regulatory Licensing Reform Act, codified in chapter 26H, Hawaii Revised Statutes, establishes the State's policy with respect to the regulation of professions and vocations. Among other things, this policy provides that:

- (1) The regulation and licensing of professions and vocations shall be undertaken only where reasonably necessary to protect the health, safety, or welfare of consumers;
- (2) The purpose of regulation shall be the protection of the public welfare and not that of the regulated profession or vocation;
- (3) Professional and vocational regulations that artificially increase the costs of goods and services to the consumer shall be avoided except in those cases where the Legislature determines that this cost is exceeded by the potential danger to the consumer;
- (4) Professional and vocational regulations shall be eliminated when the Legislature determines that they have no further benefits to consumers; and
- (5) Regulation shall not unreasonably restrict entry into professions and vocations by all qualified persons.

Your Committee finds that some of DCCA's professional and vocational regulatory programs have been criticized for being unwarranted, counterproductive, or protectionist in nature. This measure requests the Auditor to compare the State's professional and vocational regulatory programs to other states' programs and to recommend whether Hawaii's programs are necessary to protect the health, safety, and welfare of consumers. Your Committee further finds that the Auditor's analysis will assist DCCA and the Legislature in assessing the validity of the above criticisms and the need for regulation.

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. 103 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 1491 Commerce, Consumer Protection and Housing on S.C.R. No. 114

The purpose of this measure is to request the Auditor to conduct a "sunrise" analysis of the regulation of check cashers.

The Department of Commerce and Consumer Affairs (DCCA), Legal Aid Society of Hawaii, Community Financial Services Association of America, Hawaii Asset Building Coalition, and Chaminade University Service Learning Program testified in support of this measure.

Check cashing establishments, also known as payday loan companies, make short-term loans to consumers by accepting a post-dated check or electronic fund transfer agreement with proper identification, charging a fee, and providing immediate cash. Chapter 480F, Hawaii Revised Statutes (HRS), establishes certain requirements for and limitations on check cashing transactions, but does not establish a system for the regulation of the check cashing profession.

S.B. No. 1413 (2005) proposes to require check cashers to file comprehensive annual reports with DCCA that disclose financial information about the check casher, provide detailed information about deferred deposit agreements made during the preceding calendar year, and verify that improper means are not being utilized to collect deferred deposits. Additionally, the bill would require check cashers to file copies of deferred deposit agreement forms with DCCA and to provide customers with a pamphlet that, among other things, informs customers that DCCA provides information about complaints filed about check cashers and the resolution of those complaints.

Your Committee finds that the above requirements appear to establish a system for the regulation of the check cashing profession. Your Committee further finds that the Hawaii Regulatory Licensing Reform Act (Act), codified in chapter 26H, HRS, requires that,

before a bill is enacted that subjects a previously unregulated profession or vocation to regulatory control, the bill must first be referred by concurrent resolution to the Auditor for a “sunrise” analysis.

The Auditor is required to determine the probable effects of the proposed regulation, assess whether the bill’s enactment is consistent with the Act’s policies, and consider alternative forms of regulation. This measure effects the request to the Auditor for such an analysis.

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. 114 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 1492 Commerce, Consumer Protection and Housing on S.C.R. No. 167

The purpose of this measure is to request the Auditor to conduct a “sunrise” analysis of the regulation of condominium association managers.

The Real Estate Commission (REC) and Hawaii Legislative Action Committee of the Community Associations Institute testified in support of this measure.

Your Committee finds that condominium managing agents and other managers of community associations constitute a relatively small professional group in the State, yet they control approximately \$20,000,000,000 worth of real property statewide. Presently, the law does not require association managers to possess any specific training or knowledge to undertake their duties.

S.B. No. 1454 (2003) proposes to require the certification of condominium association managers by the REC. Your Committee further finds that the Hawaii Regulatory Licensing Reform Act (Act), codified in chapter 26H, Hawaii Revised Statutes, requires that, before a bill is enacted that subjects a previously unregulated profession or vocation to regulatory control, the bill must first be referred by concurrent resolution to the Auditor for a “sunrise” analysis.

The Auditor is required to determine the probable effects of the proposed regulation, assess whether the bill’s enactment is consistent with the Act’s policies, and consider alternative forms of regulation. This measure effects the request to the Auditor for such an analysis.

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. 167 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 1493 Commerce, Consumer Protection and Housing on S.C.R. No. 144

The purpose of this measure is to request the Auditor to conduct a study on the issue of medical malpractice insurance coverage in the State.

The Hawaii Medical Association and American College of Obstetricians and Gynecologists, Hawaii Section, testified in support of this measure. The Department of Commerce and Consumer Affairs presented comments.

Your Committee finds that the cost of hospital professional and general liability coverage continues to rise and that there is a lack of insurers willing to provide coverage in Hawaii. While the access problem exists statewide, it is particularly serious on the neighbor islands. Further, the difficulty in obtaining liability coverage has affected consumers’ access to medical treatment, especially in the areas of obstetrics/gynecology, general surgery, orthopedic surgery, anesthesiology, and gastroenterology.

This measure requests the Auditor to study whether medical malpractice insurance rates in the private sector have increased over the years and whether it is feasible for the State to establish a captive insurance company to provide medical malpractice insurance. Your Committee finds that an Auditor’s study will assist the Legislature in better understanding the issues relating to the availability of medical malpractice coverage in this State and to determine whether legislative action is required.

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. 144 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 1494 Commerce, Consumer Protection and Housing on S.R. No. 55

The purpose of this measure is to request the Auditor to conduct a comparative analysis of Hawaii’s and other states’ professional and vocational regulatory programs.

The Department of Commerce and Consumer Affairs (DCCA) and Hawaii Association of Realtors testified in support of this measure.

The Hawaii Regulatory Licensing Reform Act, codified in chapter 26H, Hawaii Revised Statutes, establishes the State's policy with respect to the regulation of professions and vocations. Among other things, this policy provides that:

- (1) The regulation and licensing of professions and vocations shall be undertaken only where reasonably necessary to protect the health, safety, or welfare of consumers;
- (2) The purpose of regulation shall be the protection of the public welfare and not that of the regulated profession or vocation;
- (3) Professional and vocational regulations that artificially increase the costs of goods and services to the consumer shall be avoided except in those cases where the Legislature determines that this cost is exceeded by the potential danger to the consumer;
- (4) Professional and vocational regulations shall be eliminated when the Legislature determines that they have no further benefits to consumers; and
- (5) Regulation shall not unreasonably restrict entry into professions and vocations by all qualified persons.

Your Committee finds that some of DCCA's professional and vocational regulatory programs have been criticized for being unwarranted, counterproductive, or protectionist in nature. This measure requests the Auditor to compare the State's professional and vocational regulatory programs to other states' programs and to recommend whether Hawaii's programs are necessary to protect the health, safety, and welfare of consumers. Your Committee further finds that the Auditor's analysis will assist DCCA and the Legislature in assessing the validity of the above criticisms and the need for regulation.

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. 55 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 1495 (Joint) Water, Land, and Agriculture and Commerce, Consumer Protection and Housing on S.C.R. No. 178

The purpose of this measure is to oppose the transfer of the Waiahole Valley Agricultural Park and residential lots subdivision by the Housing and Community Development Corporation of Hawaii (HCDCH) to the Department of Hawaiian Home Lands (DHHL).

The Waiahole-Waikane Community Association and approximately sixty-five individuals testified in support of this measure. HCDCH and DHHL provided comments on this measure.

Thirty-five years ago, the farming and non-farming tenants in the Waiahole and Waikane valleys sought to preserve the integrity of their community by resisting an eviction from their lands when a massive development project was proposed for the area. A few years later, these tenants unified their efforts to preserve the lifestyle of the valleys' community by establishing the Waiahole-Waikane Community Association (Association). Through the Association's dedication, long-term leases were eventually negotiated for farming and residential lots in 1998, ensuring security for the families in the valley.

However, on December 30, 2004, HCDCH and DHHL executed an agreement to transfer HCDCH's fee interest for the Waiahole valley property to DHHL. This agreement was met with great opposition from the residents of the valley and the Association for a variety of reasons, and this measure provides that the Legislature opposes the proposed transfer of Waiahole valley property to DHHL.

Your Committees have amended this measure by specifically requesting HCDCH to rescind its December 30, 2004 agreement to transfer its fee interest to DHHL.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture 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. 178, 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. 178, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 3 (Fukunaga, Ige, Sakamoto).

SCRep. 1496 (Joint) Transportation and Government Operations and Ways and Means on H.B. No. 162

The purpose of this measure is to require the state procurement policy board to adopt rules to promote the growth and development of small businesses.

Your Committees received testimony in support of this measure from the Department of Accounting and General Services, Department of Business, Economic Development, and Tourism, State Procurement Office, The Chamber of Commerce of Hawaii, Benefit Capital Financial Services, Inc., Principle-Centered Solutions, Hawaii Engineering Group, Inc., and Boss Communication Technologies.

Your Committees find that this measure will support small business growth and development. This measure directs the Procurement Policy Board to establish administrative rules that help small businesses obtain state and county contracts. This measure

allows for the creation of small business set-asides and encourages larger contractors to use small businesses as subcontractors by making it one of the factors considered in the bid evaluation process.

Small businesses are the lifeblood of the State's economy. This measure has the effect of encouraging entrepreneurship, which in turn strengthens the economy. Government contracts are very important to small businesses in Hawaii.

Your Committees have amended this measure by:

- (1) Making a conforming statutory amendment by amending the definition of "small business";
- (2) Clarifying the duties of the chief procurement officer in relation to small business; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 162, H.D. 2, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 162, H.D. 2, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 14. Noes, none. Excused, 5 (Hee, Nishihara, Sakamoto, Hemmings, Whalen).

SCRep. 1497 Ways and Means on H.B. No. 912

The purpose of this measure is to appropriate moneys for the Hawaii Small Business Development Center Network to help small businesses grow through management-force training.

Your Committee finds that the small business sector of the State's economy is in need of much assistance. The Hawaii Small Business Development Center Network helps the business sector by providing consulting and training to existing small businesses and new ventures. The only statewide business assistance organization in Hawaii, the Hawaii Small Business Development Center Network provides consulting and training to more than two thousand businesses annually and has provided these services since 1990.

Your Committee has amended this measure by changing the amount appropriated 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. 912, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 912, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (Fukunaga, Hooser, Kanno, Kim, Hemmings).

SCRep. 1498 Ways and Means on H.B. No. 556

The purpose of this measure is to make an emergency appropriation of \$3,050,000 for fiscal year 2004-2005 from the wireless enhanced 911 fund.

Your Committee finds that Act 159, Session Laws of Hawaii 2004, required a fee of \$.66 per month per wireless phone to be paid into the wireless enhanced 911 fund beginning July 1, 2004. However, no appropriation from the fund was made to pay the basic operational costs of the wireless enhanced 911 board, including travel reimbursements for board members, professional services contracts, and reimbursement of public safety answer points and wireless carriers for improvements to wireless 911 service. Accordingly, your Committee determines that an emergency appropriation from the wireless enhanced 911 fund is necessary for the board to meet its statutory obligations.

As affirmed by the record of votes of the members 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. 556, 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 (Fukunaga, Hooser, Kanno, Kim, Hemmings).

SCRep. 1499 Ways and Means on H.B. No. 758

The purpose of this measure is to require the Department of Education to adhere to the state minimum wage law when setting wages for meal count assistants, adult supervisors, and classroom cleaners.

Furthermore, this measure removes an obsolete law relating to special minimum wages for learners and apprentices employed by an employer engaged in a seasonal pursuit.

Your Committee finds that this measure is necessary to rectify an apparent conflict in the law. Specifically, this measure protects certain Department of Education employees whose wages would otherwise be subject to reduction by the Director of Labor and Industrial Relations under a law governing special minimum wages for learners and apprentices.

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 H.B. No. 758, 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. 758, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (English, Espero, Fukunaga, Sakamoto).

SCRep. 1500 Ways and Means on H.B. No. 841

The purpose of this measure is to make various amendments and appropriations to improve public education in the State.

Specifically, this measure:

- (1) Appropriates funds to assist and fund the continued implementation of Act 51, Session Laws of Hawaii 2004, the Reinventing Education Act of 2004;
- (2) Establishes and funds a grant program to develop a civic responsibility curriculum;
- (3) Appropriates funds to purchase science textbooks;
- (4) Establishes and funds a new research-based curriculum throughout the public school system to develop critical and creative thinking skills;
- (5) Improves the composition of the Workforce Development Council;
- (6) Appropriates funds for job training and education programs at the Department of Education and the University of Hawaii;
- (7) Allows Department of Education volunteers to participate in the employer-union health benefits trust fund; and
- (8) Establishes and funds a volunteer coordinator position in the Department of Education.

Your Committee finds that this measure addresses many of the concerns raised by educators, parents of school-aged children, and supporters of public education. The provisions of this measure will serve to enhance the on-going discussions by your Committee to craft an education program proposal that is responsive to the needs of the community and public education. Accordingly, your Committee has amended this measure by changing appropriation amounts to unspecified amounts for purposes of furthering discussion.

Your Committee has also amended this measure by making technical 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 H.B. No. 841, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 841, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (Fukunaga, Hooser, Kanno, Kim, Hemmings).

SCRep. 1501 Ways and Means on H.B. No. 842

The purpose of this measure is to authorize the Director of Finance to issue bonds for the Department of Education to expend on subsidizing school renovation, equipment acquisition, curriculum development, and teacher training in qualified zones and schools.

Your Committee finds that the federal qualified zone academy bond program was established by Congress to help educators, employers, and the community to work together to ensure that students in economically depressed areas will have the proper degree of preparation to compete in the global economy.

Your Committee finds that time is of the essence regarding the passage of this measure. Unless it is extended, the federal qualified zone academy bond program is scheduled to sunset on December 31, 2005.

Your Committee has amended this measure by specifying \$1 as the amount of bonds that the Director of Finance is authorized to issue, 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. 842, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 842, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (Fukunaga, Hooser, Kanno, Kim, Hemmings).

SCRep. 1502 Ways and Means on H.B. No. 843

The purpose of this measure is to provide the Department of Education with more flexibility in setting the price of school lunches.

Presently, the Department is restricted by law in setting the price for school lunches. Generally, the Department must ensure that the moneys received from the sale of school lunches is not more than one-third of the cost of preparing the school lunch.

This measure repeals this restriction and instead allows the Department to adjust the price of lunches based on the average cost of preparing the school lunch over the three years preceding any school lunch increase. Your Committee finds that this method will allow the Department to be more cost efficient in providing nutritional meals to students at a reasonable price.

As affirmed by the record of votes of the members 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. 843, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (Fukunaga, Hooser, Kanno, Kim, Hemmings).

SCRep. 1503 (Majority) Ways and Means on H.B. No. 844

The purpose of this measure is to implement various strategies to promote teacher retention and recruitment.

Specifically, this measure:

- (1) Establishes and provides funding for the Hawaii teacher cadet program fund as a separate fund of Hawaii Alliance for Future Teachers;
- (2) Appropriates funds to Leeward Community College for additional teacher education faculty positions to establish the associate of arts in teaching program;
- (3) Appropriates funds to the University of Hawaii College of Education for additional teacher education faculty positions;
- (4) Establishes the educator loan forgiveness program to reduce the financial hardships faced by potential student teachers;
- (5) Sets procedures for new hires with respect to job offers, pay, and orientation;
- (6) Establishes and appropriates funds for the standardized statewide teacher induction program to mentor new teachers;
- (7) Facilitates the licensing of teachers entering the system by expanding the means by which a license may be obtained, including licensure by means of professional experience, college degrees in relevant fields, and providing reciprocity for out-of-state licensure and national board certification;
- (8) Provides incentives to encourage in-service teachers to seek national board certification;
- (9) Directs the Hawaii Teacher Standards Board to review alternative licensing requirements, including replacing the PRAXIS examination requirement;
- (10) Converts nine temporary positions at the Hawaii Teachers Standards Board to permanent full-time equivalent positions to facilitate the processing of teacher licenses;
- (11) Supports ongoing professional development of in-service teachers and appropriates moneys therefor;
- (12) Establishes tax and other financial incentives to recruit and retain teachers; and
- (13) Establishes the master teachers training program to encourage teachers to increase the quality of their teaching skills and serve as a resource to other teachers.

Your Committee understands that Hawaii is experiencing a critical teacher shortage which necessitates that a comprehensive set of initiatives be taken to recruit teachers aggressively, enhance teacher education capacity, improve the professional development and working conditions of teachers, and provide incentives and support to persons pursuing a teaching career.

Your Committee has amended this measure by:

- (1) Clarifying qualifications for the public school teacher tax credit;
- (2) Clarifying that criteria to identify "competent, skilled teachers" for the master teachers program shall be established through rulemaking; 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 H.B. No. 844, 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. 844, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 1 (Slom). Excused, 5 (Fukunaga, Hooser, Kanno, Kim, Hemmings).

SCRep. 1504 Ways and Means on H.B. No. 1029

The purpose of this measure is to appropriate moneys to enable the Office of Veterans' Services to publish a Hawaii veterans' newsletter and update the veterans' database.

Your Committee finds that presently there is no reliable and effective method of communicating important information to Hawaii's military veterans and their families. This measure will ensure that Hawaii's military veterans receive important and timely information relating to available outreach services, upcoming veteran-related events, and the dates of various military ceremonies.

Your Committee has amended this measure by changing the amount to be appropriated to \$30,000.

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. 1029, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1029, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (Fukunaga, Hooser, Kanno, Kim, Hemmings).

SCRep. 1505 (Majority) Ways and Means on H.B. No. 1132

The purpose of this measure is to expedite capital improvement projects for and the repair and maintenance of public school facilities.

Specifically, this measure:

- (1) Creates an Education Design and Construction Project Assessment Fund in the Department of Education;
- (2) Provides for the orderly transfer of functions relating to capital improvement and maintenance and repair projects from the Department of Accounting and General Services to the Department of Education;
- (3) Increases the amount of money deposited into the State Educational Facilities Improvement Special Fund; and
- (4) Establishes the Department of Education's authority to impose and collect impact fees from developers of residential developments.

Your Committee finds that the capital improvements project backlog for the Department of Education is \$3,000,000,000, while the repair and maintenance backlog is estimated at \$500,000,000. Further Act 51, Session Laws of Hawaii 2004, required the transfer of many of the functions of the Department of Accounting and General Services relating to capital improvements and repair and maintenance of the public school facilities to the Department of Education.

Your Committee believes that this measure will facilitate the expeditious provision of capital improvement projects and repair and maintenance projects by centralizing the responsibility for the provision of these very much needed projects. Further, this measure will provide the Department of Education with more fiscal resources to accomplish this task and establishes a new source of fiscal resources by authorizing the Department of Education to impose and collect impact fees from real estate developments of residential units.

Your Committee has amended this measure by:

- (1) Changing the amounts to be appropriated by sections 10 and 22 to \$1 to facilitate further discussion on this matter; and
- (2) 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. 1132, 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. 1132, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (Fukunaga, Kanno, Kim).

SCRep. 1506 Ways and Means on H.B. No. 1136

The purpose of this measure is to make clarifying amendments to the new century charter school law.

Generally, the measure:

- (1) Creates a more rigorous standard for the chartering of additional new century charter schools;
- (2) Allows qualified personnel to move freely between department schools and new century charter schools;

- (3) Enables new century charter schools to propose their own weighted student formula;
- (4) Convenes a working group to review the state auditor's recommendations regarding the charter schools' exemptions from state laws;
- (5) Brings new century charter schools closer to a more equitable and stable funding level;
- (6) Allows charter school employees to participate in the State's workers' compensation system; and
- (7) Complies with federal regulations to enable charter schools to receive federal grant moneys under the Individuals with Disabilities Education Act.

Upon due consideration, your Committee has amended the bill by replacing its contents with S.B. No. 1643, S.D. 2, with minor amendments. Your Committee finds that the senate version more closely aligns itself with, and responds, to the concerns of new century charter 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 H.B. No. 1136, 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. 1136, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Fukunaga, Kanno, Kim).

SCRep. 1507 Ways and Means on H.B. No. 1295

The purpose of this measure is to require the Department of Education to conduct asbestos testing prior to renovating or painting the exteriors or interiors of school facilities.

The bill exempts charter schools and surfaces that have been previously tested from the testing requirements.

This measure also requires the Department of Education to maintain records of all students who may have been exposed to asbestos during an exterior renovation project conducted at Governor Samuel Wilder King intermediate school in December 2004.

Your Committee finds that exposure to asbestos can present a health and safety issue for students, teachers, and visitors when the asbestos is disturbed during the renovation or painting of school facilities. Reasonable precautions need to be taken to prevent such exposure.

Your Committee has amended this bill by inserting an appropriation of \$1 to facilitate further discussion and 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 H.B. No. 1295, 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. 1295, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Fukunaga, Kanno, Kim).

SCRep. 1508 Ways and Means on H.B. No. 1300

The purpose of this measure is to increase access to early childhood education opportunities.

Specifically, this bill establishes a temporary early childhood education task force to oversee operational planning to increase access to early childhood learning, enhance infrastructure, and improve young children's school readiness. This bill appropriates \$100,000 for fiscal year 2005-2006 to support the operations of the temporary early childhood education task force.

This bill also requires the Department of Human Services to adopt an incentives for quality investment system, based on the recommendations of the task force, to issue licenses to early childhood education programs. The term "incentives for quality investment system" is defined. These two statutory provisions take effect on June 30, 2008.

Finally, this bill requires the Department of Human Services to create a two-year pilot program to provide universal access to early childhood education for children up to age five in families in critical need as determined by the Department. This bill appropriates \$2,000,000 in fiscal year 2005-2006 and \$2,000,000 in fiscal year 2006-2007 for the Department of Human Services to implement this two-year early childhood education pilot program.

Your Committee believes that there is an increasing need for more quality early childhood education programs for all residents of the State while, at the same time, more and more residents are unable to ensure that their young children are ready for school because they cannot afford these quality early childhood programs. This bill will help to implement increased access to quality early childhood education programs for Hawaii residents.

Your Committee has amended this bill by making the following technical amendments:

- (1) Replacing the appropriated amount for the task force with an unspecified amount for the purpose of stimulating further discussion;
- (2) Replacing the appropriated amounts for the two-year pilot program with unspecified amounts for the purpose of further discussions;
- (3) Inserting the word “temporary” before the title of the “early childhood education task force” to clarify its temporary nature in various parts of the bill;
- (4) Inserting the clause, “which shall terminate on June 30, 2007,” in the first sentence in section 6 to clarify the task force’s termination date;
- (5) Changing the repeal date of section 6 of the bill, which creates the task force, to June 30, 2007, one year earlier because the task force has no functions beyond June 30, 2007; and
- (6) 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 H.B. No. 1300, 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. 1300, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Fukunaga, Kanno, Kim).

SCRep. 1509 Ways and Means on H.B. No. 1555

The purpose of this measure is to authorize the issuance of up to \$30,000,000 in special purpose revenue bonds to assist Hualalai Academy in the planning, acquisition, construction, and improvement of its educational facilities.

Your Committee finds that the constitutional amendment to Article VII, Section 12 and Article X, Section 1 of the Hawaii Constitution allows the State to issue special purpose revenue bonds for private school construction and renovation. Hualalai Academy is a private nonsectarian school that serves students in kindergarten through grade eleven in the Kailua-Kona area. This measure will allow the school to add grade twelve to the school and construct facilities towards that end.

In order to facilitate further discussion on this matter, your Committee changed the effective date from July 1, 2010 to July 1, 2050.

As affirmed by the record of votes of the members 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. 1555, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1555, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Fukunaga, Kanno, Kim).

SCRep. 1510 Ways and Means on H.B. No. 1605

The purpose of this measure is to appropriate general funds to the Department of Education to coordinate public school repair and maintenance projects with Hawaii 3R’s.

Specifically, this measure transfers general funds to the Hawaii 3R’s school repair and maintenance fund and appropriates general funds for a Hawaii 3R’s coordinator position.

Your Committee finds that Hawaii 3R’s is a nonprofit organization that assists the Department of Education with repair and maintenance projects at the public schools. Your Committee further finds that Hawaii 3R’s continues to need state funds for projects at public schools that do not qualify for federal funds.

Your Committee has amended this measure by changing the appropriation figures to unspecified amounts. 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 H.B. No. 1605, 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. 1605, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Fukunaga, Kanno, Kim).

SCRep. 1511 Ways and Means on H.B. No. 1728

The purpose of this measure is to require the Department of Education to reduce the classroom teacher/student ratio in public schools.

Generally, this measure:

- (1) Reduces the teacher/student ratio for grades kindergarten, one, and two over three years from 2007 to 2010 and makes an unspecified appropriation therefor, and allows a delay of no more than three years for the Department of Education to implement the reduction;
- (2) Allows the Governor to reallocate funds for the reduction under certain circumstances;
- (3) Requires the Department to report to the Legislature if the Department is unable to attain or maintain the proposed teacher/student ratio;
- (4) Requires the Department to develop a phase-in plan to reduce the teacher/student ratio for grades three, four, and five and makes an unspecified appropriation therefor;
- (5) Provides appropriations of \$1 to hire part-time teachers or tutors for elementary and intermediate schools; and
- (6) Provides an unspecified appropriation to hire additional part-time teachers or aides when the one-to-twenty-six teacher/student ratio is exceeded in grades three to five.

Your Committee finds that a reduction in the teacher/student ratio will enhance learning in public schools by providing students with more personalized instruction, reducing disciplinary problems, and allowing students to advance more quickly through their curriculum.

Your Committee has amended the bill by making 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 H.B. No. 1728, 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. 1728, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Fukunaga, Kanno, Kim).

SCRep. 1512 (Majority) Ways and Means on H.B. No. 408

The purpose of this measure is to clarify the law on environmental impact statements.

Specifically, this measure adds the following six definitions for wastewater facilities: collection system, disposal system, individual wastewater system, treatment unit, treatment works, and wastewater facility.

Your Committee finds that because there is no definition of “wastewater facility”, various approving agencies have different interpretations of this term and related terms. This measure will provide clarity and uniformity for the environmental review process and avoid future confusion in the process.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 408, 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, 1 (Slom). Excused, 3 (Fukunaga, Kanno, Kim).

SCRep. 1513 Ways and Means on H.B. No. 792

The purpose of this measure is to appropriate moneys to gather information and develop guidelines and a marketing plan to obtain export clearance for the rainbow papaya to Japan and other countries.

Your Committee finds that the papaya is the second most important fruit crop in Hawaii. In response to a devastating ringspot virus that damaged the papaya industry, a genetically engineered papaya called the rainbow papaya was developed to resist the ringspot virus. However, due to its genetically engineered history, the rainbow papaya cannot be exported to Japan, a country that previously imported substantial amounts of papayas from Hawaii. This measure will assist the papaya industry in collecting and providing information to clear the rainbow papaya for export to Japan and other countries that presently do not allow its import.

Your Committee has amended this measure by making technical nonsubstantive changes for purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 792, 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. 792, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Fukunaga, Kanno, Kim).

SCRep. 1514 (Majority) Ways and Means on H.B. No. 1015

The purpose of this measure is to provide an exemption from the deposit beverage container program for commercial passenger vessels.

Your Committee finds that this measure will allow an exemption for certain marine vessels and air carriers from the requirements of the deposit beverage container program if the deposit beverage container is sold and delivered to a commercial passenger vessel and the deposit beverage container is intended for use and consumption on the commercial passenger vessel. In order to qualify for this exemption, the entity operating the commercial passenger vessel must have a recycling plan that is approved by the Department of Health.

This measure will also allow redemption centers to accept flattened deposit beverage containers.

Your Committee has amended this measure by:

- (1) Adding a conforming amendment to section 342G-113(e); and
- (2) 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. 1015, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1015, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

SCRep. 1515 Ways and Means on H.B. No. 1301

The purpose of this measure is to appropriate funds to the counties to accelerate the control or eradication of priority invasive species, including the coqui frog.

Your Committee finds that the Hawaii Invasive Species Council has done an admirable job of controlling or eradicating invasive species in the State. The invasion of foreign species, however, requires enhanced funding to accelerate the fight against priority invasive species, especially the coqui frog.

The funds provided under this measure will allow the counties to fund programs and initiatives that are found to be the most effective in their respective counties to control or eradicate priority invasive species, including the coqui frog.

Your Committee has amended the bill by providing nominal appropriation amounts for purposes of furthering 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. 1301, 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. 1301, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Fukunaga, Kanno, Kim).

SCRep. 1516 Ways and Means on H.B. No. 1536

The purpose of this measure is to appropriate general funds to the Department of Health as state matching funds to complete the Ala Wai canal trash trap cleanup project.

Your Committee finds that the Department of Health is working with a private contractor to automate the immediate removal of trash and debris from the "Ala Wai canal trash trap" through state-of-the-art technology. Absent such technology, debris removal has proven to be costly and time-consuming. Your Committee finds that federal matching funds have already been awarded to the project. Additional state funds are required to complete the project.

Your Committee has amended this measure by making technical nonsubstantive amendments. Your Committee has also amended this measure by specifying a \$1 appropriation amount and by changing the effective date to July 1, 2050.

As affirmed by the record of votes of the members 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. 1536, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1536, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Fukunaga, Kanno, Kim).

SCRep. 1517 Ways and Means on H.B. No. 516

The purpose of this measure is to enable the State to respond more efficiently and effectively to potential catastrophic threats involving chemical, biological, radiation, nuclear, or explosive agents.

Specifically, this bill grants the Department of Health emergency power to maintain an emergency response stockpile to prepare for or respond to such a potential terrorist threat or technological disaster without the need to comply with certain statutes and rules relating to the dispensing, labeling, prescribing, or storage of various drugs, vaccines, other biological products, medical devices, and related supplies.

Your Committee believes this measure is both prudent and necessary to ensure the health, welfare, and safety of the residents of Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 516, 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 (Fukunaga, Kanno, Kim).

SCRep. 1518 Ways and Means on H.B. No. 683

The purpose of this measure is to authorize an emergency appropriation of \$5,359,886 for fiscal year 2004-2005 from the general fund to the Department of Health.

The bill also increases the authorized expenditure ceiling of the mental health and substance abuse special fund by \$2,500,000.

Your Committee finds that although funds were appropriated to the Department of Health for adult mental health services for the fiscal year 2004-2005, the Department of Health is unable to meet its fiscal obligation to provide services to certain adults with severe mental illness.

Your Committee has amended this bill by changing the emergency appropriation amount to \$3,930,000 and by increasing the authorized expenditure ceiling for the mental health and substance abuse special fund to \$3,500,000 instead of \$2,500,000.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 683, 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. 683, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Fukunaga, Kanno, Kim).

SCRep. 1519 Ways and Means on H.B. No. 684

The purpose of this measure is to make an emergency appropriation of \$2,120,801 in general funds for fiscal year 2004-2005 to pay for ambulance service contract collective bargaining costs.

Your Committee finds that this emergency appropriation is necessary for the Department of Health to comply with collective bargaining increases negotiated by ambulance service providers statewide. The State provides emergency ambulance services through contractual arrangement with the City and County of Honolulu, Hawaii County, and a private provider, American Medical Response, for the counties of Maui and Kauai. This measure assures that continued emergency ambulance services are available at the current level of service throughout communities 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 H.B. No. 684, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Fukunaga, Kanno, Kim).

SCRep. 1520 (Majority) Ways and Means on H.B. No. 1304

The purpose of this measure is to establish a temporary healthcare task force to develop a plan to implement healthcare for all Hawaii residents.

The bill also sets out tasks for the task force to accomplish and specifies thirteen members of the task force, who are to be appointed before July 15, 2005. This bill appropriates \$100,000 for fiscal year 2005-2006 to support the activities of the task force.

This bill further authorizes a surcharge of \$5 to be collected by non-civil service marriage license agents for their own compensation. The bill takes effect on July 1, 2009.

Upon further consideration, your Committee has amended this bill by:

- (1) Changing the effective date to upon its approval, except that section 2 of the bill making the appropriation shall take effect on July 1, 2005;
- (2) Replacing the \$100,000 appropriation with an unspecified amount;

- (3) Clarifying, in the bill's description, that the new \$5 surcharge is to be collected and retained by non-civil service marriage license agents; and
- (4) Making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1304, 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. 1304, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (Fukunaga, Kanno, Kim).

SCRep. 1521 Ways and Means on H.B. No. 19

The purpose of this measure is to authorize the issuance of \$250,000,000 in revenue bonds by the University of Hawaii for the cost of construction, or the cost of maintenance, or both, of university housing units.

This measure also makes a number of changes to the general laws relating to the issuance of revenue bonds by the University of Hawaii and the university revenue-undertaking fund to provide for consistency with other laws relating to revenue bonds and with changes in the financial market.

Your Committee has amended this measure by:

- (1) Changing the amount authorized for the issuance of the revenue bonds to \$25,000,000;
- (2) Requiring that any new housing units constructed with the proceeds of the revenue bonds on the University of Hawaii at Manoa campus can only be constructed on sites currently utilized for student housing;
- (3) Providing that section 10 shall take effect on July 1, 2005; and
- (4) 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 H.B. No. 19, 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. 19, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Fukunaga, Kanno, Kim).

SCRep. 1522 Ways and Means on H.B. No. 20

The purpose of this measure is to extend for another year the sunset date of June 30, 2005, for Act 321, Session Laws of Hawaii 1986.

Your Committee finds that Act 321 provides the University of Hawaii and the Department of Education a certain degree of fiscal autonomy. Your Committee finds that extending the sunset date another year instead of making the law permanent, will allow further consideration of making this law 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 H.B. No. 20, 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 (Fukunaga, Kanno, Kim).

SCRep. 1523 (Majority) Ways and Means on H.B. No. 505

The purpose of this measure is to provide additional compensation to adult residential care home operators caring for recipients eligible for either federal Supplemental Security Income or state public assistance, or both.

The bill authorizes the Director of Human Services to determine the rate of the additional payment. Furthermore, the bill appropriates \$10 for fiscal year 2005-2006, and the same sum for fiscal year 2006-2007, to fund the additional payments. The effective date of this bill is July 1, 2020.

Upon further consideration, your Committee has replaced the statutorily specified level of care supplemental payments for type I and type II adult residential care homes, consisting of \$521.90 and \$629.90, respectively, to unspecified amounts for the purposes of stimulating further discussion. In addition, your Committee has deleted the authorization for the Director of Human Services to determine any additional payments. Finally, your Committee has changed the appropriated amounts from \$10 to \$1 for purposes of stimulating 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. 505, 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. 505, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (Fukunaga, Kanno, Kim).

SCRep. 1524 (Majority) Ways and Means on H.B. No. 1317

The purpose of this measure is to protect the health of beneficiaries receiving benefits from managed care plans under Medicaid by preventing the removal of prescription drug benefits by the Department of Human Services.

Specifically, this measure prohibits the Department of Human Services from taking any action or expending state resources to remove prescription drug benefits from managed care plans that provide health care coverage for Hawaii Medicaid beneficiaries.

Your Committee finds that the removal of prescription drugs by the Department of Human Services from Medicaid programs may disrupt the care of individuals in need of prescription drugs.

Your Committee has amended this measure by amending the effective date to July 1, 2050 for the purposes of stimulating 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. 1317, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1317, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, 2 (Slom, Trimble). Excused, none.

SCRep. 1525 Ways and Means on H.B. No. 1320

The purpose of this measure is to require each county public safety answering point to retain the dispatch recordings of all emergency 9-1-1 calls for a period of not less than one year.

Your Committee recognizes the importance of preserving emergency 9-1-1 recordings. Your Committee finds that requiring the retention of emergency 9-1-1 recordings for a period of at least one year will allow sufficient time for requests to further preserve critical 9-1-1 recordings and for the recordings to be reproduced and distributed as necessary.

Your Committee has amended the bill by:

- (1) Placing the proposed new statutory section in Chapter 46, Hawaii Revised Statutes, instead of Chapter 52D, Hawaii Revised Statutes, because county public safety answering points may include fire departments and Chapter 52D applies only to police departments;
- (2) Deleting the word "tape" from the title of the proposed section because recordings may be made digitally rather than on tape;
- (3) Making it clear that recordings to be retained include those of both the incoming telephone call from the person requesting assistance and the outgoing radio communications with the agency dispatched to respond to the request; and
- (4) Changing references to "9-1-1" to "911" to be consistent with the references found in sections 321-224 and 321-225 and Chapter 138, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1320, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1320, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Fukunaga, Kanno, Kim).

SCRep. 1526 (Majority) Ways and Means on H.B. No. 278

The purpose of this measure is to increase restitution available to victims of crime.

Specifically, this measure increases the amount of the crime victim compensation fee payable by a convicted defendant to a victim. It also prioritizes court ordered payments to be made by a defendant, providing that restitution payments are the first priority.

Your Committee finds that offender restitution payments mitigate the suffering and financial impact experienced by crime victims. Restitution payments assist victims in making payments on medical bills and receiving mental health or rehabilitative services. Although compensation for crime related expenditures is available only to victims of specified violent crimes, offender restitution is available to crime victims whenever the offender is convicted. The increase in the amount of the crime victim compensation fee to be paid by an offender will increase the funding that is available as restitution to victims. Your Committee believes that a crime victim should not continue to be victimized after an offender is convicted and that restitution is an integral part of a victim's rehabilitation.

As affirmed by the record of votes of the members 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. 278, 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, 3 (Hemmings, Slom, Trimble). Excused, 3 (Fukunaga, Hooser, Kanno).

SCRep. 1527 Ways and Means on H.B. No. 384

The purpose of this measure is to increase the hourly rate paid to court-appointed attorneys.

This measure also increases the maximum fees allowed for court-appointed attorneys in designated classes of court proceedings.

Your Committee understands that the hourly rates paid to court-appointed attorneys have remained the same since 1987. Consequently, it is increasingly difficult to retain competent representation for indigent defendants. A fee increase is needed to prevent adverse impact to the rights of criminal defendants to adequate representation and to promote effectiveness and efficiency in the administration of justice.

Your Committee has amended this bill by:

- (1) Setting the rates for court-appointed attorneys at \$60 an hour for out-of-court services and \$90 an hour for in-court services;
- (2) Amending the effective date of the bill to July 1, 2006; and
- (3) Making a technical nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 384, 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. 384, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Fukunaga, Kanno).

SCRep. 1528 Ways and Means on H.B. No. 434

The purpose of this measure is to appropriate funds for grants-in-aid to the county prosecutors' offices for career criminal prosecution units and victim assistance programs.

Your Committee finds that career criminal prosecution units and victim witness assistance programs are vital to the prosecution of habitual offenders and to providing crime victims and witnesses access to trained counselors as cases progress through the criminal justice system.

Your Committee has amended this measure by changing the amount appropriated in Sections 1, 2, 4, 5, 7, 8, 10, and 11 to \$1 to facilitate further consideration of the exact amounts to be appropriated.

As affirmed by the record of votes of the members 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. 434, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 434, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Fukunaga, Kanno).

SCRep. 1529 Ways and Means on H.B. No. 447

The purpose of this measure is to increase the autonomy of the Office of Hawaiian Affairs.

Specifically, this measure would allow:

- (1) The Office to disburse its moneys by issuing checks in its own name and by any other means;
- (2) The Office to deposit its money in any banking institution; and
- (3) The Department of Accounting and General Services to continue to perform the payroll function for the Office.

Your Committee finds that the Office of Hawaiian Affairs should have the power to disburse its moneys by issuing checks in its own name and by other means and to deposit its moneys into any banking institution. With this measure, the Office of Hawaiian Affairs will have these powers while still being able to rely on the Department of Accounting and General Services to perform the payroll function for the 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. 447, 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 (Kim, Sakamoto, Trimble).

SCRep. 1530 Ways and Means on H.B. No. 466

The purpose of this measure is to appropriate matching funds to make the State eligible to receive federal funding under the Help America Vote Act of 2002.

Your Committee finds that the appropriation contained in the measure meets the five per cent matching fund requirement for the State to be eligible to receive federal funding under the Help America Vote Act of 2002. Your Committee further finds that these federal funds can be used for various purposes, including improving the administration of elections, replacing punch card and lever machines, and providing voter education.

Your Committee has amended this measure by:

- (1) Changing the appropriated amount from \$372,341 to \$1 to promote further discussion; and
- (2) Changing the expending agency from the Department of Accounting and General Services to the Office of Elections.

As affirmed by the record of votes of the members 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. 466, 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. 466, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Fukunaga, Kanno).

SCRep. 1531 Ways and Means on H.B. No. 488

The purpose of this measure is to appropriate funds to expand community service workline opportunities for qualifying female inmates.

Your Committee understands that female inmates are in dire need of workline opportunities that will help them obtain necessary life and job skills and establish a pattern of positive inmate behavior. This measure expands the workline program to enable the successful reintegration by female inmates into the communities and the reduction of currently high recidivism rates.

Your Committee has amended this measure by providing for appropriations in the amount of \$1 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 H.B. No. 488, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 488, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Kim, Sakamoto, Trimble).

SCRep. 1532 Ways and Means on H.B. No. 1393

The purpose of this measure is to transfer the State Commission on the Status of Women from the Office of the Lieutenant Governor to the Department of Human Services for administrative purposes.

Additionally, the bill, in making the transfer, confers permanent status on the Commission by repealing its constitutionally required classification as a "temporary" State Commission on the Status of Woman.

Your Committee finds that by placing the Commission within an executive department for administrative purposes, the constitutional requirement that the Commission be designated as a temporary commission while administratively attached to the Office of the Lieutenant Governor is rendered moot upon such relocation. Because the goal of gender equality has not been achieved, it is significant that the State Commission on the Status of Women be given permanent status, allowing the Commission to continue to advance the interests of women and girls in Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1393, 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 (Fukunaga, Kanno).

SCRep. 1533 (Majority) Ways and Means on H.B. No. 1713

The purpose of this measure is to establish a comprehensive public funding program for candidates running for the offices of Governor, Lieutenant Governor, and Prosecuting Attorney.

Specifically, this measure:

- (1) Utilizes general fund moneys as the mechanism to publicly fund qualifying candidates for the Offices of Governor, Lieutenant Governor, and Prosecuting Attorney;
- (2) Establishes qualifications and conditions that a candidate must satisfy before being eligible to receive comprehensive public funding;
- (3) Establishes standards relating to the use of seed money by candidates;
- (4) Imposes restrictions on the use of surplus campaign funds;
- (5) Establishes reporting requirements on publicly funded candidates relating to documenting qualifying contributions, seed money contributions, and expenditures;
- (6) Establishes the criteria as well as the process and procedure for a qualified candidate to receive equalizing funds; and
- (7) Enacts penalty provisions, including criminal sanctions for violations of this program.

Your Committee finds that this measure enacts a comprehensive public funding program for candidates for the offices of Governor, Lieutenant Governor, and Prosecuting Attorney who are willing to abide by campaign contribution and expenditure limits.

Your Committee has amended the measure by making technical nonsubstantive amendments for the purposes of accurately reflecting existing statutes, clarity, style, and to conform with recommended 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 H.B. No. 1713, 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. 1713, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 4 (Kim, Hemmings, Slom, Trimble). Excused, 2 (Fukunaga, Kanno).

SCRep. 1534 Ways and Means on H.B. No. 1733

The purpose of this measure is to establish a statewide DNA database and databank identification program that will include the DNA of all convicted felons and be administered by the Honolulu Police Department.

Specifically, the bill:

- (1) Allocates responsibility for the collection, analysis, and storage of blood specimens, buccal swab samples, and fingerprint impressions;
- (2) Specifies which offenders must provide blood specimens, buccal swab samples, and fingerprint impressions, when they must be submitted, and penalties for failure to do so;
- (3) Establishes procedures for the collection and analysis of blood specimens, buccal swab samples, and fingerprint impressions from convicted felons and for the analysis and comparison of crime scene biological evidence;
- (4) Specifies procedures for the destruction of samples and the expungement of information from the DNA database;
- (5) Imposes requirement of confidentiality of information and specifies penalties for violation thereof;
- (6) Authorizes a court to order postconviction DNA testing and to take appropriate action thereafter according to the results;
- (7) Extends the statute of limitations in any felony case in which DNA evidence from an unknown offender is recovered and tested prior to expiration of the standard limitation period for the class of felony;
- (8) Imposes an additional penalty of \$1 for every \$10 of any fine or penalty imposed and collected by the court for all criminal and traffic offenses, excluding parking, to help fund the DNA database and databank identification program; and
- (9) Appropriates funds to carry out the purposes of this measure, including reimbursement to the county police departments and the Department of Public Safety for costs incurred in implementing it.

Your Committee finds that mandating DNA testing for all convicted felons is an effective law enforcement tool that, when used in conjunction with a DNA database, will enable the State to collect and maintain profiles of convicted offenders for use in ongoing as well as "cold case" investigations. This measure will also facilitate the use of DNA to exclude innocent persons and to provide post-conviction relief to those who have been wrongly convicted or sentenced more severely than otherwise would have been the case had the DNA evidence been available at the time of sentencing.

Your Committee has amended this bill by:

- (1) Deleting the reference to “regulations” in the term “rules and regulations” because the proposed section -3 requires rules to be adopted pursuant to Chapter 91, Hawaii Revised Statutes;
- (2) Replacing references to acquittal by reason of “insanity” because, as provided in chapter 704, Hawaii Revised Statutes, the correct reference is to “mental disease, disorder, or defect”;
- (3) Substituting a reference to withdrawal of blood specimens “in a medically approved manner” with a reference to persons “authorized to withdraw blood under section 291E-12” because that is required by current law governing the withdrawal of blood for DNA analysis;
- (4) Replacing a reference to collection of buccal swab samples by persons trained to “assist” in doing so to make it clear that buccal swab samples shall be collected by persons trained in the “collection and preservation of biological evidence”; and
- (5) Making 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1733, 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. 1733, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Fukunaga, Kanno).

SCRep. 1535 Ways and Means on H.B. No. 1740

The purpose of this measure is to ensure the proper use of electronic voting systems.

Specifically, this measure:

- (1) Prohibits the use of an electronic voting system in any election unless it produces a paper ballot that may be inspected and corrected by the voter before the vote is cast;
- (2) Establishes conditions under which the Chief Election Officer may rely on electronic tallies generated by an electronic voting system; and
- (3) Creates a new election fraud offense for a person who directly or indirectly, personally or through another, wilfully designs, alters, accesses, or programs any electronic voting system to inaccurately record, tally, or report votes cast on the system.

Fairness, security, and integrity are imperative components in the electoral process. Your Committee believes that this measure, by requiring the creation of a paper trail for the electronic voting system and creating an election fraud offense for those who interfere with the system, will ensure that electronic votes can be validated in an objective manner, while giving voters confidence in the system.

Your Committee amended this measure by deleting the appropriation for paper ballots.

As affirmed by the record of votes of the members 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. 1740, 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. 1740, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Fukunaga, Kanno).

SCRep. 1536 (Majority) Ways and Means on H.B. No. 1745

The purpose of this measure is to improve the Judiciary’s efficiency by eliminating a number of reporting requirements.

Specifically, the measure exempts or repeals reporting requirements of the Judiciary, that include:

- (1) Administratively established accounts or funds;
- (2) Uncollectible delinquent fines and restitution;
- (3) The Spouse and Child Abuse Special Account submitted in coordination with the Department of Health;
- (4) The Parent Education Special Fund;
- (5) Statements of goals, objectives, and policies of state departments and agencies;
- (6) Outsourcing of services; and
- (7) The joint report submitted in consultation with the Department of Commerce and Consumer Affairs on the program for computer based digital and electronic filing of court documents.

In addition, the reporting requirements for the State Council for Interstate Adult Offender Supervision is repealed.

Your Committee finds that many of the reporting requirements are outdated and provide little or no new information. The elimination of perfunctory reporting requirements will allow the Judiciary to use its resources more effectively and efficiently.

The bill has been amended by 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. 1745, 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. 1745, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 3 (Hemmings, Slom, Trimble). Excused, 2 (Fukunaga, Kanno).

SCRep. 1537 Ways and Means on H.B. No. 1750

The purpose of this measure is to support female offenders in the transition from prison back into the community.

Specifically, this measure provides nominal funding for community-based reintegration programs for these females.

Your Committee finds that upon being released from prison and returning to the community, female offenders face issues of housing, work, and social stigmatism that may make their transition difficult and may increase the likelihood of recidivism. Community-based reintegration programs provide much needed structure, monitoring, accountability, and support that can help female offenders successfully reintegrate into society.

To facilitate further discussion on this matter, the measure was amended by adding a nominal appropriation for the 2005-2007 fiscal 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 H.B. No. 1750, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1750, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Fukunaga, Kanno).

SCRep. 1538 Ways and Means on H.B. No. 250

The purpose of this measure is to appropriate funds for the collective bargaining cost items negotiated for employees in collective bargaining unit (1) and their excluded counterparts.

Your Committee has amended this measure by making technical nonsubstantive amendments and by specifying \$1 appropriations for each means of financing in each year of fiscal biennium 2005-2007.

As affirmed by the record of votes of the members 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. 250, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 250, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1539 Ways and Means on H.B. No. 251

The purpose of this measure is to appropriate funds for the collective bargaining cost items negotiated for employees in collective bargaining unit (2) and their excluded counterparts.

Your Committee has amended this measure by:

- (1) Specifying \$1 appropriations for each means of financing in each year of fiscal biennium 2005-2007;
- (2) Amending the program identification in parts III and IV from “administrative director services (JUD 201)” to “administration (JUD 601)”; 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 H.B. No. 251, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 251, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1540 Ways and Means on H.B. No. 252

The purpose of this measure is to appropriate funds for the collective bargaining cost items negotiated for employees in collective bargaining unit (3) and their excluded counterparts.

Your Committee has amended this measure by:

- (1) Specifying \$1 appropriations for each means of financing in each year of fiscal biennium 2005-2007;
- (2) Amending the program identification in parts III and IV from “administrative director services (JUD 201)” to “administration (JUD 601)”; 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 H.B. No. 252, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 252, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1541 Ways and Means on H.B. No. 253

The purpose of this measure is to appropriate funds for the collective bargaining cost items negotiated for employees in collective bargaining unit (4) and their excluded counterparts.

Your Committee has amended this measure by:

- (1) Specifying \$1 appropriations for each means of financing in each year of fiscal biennium 2005-2007;
- (2) Amending the program identification in parts III and IV from “administrative director services (JUD 201)” to “administration (JUD 601)”; 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 H.B. No. 253, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 253, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1542 Ways and Means on H.B. No. 254

The purpose of this measure is to appropriate funds for the collective bargaining cost items negotiated for employees in collective bargaining unit (5) and their excluded counterparts.

Your Committee has amended this measure by making technical nonsubstantive amendments and by specifying \$1 appropriations for each means of financing in each year of fiscal biennium 2005-2007.

As affirmed by the record of votes of the members 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. 254, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 254, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1543 Ways and Means on H.B. No. 255

The purpose of this measure is to appropriate funds for the collective bargaining cost items negotiated for employees in collective bargaining unit (6) and their excluded counterparts.

Your Committee has amended this measure by:

- (1) Specifying \$1 appropriations for each means of financing in each year of fiscal biennium 2005-2007;
- (2) Amending the program identification in parts III and IV from “administrative director services (JUD 201)” to “administration (JUD 601)”; 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 H.B. No. 255, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 255, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1544 Ways and Means on H.B. No. 256

The purpose of this measure is to appropriate funds for the collective bargaining cost items negotiated for employees in collective bargaining unit (7) and their excluded counterparts.

Your Committee has amended this measure by making technical nonsubstantive amendments and by specifying \$1 appropriations for each means of financing in each year of fiscal biennium 2005-2007.

As affirmed by the record of votes of the members 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. 256, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 256, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1545 Ways and Means on H.B. No. 257

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.

This bill also funds, for fiscal biennium 2005-2007, the salary increases and other cost adjustments authorized under 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.

All funding amounts in this bill are unspecified as negotiations between the State and the exclusive bargaining representative for unit 8 continue and will eventually reach an agreement.

Your Committee has amended this bill by:

- (1) Replacing each unspecified appropriation with \$1 for purposes of stimulating further discussion;
- (2) Clarifying in sections 2, 4, 6, 8, and 10 that appropriations allotted are authorized for expenditure by adding the phrase "for expenditure";
- (3) Amending the program identification in parts III and IV from "administrative director services (JUD 201)" to "administration (JUD 601)"; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 257, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 257, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1546 Ways and Means on H.B. No. 258

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.

This bill also funds, for fiscal biennium 2005-2007, the salary increases and other cost adjustments authorized under chapter 89C, Hawaii Revised Statutes, for registered professional nurses who are excluded from collective bargaining.

All funding amounts in this bill are unspecified as negotiations between the State and the exclusive bargaining representative for unit 9 continue and will eventually reach an agreement.

Your Committee has amended this bill by:

- (1) Replacing each unspecified appropriation with \$1 for purposes of stimulating further discussion;
- (2) Clarifying in sections 2, 4, 6, 8, and 10 that appropriations allotted are authorized for expenditure by adding the phrase "for expenditure";

- (3) Amending the program identification in parts III and IV from “administrative director services (JUD 201)” to “administration (JUD 601)”; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 258, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 258, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1547 Ways and Means on H.B. No. 259

The purpose of this measure is to fund, for fiscal biennium 2005-2007, all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (10), institutional, health, and correctional workers.

This bill also funds, for fiscal biennium 2005-2007, the salary increases and other cost adjustments authorized under chapter 89C, Hawaii Revised Statutes, for employees who are excluded from collective bargaining.

All funding amounts in this bill are unspecified as negotiations between the State and the exclusive bargaining representative for unit 10 continue and will eventually reach an agreement.

Your Committee has amended this bill by:

- (1) Replacing each unspecified appropriation with \$1 for purposes of stimulating further discussion;
- (2) Clarifying in sections 2, 4, 6, 8, and 10 that appropriations allotted are authorized for expenditure by adding the phrase “for expenditure”;
- (3) Amending the program identification in parts II and IV from “Administrative Director Services (JUD 201)” to “administration (JUD 601)”; and
- (4) Amending the program identification in part V from “program planning, analysis and budgeting (BUF 101)” to “Hawaii health systems corporation (HTH 210)”; 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 H.B. No. 259, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 259, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1548 Ways and Means on H.B. No. 260

The purpose of this measure is to fund, for fiscal biennium 2005-2007, all salary increases and collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 11, firefighters.

This measure also funds, for the fiscal biennium 2005-2007, the salary increases and other cost adjustments authorized under chapter 89C, Hawaii Revised Statutes, for state officers and employees in the executive branch who are excluded from collective bargaining and who belong to the same compensation plans as those officers and employees within collective bargaining unit 11. All amounts appropriated in this measure are unspecified.

Your Committee has amended this measure specifying all appropriated amounts according to information supplied by the Governor as follows:

- (1) Adding general fund appropriation amounts of \$47,138 for fiscal year 2005-2006 and \$104,965 in fiscal year 2006-2007, and providing for allocation and expenditure in sections 7 and 8, for the Hawaii Employer-Union Health Benefits Trust Fund costs for collective bargaining unit 11;
- (2) Adding general fund appropriation amounts of \$1,342 for fiscal year 2005-2006 and \$3,003 for fiscal year 2006-2007, and providing for allocation and expenditure in sections 9 and 10, for the same costs for staff in the executive branch who are excluded from collective bargaining and who belong to the same compensation plans as staff in collective bargaining unit 11;
- (3) With regard to salary increases and cost adjustments for members of collective bargaining unit 11 in section 1 by:

- (A) Replacing the unspecified special fund appropriation amounts with \$412,547 for fiscal year 2005-2006 and \$1,147,516 for fiscal year 2006-2007; and
- (B) Adding general fund appropriation amounts of \$53,114 for fiscal year 2005-2006 and \$147,730 for fiscal year 2006-2007;
- (4) With regard to salary increases and cost adjustments for employees excluded from collective bargaining in section 3 by:
 - (A) Replacing the unspecified special fund appropriation amounts with \$34,564 for fiscal year 2005-2006 and \$83,831 for fiscal year 2006-2007; and
 - (B) Adding general fund appropriation amounts of \$4,793 for fiscal year 2005-2006 and \$11,613 for fiscal year 2006-2007;
- (5) Clarifying that appropriations are allotted for expenditure by adding the phrase “for expenditure” in sections 2 and 4; and
- (6) Making various technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 260, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 260, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1549 Ways and Means on H.B. No. 261

The purpose of this measure is to fund, for the fiscal biennium 2005-2007, all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit 12, police officers.

This measure also funds, for the fiscal biennium 2005-2007, the salary increases and other cost adjustments authorized under chapter 89C, Hawaii Revised Statutes, other state officers and employees in the executive branch who are excluded from collective bargaining.

All funding amounts in this bill are unspecified as negotiations between the State and the exclusive bargaining representative for unit 12 continue and will eventually reach an agreement.

Your Committee has amended this bill by:

- (1) Replacing each unspecified appropriation with \$1 for purposes of stimulating further discussion;
- (2) Clarifying in sections 2, 4, 6, 8, and 10 that appropriations allotted are authorized for expenditure by adding the phrase “for expenditure”;
- (3) Amending the program identification in parts III and IV from “administrator director services (JUD 201)” to “administration (JUD 601)”;
- (4) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 261, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 261, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1550 Ways and Means on H.B. No. 262

The purpose of this measure is to fund all collective bargaining cost items in the negotiated agreements for state employees in collective bargaining unit (13).

This measure also provides funding for salary increases and other cost adjustments for certain state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those in collective bargaining unit (13), including those who are employees of the Hawaii Health Systems Corporation.

Your Committee finds that the advancement of this bill as a vehicle to fund the specified collective bargaining agreement cost items is important in the ultimate production of a settlement between the State and the exclusive bargaining representative for each unit.

The bill has been amended to clarify that the measure is intended not only to authorize the allotment of appropriated funds to each department or agency, but also to provide authorization to expend the allotted funds in the respective fiscal year. Also, the amounts appropriated have been changed from unspecified amounts to \$1 for the purpose of furthering discussions on this issue and 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 H.B. No. 262, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 262, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1551 Ways and Means on H.B. No. 263

The purpose of this measure is to fund all collective bargaining cost items in the negotiated agreements for state employees in collective bargaining units (2), (3), (4), (6), (8), (9), and (13).

This measure also provides funding for salary increases and other cost adjustments for certain state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those in collective bargaining units (2), (3), (4), (6), (8), (9), and (13), including those who are employees of the Hawaii Health Systems Corporation.

Your Committee finds that the advancement of this bill as a vehicle to fund the specified collective bargaining agreement cost items is important in the ultimate production of a settlement between the State and the exclusive bargaining representative for each unit.

The bill has been amended to clarify that the measure is intended not only to authorize the allotment of appropriated funds to each department or agency, but also to provide authorization to expend the allotted funds in the respective fiscal year. Also, the amounts appropriated have been changed from unspecified amounts to \$1 for the purpose of furthering discussions 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. 263, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 263, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1552 (Majority) Ways and Means on H.B. No. 325

The purpose of this measure is to authorize employees to use temporary disability insurance sick leave benefits in excess of the minimum statutory temporary disability insurance benefits requirement for family leave purposes.

In addition, the measure amends the definition of "sick leave" under state family leave law.

Your Committee finds that Act 44, Session Laws of Hawaii 2003, required employers who provide sick leave for employees to allow use of accrued and available sick leave above the amount required under the temporary disability insurance law for family leave purposes. An opinion of the Attorney General, however, advised that, under the current temporary disability law, employers are not required to allow employees to use sick leave for family leave purposes if the employer's entire self-insured temporary disability plan has been accepted by the Department of Labor and Industrial Relations. This measure allows the Department to accept self-insured plans in part, thus permitting excess sick leave benefits to be available for family leave use.

This measure has been amended by making technical nonsubstantive changes for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 325, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 325, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Sakamoto).

SCRep. 1553 (Majority) Ways and Means on H.B. No. 1318

The purpose of this measure is to establish a paid leave of absence program for state or county employees who are bone marrow or organ donors.

Specifically, this measure provides that a state or county employee who is a bone marrow donor is entitled to seven days of paid leave each calendar year. Similarly, an organ donor employee is entitled to thirty days of paid leave each calendar year.

Your Committee finds this measure would encourage individuals to serve as bone marrow or organ donors, which may save lives. Currently, federal employees receive thirty and seven days paid leave for organ and bone marrow donations, respectively, under the Organ Donor Leave Act, Public Law 105-56. Twenty states have enacted laws to conform to the federal Organ Donor Leave Act. Your Committee believes that Hawaii should provide the same leave for state and county employees as received by federal employees under the Organ Donor Leave Act.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1318, 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, 3 (Hemmings, Slom, Trimble). Excused, 1 (Sakamoto).

SCRep. 1554 Ways and Means on H.B. No. 1528

The purpose of this measure is to increase the salaries of certain department heads, deputies, and other positions set by statute.

Specifically, this measure adjusts the salary levels for positions within the following:

- (1) Office of Elections;
- (2) Office of the Auditor;
- (3) Legislative Reference Bureau;
- (4) Ethics Commission;
- (5) Hawaii Labor Relations Board;
- (6) Office of the Ombudsman;
- (7) State Procurement Office;
- (8) Stadium Authority;
- (9) Civil Defense Agency;
- (10) Commission on Water Resource Management;
- (11) Housing and Community Development Corporation of Hawaii;
- (12) Public Utilities Commission;
- (13) Office of Solid Waste Management;
- (14) Executive Office on Aging;
- (15) Hawaii Paroling Authority;
- (16) Office of Veterans Services;
- (17) Labor and Industrial Relations Appeals Board;
- (18) Office of Community Services;
- (19) Division of Financial Institutions; and
- (20) Office of the Public Defender.

Your Committee understands that, many years ago, heads of executive departments, trial court judges, the administrative director of the courts, and heads of the legislative service agencies received similar salaries, which resulted in wage parity between executives in the three branches of government. Your Committee finds that, in 2004, the Executive Salary Commission adjusted the salary levels for directors and deputy directors within state executive departments. However, because the salary levels for the positions listed above are currently established by statute, they are beyond the review of the Executive Salary Commission.

Because of the changes in salary calculation, some positions have seen varying degrees of increase, while others have not seen any increase. This disparity in salaries is especially true among the legislative service agencies. Unlike their counterparts in the executive and judicial branches, legislative agency heads and their deputies have not received a salary increase since 1990.

Based upon the current law, it appears that some other executive agency positions were intended by the Legislature to be compensated within the same salary range as deputy directors or assistants, while others require adjustment by the proper authority, as appropriate. Your Committee believes 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.

Your Committee has amended this measure to further continued discussion by:

- (1) Deleting references to the salary of other specified state officers as a method of establishing salaries for certain positions;
- (2) Providing that all salaries are of unspecified amount; and

- (3) Specifying that salaries that are set by appointing authorities are capped at an undetermined 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 H.B. No. 1528, 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. 1528, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 15. Noes, none. Excused, none.

SCRep. 1555 (Majority) Ways and Means on H.B. No. 1548

The purpose of this measure is to amend the composition, selection, and term of the Board of Trustees of the Employer-Union Health Benefits Trust Fund (Board).

Specifically, this measure:

- (1) Increases the number of trustees from ten to fourteen, with seven trustees each representing public employers and employee-beneficiaries, respectively;
- (2) Changes the entity appointing the employee-beneficiary trustees from the Governor to the six exclusive bargaining unit representatives, each of whom will select one trustee, and all of whom will select the retiree employee-beneficiary trustee by two-thirds majority vote;
- (3) Changes the quorum, vote, and dispute resolution requirements of the Board to account for the increase in the number of trustees; and
- (4) Changes the trustee term from four years to serving at the pleasure of the appointing entity.

Your Committee understands that this measure affords equal representation and authority on the Board between employer and union, while also enabling county government and retiree interest representation on the Board. With each trustee serving at the pleasure of that trustee's respective appointing entity, equal representation between employer and union will be maintained and trustees will be afforded ample opportunity to gain experience and knowledge without the restrictions of a four-year term limit.

As affirmed by the record of votes of the members 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. 1548, 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, 3 (Hemmings, Slom, Trimble). Excused, 1 (Sakamoto).

SCRep. 1556 Ways and Means on H.B. No. 1594

The purpose of this measure is to fund collective bargaining cost items relating to contributions to the employer-union health benefits trust fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (1), nonsupervisory employees in blue collar positions and their excluded counterparts.

Although no sums have been appropriated or authorized from the source of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items 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.

Your Committee has amended the measure by inserting the amount of \$1 in each appropriation category and making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1594, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1594, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1557 Ways and Means on H.B. No. 1595

The purpose of this measure is to fund all collective bargaining costs items relating to contributions to the Hawaii Employer-Union Health Benefits Trust Fund in the negotiated agreement for state employees in Collective Bargaining Unit (5) and their excluded counterparts.

Although no sums have been appropriated or authorized from the source of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items 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.

Your Committee has amended the measure by inserting the amount of \$1 each in appropriation category and making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1595, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1595, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1558 Ways and Means on H.B. No. 1596

The purpose of this measure is to fund collective bargaining cost items relating to contributions to the employer-union health benefits trust fund 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 and their excluded counterparts.

Although no sums have been appropriated or authorized from the source of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items 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.

Your Committee has amended the measure by inserting the amount of \$1 in each appropriation category and making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1596, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1596, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1559 Ways and Means on H.B. No. 1597

The purpose of this measure is to fund collective bargaining cost items relating to contributions to the employer-union health benefits trust fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (9), registered professional nurses and their excluded counterparts.

Although no sums have been appropriated or authorized from the source of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items 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.

Your Committee has amended the measure by inserting the amount of \$1 in each appropriation category and making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1597, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1597, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1560 Ways and Means on H.B. No. 1598

The purpose of this measure is to fund collective bargaining cost items relating to contributions to the employer-union health benefits trust fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (10), institutional, health, and correctional workers and their excluded counterparts.

Although no sums have been appropriated or authorized from the source of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items 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.

Your Committee has amended the measure by inserting the amount of \$1 in each appropriation category and making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1598, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1598, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1561 Ways and Means on H.B. No. 1599

The purpose of this measure is to fund collective bargaining cost items relating to contributions to the employer-union health benefits trust fund in the agreement negotiated with the exclusive bargaining representative of collective bargaining units (2), (3), (4), (6), (8), and (13) and their excluded counterparts.

Although no sums have been appropriated or authorized from the source of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items 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.

Your Committee has amended the measure by inserting the amount of \$1 in each appropriation category and making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1599, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1599, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1562 Ways and Means on H.B. No. 1614

The purpose of this measure is to ensure that civil service employees of the newly established Department of Education Civil Service Personnel System, especially those transferred from the executive branch pursuant to Act 51, Session Laws of Hawaii 2004, shall have the same benefits and rights of civil service employees in the executive branch civil service system.

Your Committee finds that Act 51 mandated the transfer of certain functions from various state departments or agencies to the Department of Education. Act 51 also authorized the Department of Education to establish a separate personnel system under the control of the Board of Education. Your Committee believes that the rights and benefits of Department of Education civil service employees, whether or not transferred pursuant to Act 51, should be the same and not diminished by the transfer or the institution of a separate personnel system.

Your Committee has amended this measure by clarifying that it applies to civil service employees of the Department of Education, not to department personnel generally.

As affirmed by the record of votes of the members 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. 1614, 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. 1614, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Kim, Sakamoto, Trimble).

SCRep. 1563 (Majority) Ways and Means on H.B. No. 1758

The purpose of this measure is to prohibit the reduction of unemployment benefits from individuals who receive pension payments under the Social Security Act or Railroad Retirement Act of 1974.

Your Committee finds that currently, state unemployment benefits may be reduced for certain individuals receiving social security or railroad retirement pensions. The reduction hits the pocketbooks of seniors at the worst possible time -- when they are out-of-work, probably on a fixed income and suffering from inadequate pension plans, diminishing health benefits, loss of stock or bond investments, or dwindling annuity or savings accounts.

To assist these seniors, this bill removes the reduction for social security and railroad retirement pensions to allow seniors to enjoy the full amount of their unemployment 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. 1758, 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, 1 (Hemmings). Excused, 2 (Sakamoto, Slom).

SCRep. 1564 Ways and Means on H.B. No. 283

The purpose of this measure is to establish and appropriate funds for the temporary Senator Hiram L. Fong Commission to develop, plan, and coordinate activities to recognize and honor the life and achievements of Senator Fong.

Senator Hiram L. Fong provided over thirty years of outstanding public service, starting in the Territorial House of Representatives and subsequently becoming the first Asian-American senator in the United States Congress. He was an exemplary statesman and businessman. Your Committee finds that the commission established by this measure will afford the opportunity to recognize, honor, and thank Senator Fong for his many years of work and commitment on behalf of the people of the State and the Nation.

As affirmed by the record of votes of the members 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. 283, H.D. 1, 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 (Sakamoto).

SCRep. 1565 Ways and Means on H.B. No. 906

The purpose of this measure is to enhance public access to the legislative process by funding the transmission of legislative sessions and hearings via streaming media.

Your Committee has amended this measure by changing the amount appropriated to a blank amount to facilitate further discussion of 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 H.B. No. 906, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 906, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kokubun, Sakamoto).

SCRep. 1566 Ways and Means on H.B. No. 1476

The purpose of this measure is to direct the Department of Land and Natural Resources to renew its efforts to acquire through land exchange certain lands adjacent to the Kohala Historical Sites State Monument.

Act 66, Session Laws of Hawaii 1992, sought to preserve and protect a certain cluster of valuable historic sites in north Kohala on the island of Hawaii, designated as the Kohala Historical Sites State Monument. Act 66 further directed the Department of Land and Natural Resources to acquire by land exchange certain specifically designated additional parcels of land adjacent to the Kohala Historical Sites State Monument to ensure access to and provide a buffer for the Kohala Historical Site State Monument.

Your Committee finds however that, to date, the Department of Land and Natural Resources has not been able to consummate a land exchange for the designated parcels due to the unavailability of State owned lands in north Kohala that will satisfy the needs and concerns of both the State and the private landowner. This measure directs the Department of Land and Natural Resources to renew its efforts to acquire the desired parcels by land exchange.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1476, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1476, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kokubun, Sakamoto).

SCRep. 1567 Ways and Means on H.B. No. 1657

The purpose of this measure is to support the production of Hoku Scientific.

Specifically, this measure authorizes the issuance of special purpose revenue bonds to assist the company with planning, designing, constructing, and equipping facilities for its production of the company's core products.

Your Committee finds that Hoku Scientific is an early stage developer of fuel cell membrane technology and is committed to developing technologies that provide clean and efficient energy. This measure will allow the company to have access to capital for its highly specialized production processes.

To facilitate further discussion on this matter, your Committee amended this measure by changing the total amount of special purpose revenue bonds to be issued from \$10,000,000 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 H.B. No. 1657, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1657, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Kokubun, Sakamoto).

SCRep. 1568 Ways and Means on H.B. No. 1152

The purpose of this measure is to require the Department of Transportation to develop a comprehensive set of recommendations for improving traffic flow in Central Oahu.

This bill also appropriates funds to permit the Department of Transportation to perform a comprehensive review of recent traffic studies conducted on the Central Oahu corridor and to prepare a written report of its findings.

Your Committee has amended this measure by changing the amount appropriated to \$1 to promote further consideration of 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 H.B. No. 1152, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1152, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1569 (Majority) Ways and Means on H.B. No. 1309

The purpose of this measure is to allow the counties to establish, by ordinance, a county surcharge on the state excise and use taxes to fund public transportation.

Among other things, the measure:

- (1) Requires counties that choose to establish a county surcharge to do so by an ordinance adopted after a duly noticed public hearing;
- (2) Prohibits the counties from setting the county surcharge at a rate greater than one per cent of:
 - (A) The value of property taxable under the use tax;
 - (B) All gross proceeds and gross income taxable under the general excise tax; and
- (3) Allows rental car dealers to pass on the surcharge to lessees.

Your Committee finds that the capital costs for a fixed rail system with an initial trunk line extending from Kapolei in West Oahu to Iwilei in the central business district was estimated in 2004 to be in excess of \$2 billion by the Department of Transportation. A portion of the costs is anticipated to be paid with federal funds. Based on this cost estimate, your Committee believes that a fixed rail mass transit system is not possible without additional dedicated funding from a county mass transit surcharge.

However, your Committee is concerned over the financial impact the imposition of a county surcharge will have on resident taxpayers. As such, your Committee also believes that a tax credit that offsets the burden of the surcharge for resident taxpayers is appropriate.

Your Committee has amended the measure by:

- (1) Deleting the majority of the purpose section;
- (2) Lowering the maximum amount of the county surcharge on state tax from one per cent to one-half per cent;
- (3) Establishing a county surcharge on state tax credit to offset the tax burden incurred by taxpayers who reside in a county that adopts a surcharge;
- (4) Requiring that the county surcharge on state tax credits be paid with a portion of the revenues generated by the surcharge;
- (5) Narrowing the scope of allowable uses for surcharge proceeds in counties with a population greater than five hundred thousand to only fixed rail rapid transit system projects and expenses associated with Americans with Disabilities Act of 1990 compliance;
- (6) Requiring that, in order to initiate the surcharge, a county must adopt an enabling ordinance by December 31, 2005;
- (7) Requiring that, prior to the state Director of Taxation assessing, levying, and collecting any surcharge adopted by a county, the authorizing county must first notify the Governor, who in turn must direct the state Director of Taxation to begin assessing, levying, and collecting the surcharge;
- (8) Establishing that, in addition to the ordinance adoption and other requirements, no surcharge adopted by a county with a population of greater than five hundred thousand shall become effective unless federal moneys have been committed to the mass transit project to be funded by the surcharge;
- (9) Establishing that no surcharge shall take effect prior to January 1, 2007;
- (10) Changing the time frame in which the proceeds of the surcharge are required to be paid over to the counties from a monthly or quarterly to an annual basis;
- (11) Changing the effective date to July 1, 2050, and repealing the measure on June 30, 2060; and

(12) Making technical nonsubstantive amendments for the purposes of clarity and style.

Your Committee believes that the amended measure provides the counties with the necessary authority to finance their mass transit design, planning, and construction needs while concomitantly respecting each county's diverse transportation requirements.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1309, 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. 1309, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 3 (Hemmings, Slom, Trimble). Excused, none.

SCRep. 1570 Ways and Means on H.B. No. 1556

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for PLK Air Services Group LLC.

Your Committee finds that PLK Air Services Group LLC plans to develop a Kona coffee and macadamia manufacturing facility and air cargo logistics and fulfillment center at Kona International Airport. Your Committee finds that this proposed project constitutes an industrial enterprise as defined in Part V, Chapter 39A, Hawaii Revised Statutes. Further, this project will benefit local coffee and macadamia farmers by providing them with another potential purchaser of their products.

Your Committee has amended this measure by changing the amount of authorized revenue bonds that may be issued.

As affirmed by the record of votes of the members 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. 1556, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1556, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1571 (Majority) Ways and Means on H.B. No. 1645

The purpose of this measure is to create a mass transit planning account to hold a portion of the fuel taxes to fund the development of a mass transit work plan, including a fixed guideway mass transit system.

Specifically, the measure:

- (1) Establishes within the State's general fund, a mass transit planning account (Account) with a cap of \$3,600,000 to be funded by a portion of the state gasoline tax;
- (2) Requires the Director of Finance (Director) to transfer \$600,000 from the Account to a separate account of the highway fund established for each county with a population greater than 500,000;
- (3) Requires the county to use, upon receipt from the Director, the \$600,000 to develop and finalize a mass transit work plan that includes the use of a fixed guideway mass transit system; and
- (4) Requires the Director to transfer the remaining \$3,000,000 from the Account to the county to execute an environmental impact study and financial work plan, if the county council approves the mass transit work plan.

Your Committee has amended the measure by:

- (1) Moving the proposed mass transit planning account from the State's general fund to the state highway fund;
- (2) Expanding the uses of the state highway fund to include mass transit projects;
- (3) Reaffirming a county's authority to raise fuel taxes on their own volition by stating that a county with a population greater than five hundred thousand may raise its fuel tax for the sole purpose of funding mass transit projects;
- (4) Authorizing the counties to establish an ad valorem tax on motor vehicles to assist in the funding of mass transit projects;
- (5) Requiring that, prior to expending any moneys appropriated under this measure, a county must first use all other moneys from existing revenue sources, including federal moneys, prior to expending state funds;
- (6) Adding four appropriation sections that authorize the transfer of moneys from the state highway fund to the mass transit special account and from the mass transit special account to the appropriate county highway fund;
- (7) Deleting references to specific appropriated amounts and leaving the amounts unspecified;
- (8) Changing the effective date from July 1, 2020, to July 1, 2050; and

- (9) Making technical nonsubstantive amendments for the purposes of clarity and style.

Your Committee believes that the amended measure provides the counties with a means by which to begin the process of planning for mass transit systems.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1645, 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. 1645, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Fukunaga).

SCRep. 1572 Ways and Means on H.B. No. 128

The purpose of this measure is to permit contracts for the provision of beach service operations that are dedicated to the preservation of Hawaiian beachboy tradition without the requirement of any public notice or sealed bid.

Your Committee finds that it is important both culturally and economically to retain the Hawaiian beachboy tradition in the provision of beach services at our public beaches. Present law allows concessions of beach services space to nonprofit corporations that are dedicated to the preservation of the Hawaiian beachboy tradition without need for public notice or sealed bid.

This measure will continue to exempt Hawaiian beachboy operations from the public notice and sealed bid procedures; however, it imposes additional requirements relating to, among other things, minimum years of experience, knowledge of the Hawaiian beachboy tradition, and minimum years of experience with ocean survival. It further limits these concessions geographically to the area from San Souci or Kaimana Beach to the Ala Wai boat harbor and temporally to one-year contracts.

Your Committee has amended this measure by leaving the maximum term that these contracts may extend unspecified and by making other technical nonsubstantive corrections 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. 128, 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. 128, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1573 Ways and Means on H.B. No. 168

The purpose of this measure is to assist Hawaii's agricultural industry in remaining competitive in the global marketplace.

Specifically, this measure provides funding for the Hawaii Farm Bureau Federation to conduct agricultural research and market development.

Your Committee finds that agriculture is important to this State. Agricultural research is essential to helping Hawaii's agricultural industry to be competitive on a worldwide basis. This measure will support the agricultural industry, help to diversify the State's economic base beyond tourism, and enable the industry to provide a sustainable, stable food supply for Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 168, H.D. 2, 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 (Sakamoto).

SCRep. 1574 Ways and Means on H.B. No. 328

The purpose of this measure is to ensure the preservation of a significant cultural site, the Kukaniloko birthstones in Wahiawa.

Specifically, this measure provides funds to match those of the Farmland Protection Program to allow the State to acquire the development rights for the agricultural lands surrounding this site.

Your Committee finds that the Kukaniloko birthstones are one of the most significant cultural sites to native Hawaiians. The immediate site is five acres, which are surrounded by two thousand four hundred acres of prime agricultural land. Development of these lands could negatively impact the birthstones. This measure will provide the matching funds needed to ensure that the site is protected and not desecrated.

Your Committee amended the measure by changing the appropriation amount from an unspecified amount to a nominal amount in order 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. 328, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 328, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1575 Ways and Means on H.B. No. 330

The purpose of this measure is to enhance the fiscal accountability and agricultural land preservation powers of the Agribusiness Development Corporation.

Specifically, the measure:

- (1) Promotes fiscal accountability with regard to agricultural land lease agreements between the State and lessees by requiring the Agribusiness Development Corporation to contract with financial institutions as lease income collection agents;
- (2) Authorizes the Agribusiness Development Corporation to issue revenue bonds to purchase agricultural lands located in Central Oahu and owned by the Galbraith Estate; and
- (3) Requires that any agricultural land lease of lands acquired under the measure from the Galbraith Estate be for not less than fifty-five years.

Your Committee finds that it is in the State's interest to conserve and protect agricultural lands. By ensuring that the State's prime agricultural lands are used for agriculture, the State can encourage continued growth of diversified agriculture and support rural communities, while also reducing the State's dependence on the tourism industry, improving Hawaii's food supply, and preserving open spaces for residents and visitors alike. This measure provides an effort to protect agricultural lands by requiring the Agribusiness Development Corporation to provide lease management services and to obtain agricultural lands in the Galbraith Estate lands in Waialua in order to sustain and preserve viable agricultural enterprises.

Your Committee amended this measure by changing the revenue bond amount to be issued from an unspecified amount to a nominal amount to facilitate further discussion on this matter. In addition, technical nonsubstantive amendments were made 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. 330, 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. 330, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Fukunaga, Sakamoto).

SCRep. 1576 Ways and Means on H.B. No. 955

The purpose of this measure is to continue the incentive program established to encourage the installation of drought mitigation facilities.

Specifically, this measure extends the tax credit for costs incurred from the construction of water storage facilities from December 31, 2005 to December 31, 2008. The bill also increases the tax credit from four to twenty per cent and includes the cost of new equipment related to the construction or repair of ancillary structures as a cost that qualifies for the tax credit.

Your Committee finds that water storage facilities provide farmers and ranchers with much needed water during periods of drought. Without water storage facilities, a drought can have devastating economic effects, resulting in loss of income and jobs.

This bill provides the necessary incentive to encourage and assist farmers and ranchers to build water storage facilities that will sustain them during droughts.

Your Committee has amended the bill by retaining the tax credit rate at four per cent.

As affirmed by the record of votes of the members 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. 955, 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. 955, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Fukunaga, Sakamoto).

SCRep. 1577 Ways and Means on H.B. No. 1082

The purpose of this measure is to appropriate funds to establish and operate a temporary task force within the Department of Agriculture to develop policies and programs to abate agricultural crime.

Your Committee finds that agricultural theft is a critical problem for Hawaii's farmers, especially in large, sparsely populated areas, because law enforcement currently lacks the resources necessary to protect these areas. Millions of dollars' worth of products and equipment are stolen annually and farmers must also devote countless hours of intensive labor merely to replace the lost items. This

measure will make it possible to abate agricultural theft by appropriating funds to establish and operate a temporary task force that will develop policies and programs to address this serious problem.

Your Committee has amended this measure by:

- (1) Changing references to “agricultural crime” to “agricultural theft” to be consistent with the title of the bill;
- (2) Changing the appropriation to a blank amount to permit further discussion of the exact amount to be appropriated; 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 H.B. No. 1082, 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. 1082, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Fukunaga, Sakamoto).

SCRep. 1578 Ways and Means on H.B. No. 1238

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Honolulu Seawater Air Conditioning LLC to develop a chilled water distribution system to provide air conditioning.

Your Committee finds that this project intending to provide air conditioning to multiple structures in downtown Honolulu advances the State’s energy policy of reducing dependence on fossil fuel by using an abundant, infinite, and renewable energy resource, deep, cold seawater. Your Committee further finds that the activities and facilities of Honolulu Seawater Air Conditioning LLC constitutes a project as defined in Part V, Chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to an industrial enterprise.

Your Committee has amended this measure by changing the authorized amount of the bonds to be issued to an unspecified amount 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. 1238, 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. 1238, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Fukunaga, Sakamoto).

SCRep. 1579 Ways and Means on H.B. No. 1276

The purpose of this measure is to allow the Department of Land and Natural Resources to enter into indemnity and defense agreements to protect landowners and persons associated with landowners from the threat of liability from persons injured while crossing private property to access a public trail.

Your Committee finds that it is important to retain public access to public trails and, where necessary, for private landowners to provide public use of their lands. This measure clarifies the extent of indemnification of landowners who provide such public use of their lands and provides a balanced approach to allowing access to public lands while protecting private property interests.

Your Committee amended this measure by making technical nonsubstantive amendments for 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. 1276, H.D. 3, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1276, H.D. 3, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Fukunaga, Sakamoto).

SCRep. 1580 Ways and Means on H.B. No. 1433

The purpose of this measure is to appropriate funding for a hydrologist IV position and a geologist I position for the Commission on Water Resource Management of the Department of Land and Natural Resources.

Your Committee understands that the hydrologist IV position is needed to assist in the establishment of instream flow standards for all streams in Hawaii, as mandated by a 2000 Hawaii supreme court decision. The geologist I position is required to enable the survey branch of the Commission on Water Resource Management to accomplish its responsibilities, including collecting and analyzing geologic and hydrologic data for maintaining the State’s well and water use database, assisting with data analysis such as aquifer test analysis, groundwater and surface water interaction determination, and groundwater interpretation, develop department policies for potential rock falls, debris flows, and other geologic hazards, and determine mitigation measures.

Your Committee has amended the measure by:

- (1) Providing for appropriations in the amount of \$1 to facilitate further discussion; 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 H.B. No. 1433, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1433, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Fukunaga, Sakamoto).

SCRep. 1581 Ways and Means on H.B. No. 1641

The purpose of this measure is to help fund the costs for managing, administering, and overseeing non-agricultural park lands that are transferred to the Department of Agriculture.

This is accomplished by establishing the non-agricultural park lands special fund. The fund is to accept for deposit legislative appropriations and all lease rent, fees, penalties, and other revenue or funds collected from non-agricultural park lands that are transferred to the Department.

Your Committee has amended this measure by making a nonsubstantive change for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1641, 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. 1641, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 2 (Slom, Trimble). Excused, 2 (Espero, Sakamoto).

SCRep. 1582 Ways and Means on H.B. No. 1303

The purpose of this measure is to implement various strategies to provide more affordable housing in the State.

Specifically, this bill:

- (1) Prohibits the raiding of housing special funds;
- (2) Establishes a general excise tax exemption for proceeds received in connection with the development of affordable housing projects;
- (3) Dedicates twenty-five per cent of general excise taxes imposed on residential rentals to the rental housing trust fund (Fund);
- (4) Requires the membership of the Housing and Community Development Corporation of Hawaii Board of Directors to include a representative of the continuum of care systems;
- (5) Establishes deadlines for the repair of vacant public housing and the construction of new public housing;
- (6) Exempts from Land Use Commission approval affordable housing projects of fifty acres or less;
- (7) Changes the standard for an affordable housing project from one that requires the project to be primarily designed for lower income persons to one that requires the project to provide a certain percentage of lower income housing units;
- (8) Permits the dwelling unit revolving fund to be used for permanent financing, in addition to interim financing;
- (9) Repeals specific numerical requirements for Fund projects relating to the minimum amount of units that must be provided for households within certain income groups;
- (10) Permits nonprofit entities to qualify for Fund loans;
- (11) Allows use of Fund financing for mixed finance public housing developments;
- (12) Increases the Fund's share of conveyance taxes from twenty-five per cent to fifty per cent;
- (13) Abolishes the Rental Housing Trust Fund Advisory Commission to avoid duplication in the review process for housing development applications;
- (14) Authorizes the issuance of general obligation bonds for the renovation, repair, and construction of low-income housing units;
- (15) Requires Housing and Community Development Corporation of Hawaii to convene a committee to consider the bifurcation of the agency into separate public housing and housing finance and development entities, and appropriates funds for the committee; and

(16) Takes effect on July 1, 2050.

Upon further consideration, your Committee has amended this bill by:

- (1) Deleting sections 2 and 3 of the bill that prohibit the lapsing or transfer of certain housing special funds to the general fund;
- (2) Deleting section 4 of the bill that:
 - (A) Grants an exemption from the general excise tax of proceeds received in developing affordable housing; and
 - (B) Dedicates twenty-five per cent of general excise taxes paid for the rental of residential rental dwellings, other than transient accommodations, to the rental housing trust fund;
- (3) Deleting the conforming provision in section 10 of the bill amending section 201G-432, Hawaii Revised Statutes, that allows for deposit of the dedicated general excise tax revenues into the rental housing trust fund;
- (4) Deleting the conforming section 14 of the bill amending section 237-31, Hawaii Revised Statutes, that provides for deposit of the dedicated general excise tax revenues into the rental housing trust fund;
- (5) Re-numbering the remaining sections of the bill accordingly; and
- (6) Making technical nonsubstantive amendments for the purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1303, 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. 1303, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1583 Ways and Means on H.B. No. 138

The purpose of this measure is to appropriate funds to support the public library bookmobiles.

Your Committee finds that bookmobiles serve an important function by enabling all residents of the State, especially those in rural areas, to receive library resources. However, with the exception of the bookmobile on the island of Molokai, the public library bookmobiles are not in operation. This measure will enable the bookmobiles to commence operations once again.

Your Committee has amended this measure by appropriating 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 H.B. No. 138, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 138, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (English, Espero, Fukunaga, Sakamoto).

SCRep. 1584 (Majority) Ways and Means on H.B. No. 422

The purpose of this measure is to regulate the discharge of liquid and air pollutants by large commercial passenger vessels in the marine waters of the State.

Your Committee finds that with the increase of cruise ship activities in the State, in order to protect the marine waters of the State from potential pollutants from these large cruise ships, it is necessary to regulate the discharge of sewage, treated and untreated, graywater, other wastewater, and air emissions within the marine waters of the State. This measure will require the reporting of any prohibited discharge, intended or unintended, to the Department of Health, the gathering of information and water samplings, and the maintenance of records relating to all discharges of these pollutants in the marine waters of the State. Finally, criminal sanctions are imposed for any violations of this measure.

Your Committee has amended this measure by:

- (1) Adding a definition for "Passenger vessel"; and
- (2) 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. 422, 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. 422, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 2 (Slom, Trimble). Excused, 3 (Fukunaga, Kanno, Kim).

SCRep. 1585 Ways and Means on H.B. No. 244

The purpose of this measure is to expedite the receipt of public assistance by potential recipients by presuming an applicant's eligibility.

Specifically, this bill presumes that an applicant for public assistance is eligible prior to receiving a determination of eligibility from the Department of Human Services, with certain exceptions.

Your Committee finds that this measure will rectify situations in which potential recipients are forced to wait longer than the time as specified by the Department of Human Services in administrative rules to receive benefits. Since time is of the essence for applicants for public assistance, this measure is necessary to ensure that the situations of potential recipients do not deteriorate excessively while they wait for eligibility determination.

As affirmed by the record of votes of the members 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. 244, 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 (Espero, Hooser, Sakamoto).

SCRep. 1586 Ways and Means on H.B. No. 460

The purpose of this measure is to authorize the Chief Election Officer to hire as Office of Elections staff individuals with or without regard to civil service requirements.

The measure also specifies that Office of Elections employees and employees of the Campaign Spending Commission are not subject to collective bargaining.

Your Committee finds that this measure allows the Chief Election Officer to hire civil service or exempt employees to handle important election-related duties, giving the Office of Elections the flexibility needed to hire qualified professional staff to administer elections in an impartial manner.

Your Committee has amended this measure by:

- (1) Adding a purpose section to clarify the bill's intent to authorize both the Chief Election Officer and the Campaign Spending Commission to hire civil service employees who are excluded from collective bargaining, at their respective discretion;
- (2) Adding language to clarify that the Chief Elections Officer has the discretion to hire staff with or without regard to civil service law, and without regard to collective bargaining; and
- (3) Amending section 11-193(a), Hawaii Revised Statutes, to authorize the Campaign Spending Commission to hire staff with or without regard to civil service law, and without regard to collective bargaining, at the discretion of the Commission.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 460, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 460, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Kim, Sakamoto, Trimble).

SCRep. 1587 Ways and Means on H.B. No. 875

The purpose of this measure is to appropriate funds for the purpose of settling lawsuits against the State relating to the wages of substitute teachers.

Furthermore, this measure authorizes the Legislature to establish per diem rates covering substitute teachers for fiscal year 2005-2006.

Your Committee finds that the per diem rate for substitute teachers is currently set by statute to piggyback the salary schedule negotiated under collective bargaining. Your Committee finds that pending lawsuits over the wages of substitute teachers suggests inadequacies in the current law, which this measure addresses and attempts to resolve.

Your Committee has amended this measure by authorizing the Legislature to establish wage classifications rather than per diem rates covering substitute teachers for fiscal year 2005-2006. Your Committee has also amended this measure by broadening the purposes of the appropriation to cover the entire measure and by changing the effective date to July 1, 2050.

As affirmed by the record of votes of the members 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. 875, 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. 875, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 15. Noes, none. Excused, none.

SCRep. 1588 (Majority) Ways and Means on H.B. No. 1590

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 to include digital media and sound recording and support and build the local workforce and infrastructure needed to grow Hawaii's digital media industry.

Specifically, the measure:

- (1) Amends section 235-7.3, Hawaii Revised Statutes, to add digital media to the definition of "performing arts products" so that it mirrors the definition of "performing arts products" added to section 235-110.9, Hawaii Revised Statutes;
- (2) Amends section 235-110.9, Hawaii Revised Statutes, to add a new definition for "performing arts products" and to add language to the definition of "qualified high technology business", to clarify that businesses claiming the tax credit under this section in taxable years beginning after December 31, 2005, are required to provide proof to the Department of Business, Economic Development, and Tourism of: educational or in-kind support of Hawaii secondary or post-secondary performing arts programs; employment of Hawaii residents; and use of facilities in the State;
- (3) Increases the existing four per cent income tax credit on Hawaii qualified production expenditures to fifteen per cent for productions on Oahu and twenty per cent for productions on the neighbor islands;
- (4) Allows a qualified production to receive a wage reimbursement tax credit for an unspecified percentage of the wages paid to below-the-line hires that are Hawaii residents;
- (5) Deletes the tax credit for transient accommodations taxes established under section 235-17(b), Hawaii Revised Statutes;
- (6) Requires that motion picture or film productions expend a minimum of \$200,000 in the State to qualify for the tax credit;
- (7) Requires that a sound recording production expend a minimum of \$20,000 in the State to qualify for the tax credit;
- (8) Requires that a production that qualifies for the tax credit provide the State with a shared-card, end-title credit;
- (9) Requires that productions interested in claiming the tax credit be pre-qualified by the Department of Business, Economic Development, and Tourism;
- (10) Establishes record keeping and reporting requirements for the Departments of Business, Economic Development, and Tourism and Taxation;
- (11) Defines terms such as "below-the-line hires", "commercials", "digital media", "post-production", "production", "qualified production", and "qualified production costs";
- (12) Prohibits the claiming of tax credits under both the production expenditure tax credit established under section 235-17, Hawaii Revised Statutes, and the investment tax credit established under section 235-110.9, Hawaii Revised Statutes;
- (13) Caps tax credit claims at \$8,000,000 per production;
- (14) Requires the Department of Business, Economic Development, and Tourism, in consultation with the Department of Taxation and the county film offices, to develop an appropriate revenue generation and economic benefit model to determine the economic impact of the enhanced film and digital media tax credits established under this Act;
- (15) Requires the Department of Business, Economic Development, and Tourism, beginning with the 2006 Regular Session, to annually submit reports on the film and digital media production expenditure, revenue projection, and revenue realization information to the Legislature until the 2011 Regular Session; and
- (16) Makes the amendments made to the enhanced film and digital media tax credits applicable to taxable years beginning after December 31, 2004.

Your Committee has amended the measure by:

- (1) Changing the amount of the tax credit cap from \$8,000,000 to \$1; and
- (2) Making technical nonsubstantive amendments for purposes of style;

thereby essentially making this bill identical to S.B. No. 541, S.D. 2, which was passed earlier by your Committee.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 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, 13. Noes, 1 (Trimble). Excused, 1 (Sakamoto).

SCRep. 1589 Ways and Means on H.B. No. 954

The purpose of this measure is to appropriate funds for the planning and construction of the Honomalino Irrigation System.

The measure also appropriates funds to prepare a comprehensive State Agricultural Water Use and Development Plan.

Your Committee finds that farming in South Kona is susceptible to long droughts that can devastate farms and the local economy. To assist farmers in this drought prone area, this measure appropriates funds to finance the planning and construction of the Honomalino Irrigation System.

Your Committee has amended this measure by adding an unspecified appropriation for the East Kauai Irrigation System. Your Committee finds that the System is in dire need of financial assistance and the appropriation would help the East Kauai Water Users' Cooperative operate and maintain the System for the benefit of the community and all cooperative members.

As affirmed by the record of votes of the members 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. 954, 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. 954, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 13. Noes, none. Excused, 2 (Fukunaga, Sakamoto).

SCRep. 1590 Ways and Means on H.B. No. 1360

The purpose of this measure is to authorize the issuance of general obligation bonds for the planning and development of an agribusiness incubator in the Waialua district, Oahu.

Your Committee finds that an agribusiness incubator in the Waialua district, with its abundance of rich agricultural lands, will support entrepreneurs in developing new and enhanced methods for the manufacture of new agricultural products. This measure, authorizing the issuance of general obligation bonds in the sum of \$300,000 for fiscal year 2005-2006, will enable the University of Hawaii to develop and manage the agribusiness incubator.

Your Committee has amended this measure by leaving the authorized bond amount unspecified 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. 1360, 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. 1360, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Espero, Fukunaga, Sakamoto).

SCRep. 1591 (Majority) Ways and Means on H.B. No. 1308

The purpose of this measure is to establish permanent adequate funding for land conservation by increasing the conveyance tax on a sliding scale and dedicating ten percent of the annual proceeds from the conveyance tax to the existing land conservation fund established pursuant to section 173A-5, Hawaii Revised Statutes.

This measure also sets forth the purposes for which proceeds from the land conservation fund may be expended and further allows the Board of Land and Natural Resources to make grants to other state agencies and nonprofit land conservation organizations for the preservation of real property.

Your Committee has amended this measure by deleting all the appropriations provided in this measure and making technical, nonsubstantive conforming format 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 H.B. No. 1308, 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. 1308, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Sakamoto).

SCRep. 1592 Ways and Means on H.B. No. 1640

The purpose of this measure is to establish policies and procedures for identifying important agricultural lands (IALs) and for developing state and county incentives to promote IAL viability.

This measure establishes:

- (1) A new part in chapter 205, Hawaii Revised Statutes, that sets forth policies and procedures for the identification of IALs, including:
 - (a) Policies and objectives to assure the conservation and availability of IALs for long-term agricultural use;
 - (b) Standards and criteria for the identification of IALs;
 - (c) Procedures for the identification, designation, and retention of IALs;
 - (d) Standards and criteria for reclassification and rezoning of lands identified as IALs; and
 - (e) Policies for incentives for the long-term retention of IALs to be used for agriculture; and
- (2) A process to develop proposals for state and county incentives to promote agricultural viability, sustained growth of the agriculture industry, and the long-term use and protection of IALs for agricultural use.

Your Committee has amended this measure by:

- (1) Clarifying the purpose section to further define the Legislature's findings in this measure;
- (2) Clarifying the standards for identification of IALs;
- (3) Establishing provisions for when and how farmers and landowners may file petitions and how the commission will review and grant the petitions for declaratory orders and designations for IALs
- (4) Clarifying who will receive the incentives for IALs;
- (5) Clarifying that tax incentives and other incentive programs should include those for agricultural irrigation systems;
- (6) Modifying the state and county agencies' requirements for reviewing IAL protection and incentive measures;
- (7) Providing that the Land Use Commission will not be able to designate IALs before the enactment of protection and incentive measures for IALs and agricultural viability;
- (8) Deleting the requirement that IAL designation reviews will be evaluated based on whether the affected landowners agree with the potential change and that the Land Use Commission will conduct a public hearing;
- (9) Clarifying the procedures for designating IALs and adopting IAL maps;
- (10) Providing that a farmer or landowner may petition to remove IAL designations if a sufficient water supply is no longer available because of causes beyond the farmer's or landowner's reasonable control;
- (11) Providing procedures for subdividing IALs;
- (12) Clarifying the procedures for conducting periodic reviews and amendments for IALs;
- (13) Providing that the counties will submit its report and maps with recommendations to the Land Use Commission not later than sixty months from the date the county receives state appropriated funds and deleting the annual progress report requirement;
- (14) Requiring the Department of Agriculture to distribute the appropriated money to each county and removing the conditions for which the counties will receive the money;
- (15) Requiring the Department of Agriculture to submit annual reports on each county's progress in identifying and mapping IALs starting in 2006 and ending in 2009;
- (16) Clarifying other Department of Agriculture reporting obligations for developing and implementing comprehensive incentives and programs to promote agricultural viability;
- (17) Clarifying that the Department of Agriculture should consider including escalating tax credits based on the tax revenues generated by increased investment or agricultural activities on IALs in the incentive legislation and other programs to promote agricultural viability;
- (18) Providing that section 205-I shall not take effect until three years after the enactment of protective and incentive measures, as provided in section 9;
- (19) Deleting all appropriation dollar amounts; and
- (20) Making technical, nonsubstantive changes for style, consistency, and clarity.

Your Committee noted concerns that incompatible uses neighboring each other often cause conflicts that impair agricultural activities. Your Committee recognizes the importance of using buffers to provide the necessary protection to IALs by separating them

from urban or other incompatible uses. Thus, your Committee further amended this measure by clarifying that buffers of IALs shall utilize agricultural lands that are not designated as IALs, rural, or conservation district lands.

Your Committee further noted that opportunities should be made for farmers and landowners with the ability to promote the long-term viability of agricultural use of lands. Thus, the intent of this measure is not only to identify and set policies for IALs but also to provide for the development of incentives for agricultural viability in Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1640, 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. 1640, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Kim, Sakamoto, Trimble).

SCRep. 1593 (Joint) Judiciary and Hawaiian Affairs and Ways and Means on H.B. No. 109

The purpose of this measure is to restrict the types of uses permitted on land in agricultural districts.

The Department of Business, Economic Development, and Tourism, the Office of Hawaiian Affairs, C & H Farms, the Hawaii Farm Bureau Federation, and the Sierra Club submitted testimony in support of this measure. The Department of Agriculture, the Office of Planning, the Mayor of the County of Hawaii, the City and County of Honolulu Department of Planning and Permitting, 1250 Oceanside Partners, Colliers Monroe Friedlander, Inc., Hale Irwin Golf Services, Inc., the Hawaii Association of Realtors, the Hawaii Island Economic Development Board, Inc., the Hawaii Resort Developers Conference, the Land Use Research Foundation of Hawaii, Maui Land and Pineapple Company, Inc., Whitewater Energy Corporation, and twenty individuals submitted testimony in opposition to this measure. The Land Use Commission and the law offices of Crockett and Nakamura submitted comments on this measure.

The agricultural industry and agricultural lands are a valuable resource for this State, and this measure makes amendments to current laws that protect Hawaii's farmers and agricultural lands from increased land speculation and development of "fake farms" and "gentlemen's estates." Specifically, this measure:

- (1) Allows open area recreational facilities, including golf courses and golf driving ranges, in rural districts;
- (2) Specifies prohibited activities and uses in agricultural districts that are not compatible with or are not accessories to agricultural activities;
- (3) Provides that the zoning or subdivision of land or condominium property regimes will be approved by a county or the Real Estate Commission, respectively, only if the zoning, subdivision of land, or creation of a condominium property regime is made subject to the permissible uses within agricultural districts;
- (4) Provides a presumption that a subdivision or development is not agricultural if it includes certain types of covenants, golf courses, or facilities;
- (5) Repeals the county's authority to further define accessory agricultural uses and services;
- (6) Allows counties to work with the Executive Officer of the Land Use Commission to develop policy and recommend statutory amendments to the land use law and petition for district boundary amendments that would expand and enhance the use of rural districts;
- (7) Convenes an advisory group for redefining rural districts;
- (8) Allows counties an opportunity to identify areas of land that may be suitable for reclassification into rural land use districts; and
- (9) Appropriates the necessary funds to accomplish the tasks set forth in this measure.

Your Committees have amended this measure by:

- (1) Deleting Part I of this measure that clarifies the permitted uses on agricultural and rural land districts;
- (2) Clarifying that rural districts are an asset to the State;
- (3) Allowing each county to either convene an advisory group or utilize existing general or community planning review processes for redefining rural districts;
- (4) Requiring each county to consider long-range land use patterns contained in new rural policy standards developed or considered by only the county, rather than those developed or considered by both the county and the Executive Officer of the Land Use Commission;
- (5) Requiring the county planning departments to submit proposed legislation to redefine the rural district, rather than having the Executive Officer of the Land Use Commission collaborate with the counties to submit proposed legislation;

- (6) Deleting the requirement that county advisory groups will prepare an application and supporting reports and materials for proposed rural district boundary amendments;
- (7) Deleting the requirement that county work plans should include guidance for preparing an application and supporting reports and materials for proposed rural district boundary amendments;
- (8) Deleting the appropriation to each county; and
- (9) 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 Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 109, H.D. 1, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 109, H.D. 1, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ayes, 16. Noes, none. Excused, 4 (Ihara, Sakamoto, Trimble, Whalen).

SCRep. 1594 Ways and Means on H.B. No. 1200

The purpose of this measure is to amend the state enterprise zone program to allow the participation of more agricultural businesses.

Specifically, this measure amends the state enterprise zone program by:

- (1) Allowing agricultural businesses to remain eligible for tax incentives in the event of force majeure;
- (2) Extending an agricultural business' eligibility for tax incentives by the duration, in months, of a force majeure event;
- (3) Including agriculture among the areas in the State that need particular attention in terms of revitalization by means of regulatory flexibility and tax incentives;
- (4) Amending the employment requirements for agricultural businesses by allowing them to substitute annual gross revenue requirements if they are unable to meet annual full-time employee requirements and including leased employees and employees under a joint employer relationship in the definition of "full-time employee"; and
- (5) Clarifying that enterprise zone businesses cannot claim the same tax credits or exemptions in other tax incentive programs.

Your Committee finds that state enterprise zones encourage agricultural activity and provide good business incentives for small businesses in this State. However, your Committee is concerned that the language of the bill does not appear to provide sufficient guidance on the definition and concept of the term, "joint employer". Your Committee further finds that provisions within this measure may be misinterpreted to disallow the taking of credits beyond what was intended. For example, it may be misinterpreted that the capital goods excise tax credit, which is an income tax credit, would be disallowed under current provisions of this measure. In addition, the use of the words, "no taxpayer", in referring to the disallowed credit or exemption may implicate businesses that are not even located in an enterprise zone.

Accordingly, your Committee has amended this measure by:

- (1) Adding a definition of "joint employer" that is comparable to the definition of the same under the Fair Labor Standards Act (C.F.R. §791.2(b));
- (2) Clarifying that the taxpayer claiming a tax credit or exemption may not claim any other tax credit or exemption in any chapter that is identical to the claimed tax credit or exemption; 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 H.B. No. 1200, 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. 1200, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, 2 (Fukunaga, Sakamoto).

SCRep. 1595 Ways and Means on H.B. No. 222

The purpose of this measure is to appropriate funds to the Department of Human Services for an increase in child care subsidies available through the Preschools Open Doors Program and related matters.

Your Committee finds that increased subsidies for the Preschools Open Doors Program will enable greater numbers of low income families in the State to access high quality early childhood education for their children under age five. Your Committee finds that quality child care at such a young age enables children to arrive at kindergarten "ready to learn".

Your Committee has amended this measure by changing the appropriation figure 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. 222, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 222, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (English, Espero, Fukunaga, Sakamoto).

SCRep. 1596 (Majority) Ways and Means on H.B. No. 140

The purpose of this measure is to establish legislative oversight of Department of Human Services programs and expenditures using funds from the Temporary Assistance for Needy Families block grant.

Your Committee understands that legislative oversight is needed to assist the Department of Human Services with the many administrative decisions and actions required to optimize the use of limited federal Temporary Assistance for Needy Families moneys. This involves:

- (1) Timely obligation of the funds in the federal fiscal year they are received;
- (2) The setting of eligibility levels for the purposes set forth in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996;
- (3) Making distinctions and decisions and setting priorities for expenditures that will effect the applicability of federal rules;
- (4) Meeting the quarterly reporting requirements for expenditures to maintain maximum flexibility in the use of funds; and
- (5) Conducting evaluations of expenditures to monitor the progress of welfare reform and afford mid-course corrections by identifying unintended consequences, newly identified needs, and areas for expansion and innovation.

Your Committee has amended this bill by removing the requirement for legislative oversight over medicaid waiver applications and making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 140, 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. 140, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (Fukunaga, Kanno, Kim).

SCRep. 1597 (Majority) Ways and Means on H.B. No. 1146

The purpose of this measure is to promote the professionalism of social workers by retaining the social worker classification in state social worker positions.

Specifically, this measure requires the Department of Human Resources Development to develop a plan for the implementation of separate classifications of a social worker class and a human services professional class. On May 1, 2004, the Department had eliminated the social worker class in all of its classifications and replaced it with the social worker/human services professional class. This measure re-establishes the social worker class separate from the human services professional class by dividing the social worker/human services professional classification into social workers and human services professionals. Also, the measure prohibits the Department of Human Resources Development from eliminating the social worker class in its classifications and eliminates the licensure exemption for government social workers, except for those employed by the State prior to July 1, 2007.

Your Committee finds that the previous reclassification divested social workers who held advanced social work degrees of their well-earned titles, by allowing individuals without social work degrees to be referred to as social workers under the new "social worker/human services professional class". Your Committee recognizes the unique services provided by social workers and their specialized education and training and believes that social work status should be restored. The class should also be upgraded by transitioning currently exempt state social workers into licensed social workers. Your Committee believes it is important to continue to use the title "social worker" and to maintain the requirements for social worker positions to ensure that clients who need social worker care will receive quality care from individuals who have received the appropriate social work education and training.

Your Committee has amended this measure by deleting its contents and inserting amendments proposed by the National Association of Social Workers to:

- (1) Clarify language to establish a social worker series and a human service professional series;
- (2) Require the Department of Human Resources Development and stakeholders to develop a transition plan to address current social work employees who lack a social work degree;
- (3) Require social workers who enter the state system after July 1, 2005, to have a degree in social work; and

- (4) Give current employees in the social work series who lack a social work degree until 2010 to obtain a social work degree.

As affirmed by the record of votes of the members 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. 1146, 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. 1146, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Sakamoto).

SCRep. 1598 Ways and Means on H.B. No. 393

The purpose of this measure is to clarify that unpaid civil fines and unpaid administratively imposed civil fines that are added by the counties to taxes, fees, or charges shall not become part of those taxes, fees, or charges or constitute a lien in favor of the counties on the debtor's real or personal property.

Your Committee recognizes that the present law, which was enacted in 1993 to permit the counties to collect otherwise uncollectible amounts, has a negative impact on commercial lending institutions. The law allows the counties to add unpaid civil fines, plus interest, to real property taxes owed to the county, superseding other liens that may have been recorded prior to the assessment of the civil fines.

Your Committee finds that, depending upon the amount of the fine and the daily accrual, the mortgage lender may potentially be undersecured or even unsecured altogether. The effect is that a mortgage lender may become liable for paying the county lien in a mortgage foreclosure. In addition, a potential mortgage lender has no way of knowing that unpaid civil fines are owed to the county because such fines are not recorded anywhere.

As previously indicated by your Committees on Intergovernmental Affairs and Judiciary and Hawaiian Affairs, the parties with a stake in this issue have been trying to reach a compromise that will preserve the counties' ability to collect unpaid fines while protecting the security interests of commercial lenders. To that end, your Committee has amended the measure by:

- (1) Requiring that notice of the unpaid fines be recorded in the Bureau of Conveyances as a condition of the fines becoming a lien on the debtor's real property;
- (2) Providing that recordation of the notice of unpaid civil fines in the Bureau of Conveyances shall be deemed to procure a lien against land registered in Land Court pursuant to Chapter 501;
- (3) Providing that the lien in favor of the county shall be subordinate to previously recorded or registered liens but senior to those recorded or registered thereafter;
- (4) Authorizing the counties to condition the issuance or renewal of a license, approval, or permit for which a fee is assessed, except for water for residential use and sewer charges, on payment of the unpaid civil fines;
- (5) Requiring the notice of unpaid civil fines to state the amount of the fine as of the date of the notice and the maximum permissible daily increase in the fine; and
- (6) Providing that the lien shall continue until the unpaid civil fines are paid in full or until a certificate of release or partial release, prepared by the county at the owner's expense, is recorded.

As affirmed by the record of votes of the members 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. 393, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 393, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 15. Noes, none. Excused, none.

SCRep. 1599 (Majority) Ways and Means on H.B. No. 429

The purpose of this measure is to appropriate funds to assist the City and County of Honolulu with the 2005 National Association of Counties Annual Conference and Exposition.

Your Committee finds that national conferences such as this one provide a forum for the exchange of ideas and an opportunity for municipal officials to meet their counterparts from across the country.

As affirmed by the record of votes of the members 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. 429, 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, 2 (Hemmings, Slom). Excused, 3 (Kim, Sakamoto, Trimble).

SCRep. 1600 (Majority) Ways and Means on H.B. No. 471

The purpose of this measure is to improve the efficiency and effectiveness of the operation of the Hawaii Tourism Authority.

Specifically, this bill:

- (1) Adds the Executive Director of the State Foundation on Culture and the Arts as an additional ex officio nonvoting member to the Hawaii Tourism Authority's Board of Directors;
- (2) Clarifies that the appointment of officers, agents, and employees of the Authority are subject to approval by the Board of Directors; provided that funds have been appropriated and allotted;
- (3) Adds to the Authority's powers the power to encourage collaboration between the visitor industry and law enforcement agencies, community organizations, and businesses; and
- (4) Allows moneys in the Convention Center Enterprise Special Fund and the Tourism Special Fund to be put in interest-bearing accounts or be invested by the Authority under certain conditions.

Your Committee has amended this bill by:

- (1) Correcting a reference to section "3" in section 7 of the bill to section "4";
- (2) Changing the effective date of the bill to July 1, 2050, for purposes of stimulating further discussion; and
- (3) Making technical nonsubstantive changes for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 471, 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. 471, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 1 (Trimble). Excused, 2 (Kokubun, Sakamoto).

SCRep. 1601 Ways and Means on H.B. No. 491

The purpose of this measure is to appropriate funds for lifeguard services at Makena State Beach Park on the island of Maui.

Your Committee understands that Makena is a popular beach for both visitors and residents. Emergency situations can arise from time to time in ocean situations. This measure will help to ensure the appropriate handling of emergency situations that may occur at Makena.

Your Committee has amended this measure by:

- (1) Changing the appropriations from an unspecified amount to the amount of \$1; and
- (2) Requiring matching funds from the county of Maui.

As affirmed by the record of votes of the members 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. 491, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 491, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1602 Ways and Means on H.B. No. 1278

The purpose of this measure is to make an appropriation for the preparation of a comprehensive water quality management project for Lake Wilson, Oahu.

Your Committee finds that comprehensive water quality management measures are essential for the reduction of contamination in the State's waterways and the maintenance of the State's natural environment. This measure makes an appropriation to allow the Center for Conservation and Research Training at the University of Hawaii to prepare a comprehensive watershed management plan, including the construction of wetlands, to develop the best strategies to manage water quality problems in Lake Wilson. In a follow-up phase, after the preparation of the comprehensive water management plan, the Center for Conservation and Research Training shall identify and solicit federal and other funding and shall coordinate implementation of a pilot-scale demonstration of constructed wetland designs developed for Lake Wilson during the initial phase.

As affirmed by the record of votes of the members 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. 1278, 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 (Espero, Fukunaga, Sakamoto).

SCRep. 1603 Ways and Means on H.B. No. 1280

The purpose of this measure is to appropriate funds for a pilot project that will identify, design, and implement integrated flood-control solutions consistent with comprehensive watershed management strategies for two of Hawaii's most severely flood-impacted watersheds.

Your Committee understands that flood control through comprehensive watershed management can save lives and prevent property and environmental damage. Additionally, comprehensive watershed management is more cost effective than traditional reactive and piecemeal approaches.

Your Committee believes that this measure could be improved by providing the flexibility to allow pilot project application to more than two sites, if feasible within the funding provided.

Your Committee has amended this measure by:

- (1) Specifying project application to "at least" two, rather than just two, of Hawaii's most severely flood-impacted watersheds;
- (2) Changing the unspecified amount of the appropriation to \$1 to facilitate further discussion;
- (3) Clarifying that the source of funding is the general fund; and
- (4) 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. 1280, 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. 1280, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Espero, Fukunaga, Sakamoto).

SCRep. 1604 (Majority) Commerce, Consumer Protection and Housing on H.B. No. 332

The purpose of this measure is to require the labeling of previously frozen baked bread that is thawed and offered for sale in the State to indicate that the bread has been frozen and thawed.

The ILWU Local 1142 and Hawaii State Teachers Association testified in support of this measure. Opposition to the measure was received from the following: Times Supermarket; King's Hawaiian; Safeway Inc.; Innovative Cereal Systems; Fresh Start Bakeries; Hawaii Foodservice Alliance, LLC; Hawaii Food Industry Association; Gold Coast Baking Company; Jean's Posh Pantry; Sugar Bowl Bakery; T. Kaneshiro Store, Inc.; Cafe Valley Bakery; K. Takata Store, Inc.; LC Marketing Corporation; and numerous individuals. The Department of Health presented comments.

Your Committee finds that flash freezing bread is a standard industry practice worldwide, and is designed to ensure the product's freshness and safety from the point of production to the point of purchase. Your Committee further finds that consumers may not be generally aware that the bread they purchase in a store has been frozen and thawed before being offered for sale. This measure would help to facilitate informed decisionmaking by consumers by requiring a bread label to indicate that the bread has been previously frozen and thawed.

Your Committee has amended this measure:

- (1) To apply to all baked goods, and not only breads;
- (2) By replacing the requirement that a baked good product's label disclose that the product has been previously frozen and thawed with the requirement that a sign be placed near a display of previously frozen and thawed baked goods for sale that informs purchasers of the common practice to flash freeze baked goods to preserve freshness;
- (3) To require the above notification to include a list of all baked good products that have been previously frozen and thawed;
- (4) To require that suppliers and distributors provide their respective retailers with a list of baked good products, by product name and manufacturer, that have been previously frozen and thawed;
- (5) To prohibit the use of the term "fresh" in a baked good's label or advertising to describe the baked good, unless the baked good has been maintained in an unfrozen state; and
- (6) By inserting an effective date of July 1, 2050.

Your Committee finds that the above requirements promote consumer protection without imposing burdensome or costly requirements on retailers.

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. 332, 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. 332, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Hogue). Excused, 1 (Sakamoto).

SCRep. 1605 (Joint) Commerce, Consumer Protection and Housing and Ways and Means on H.B. No. 1017

The purpose of this measure is to require homeowner associations to adopt rules to provide for the placement of solar energy devices and to establish requirements for the installation of solar energy devices in single-family homes and townhomes.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism, Sierra Club-Hawaii Chapter, Hawaii Solar Energy Association, Hawaii Renewable Energy Alliance, and Hawaiian Electric Company, Inc.

This measure requires associations of homeowners, community associations, condominium associations, and housing cooperatives to adopt rules providing for the placement of solar energy devices by December 31, 2006, and prohibits the assessment of a fee against a homeowner who installs a device. Additionally, this measure requires homeowners who install a solar energy device to comply with association rules and specifications, register the device with the association, and comply with requirements for devices placed on common elements. Finally, this measure clarifies the condominium law to provide that the installation of solar energy devices shall only be permitted in single family residential dwellings and townhomes.

Your Committees find that this measure will encourage the use of renewable energy resources and help to reduce the State's dependence on imported fossil fuels.

Your Committees have amended this measure by inserting an effective date of July 1, 2050 to encourage further review and discussion.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1017, H.D. 3, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1017, H.D. 3, S.D. 2.

Signed by the Chairs on behalf of the Committees.
Ayes, 15. Noes, none. Excused, 4 (Fukunaga, Kanno, Kim, Sakamoto).

SCRep. 1606 (Joint/Majority) Commerce, Consumer Protection and Housing and Ways and Means on H.B. No. 1051

The purpose of this measure is to facilitate access to psychotropic medications by Medicaid recipients.

The Hawaii Disability Rights Center, Mental Health Association in Hawaii, NAMI Oahu, NAMI Hawaii, Hoffman-La Roche, Inc., Hepatitis Prevention, Education, Treatment, and Support Network of Hawaii, and four individuals testified in support of this measure. The Department of Human Services (DHS) and Department of Health opposed the measure.

This measure prohibits DHS from imposing payment restrictions on or limiting access to psychotropic medications prescribed by licensed medical care providers for Medicaid recipients. Additionally, this measure establishes a presumptive eligibility for Medicaid for applicants requiring emergency psychiatric or psychological services, and exempts the prescription of psychotropic medications from the preauthorization requirement. Finally, this measure appropriates an undetermined sum for psychotropic medication coverage for Medicaid recipients.

Your Committees have amended this measure by inserting additional language contained in S.B. No. 1624, S.D. 1, a measure previously approved by your Committees on Commerce, Consumer Protection and Housing and Health. As amended, this measure also exempts from the preauthorization requirement medications prescribed for Medicaid recipients to treat the human immunodeficiency virus, acquired immune deficiency syndrome, and hepatitis C, and immunosuppressive drugs prescribed for Medicaid recipients with organ transplants.

Your Committees also made technical changes to the measure for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1051, H.D. 2, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1051, H.D. 2, S.D. 2.

Signed by the Chairs on behalf of the Committees.
Ayes, 13. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (Kanno, Nishihara, Sakamoto).

SCRep. 1607 Ways and Means on H.B. No. 631

The purpose of this measure is to correct and clarify existing language in chapter 88, Hawaii Revised Statutes, relating to the Employees' Retirement System and to clarify that law to conform with current practices.

The housekeeping measure makes necessary amendments to the law relating to the Employees' Retirement System as follows:

- (1) Including language to comply with federal income tax limits on compensation in determining ordinary death benefits;
- (2) Specifying which appointed county positions qualify for contributory plan membership;

- (3) Conforming the law to current practices and allowing the Employees' Retirement System to calculate a retiree's pension based on the benefit formula at the time of retirement rather than separation from service;
- (4) Requiring the counties to remit employer contributions to the Employees' Retirement System on a monthly rather than semimonthly basis;
- (5) Specifying that the cost to convert noncontributory plan service to hybrid plan service will be based on the member's age in full years and the member's basic rate of pay as of June 30, 2006; and
- (6) Eliminating the deadlines for claiming and purchasing hybrid plan membership service and allowing for the acquisition of qualifying service at any time prior to retirement, in line with current contributory plan procedures.

Your Committee has amended this measure at the recommendation of the Administrator of the Employees' Retirement System, to add a new section to the bill amending subsection 88-321(c), Hawaii Revised Statutes, to include prosecuting attorney investigators and corrections officers not making an election under section 88-271, Hawaii Revised Statutes. In addition, your Committee has renumbered the remaining sections of the bill accordingly and has made 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 H.B. No. 631, 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. 631, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Kim, Sakamoto, Trimble).

SCRep. 1608 Ways and Means on H.B. No. 769

The purpose of this measure is to exempt electric utility cooperative associations (cooperative association) from the unclaimed property law.

This measure also:

- (1) Requires the cooperative association to submit an annual unclaimed property report to the Director of Finance;
- (2) Ensures that the cooperative association remains responsible for payment of all future claims on the reported property; and
- (3) Ensures that the unclaimed property is used for energy assistance programs, other charitable or educational purposes, or for the benefit of the general membership of the cooperative.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to promote further discussion of the merits and by making a technical nonsubstantive amendment for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 769, 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. 769, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (English, Espero, Fukunaga, Sakamoto).

SCRep. 1609 Ways and Means on H.B. No. 390

The purpose of this measure is to make permanent the \$2 a day rental motor vehicle surcharge tax at \$2. Specifically, this measure repeals the increase in the tax to \$3 a day that would otherwise be applicable to the time period from September 1, 1999 to August 31, 2007.

Furthermore, this measure makes permanent the tax exemption for a lessor who rents a vehicle to a lessee whose own vehicle is under repair. Specifically, this measure repeals the September 1, 1999 to August 31, 2007 time period limitation for the exemption.

Your Committee finds that under the current law the rental motor vehicle surcharge tax is \$2 a day. However, for the period from September 1, 1999 to August 31, 2007, there are two modifications. First, the amount of the tax becomes \$3 a day. Second, lessors who rent vehicles to lessees whose own vehicles are being repaired are exempt from the tax.

Your Committee has amended this measure by removing the repeal of the September 1, 1999 to August 31, 2007 time period for the \$3 a day tax. In other words, your Committee has amended this measure by retaining the \$3 a day rental motor vehicle surcharge tax for that particular time period. Your Committee also deleted the purpose section, which no longer applies.

Accordingly, as amended, the purpose of this measure is to make permanent the exemption from the tax for lessors who lease vehicles to lessees whose own vehicles are under repair.

As affirmed by the record of votes of the members 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. 390, 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. 390, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1610 Ways and Means on H.B. No. 704

The purpose of this measure is to conform the law relating to the use of unemployment insurance trust fund moneys to P.L. 107-147, the federal Temporary Extended Unemployment Compensation Act of 2002, to allow for the distribution and utilization of federal Reed Act moneys.

This measure also appropriates the sum of \$10,000,000 from the unemployment insurance trust fund in each year of the 2005-2007 fiscal biennium to:

- (1) Improve the administration and infrastructure of Hawaii's employee and employer services provided by the Department of Labor and Industrial Relations and the four counties; and
- (2) Have the Leeward Community College provide education and job training for immigrants from the Freely Associated States, pursuant to the workforce development program established under Act 225, Session Laws of Hawaii 2004.

Your Committee finds that, in 2002, the Department of Labor and Industrial Relations received approximately \$31,000,000 in federal Reed Act funds. These funds have been placed within the unemployment trust fund, which can be utilized for the payment of benefits and expenses incurred for the administration of the unemployment compensation laws, as well as for public employment offices. Your Committee further finds that Reed Act distributions made prior to P.L. 107-147 were restricted to unemployment insurance administration purposes only. Your Committee also finds that, under section 303(a)(8) of the Social Security Act, state laws must include provisions for the expenditure of all moneys. Therefore, your Committee understands that the State's existing law must be amended to allow for the utilization of the 2002 Reed Act funds.

In addition, your Committee finds that the utilization of these funds is necessary not only to improve the State's automated unemployment insurance and workforce development division services, but also to address the specific needs of the local workforce investment boards of the four counties and to educate and train immigrants from the Freely Associated States so that they may become skilled and qualified members of our workforce.

Your Committee has amended the measure by:

- (1) Deleting section 1 of the measure;
- (2) Paring down the uses for which the appropriated moneys may be used for to only include:
 - (A) The improved connectivity of the Department of Labor and Industrial Relations' automated unemployment insurance and workforce development division computer systems;
 - (B) The assisting of the local workforce investment boards of each county;
 - (C) The establishment of systems for the electronic payment of employer taxes and the direct deposit of claimant benefit payments; and
 - (D) The provision of education and job training services to immigrants from the Freely Associated States through the Leeward Community College;
- (3) Clarifying that the moneys appropriated to the Department of Labor and Industrial Relations are to improve the State's automated unemployment insurance and workforce development division services and to establish systems for the electronic payment of employer taxes and the direct deposit of claimant benefit payments are seed moneys;
- (4) Deleting the \$1,000,000 appropriation to the Leeward Community College;
- (5) Specifying that, of the \$10,000,000 appropriated in each year of the fiscal biennium:
 - (A) The sum of \$4,795,000 shall be allocated to the City and County of Honolulu's workforce investment board; provided that the workforce investment board partners with the Leeward Community College for education and job training for immigrants from the Freely Associated States, pursuant to the workforce development program established under Act 225, Session Laws of Hawaii 2004;
 - (B) The sum of \$1,252,775 shall be allocated to the County of Maui's workforce investment board;
 - (C) The sum of \$1,000,000 shall be allocated to the County of Kauai's workforce investment board;
 - (D) The sum of \$1,500,000 shall be allocated to the County of Hawaii's workforce investment board; and
 - (E) The sum of \$452,225 shall be allocated for the establishment of systems for the electronic payment of employer taxes and the direct deposit of claimant benefit payments; and

- (6) 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 H.B. No. 704, 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. 704, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Espero, Hooser, Sakamoto).

SCRep. 1611 Ways and Means on H.B. No. 99

The purpose of this measure is to reduce the fee to file a federal Securities and Exchange Commission Form D or comparable form from \$200 to \$100.

Your Committee has amended the measure by deleting its contents and inserting therefor, provisions that grant civil service status to the employees of the Business Action Center (Center) of the Department of Business, Economic Development, and Tourism and subjecting these positions to civil service and public employment collective bargaining laws.

Specifically, the measure, as amended:

- (1) Repeals and replaces chapter 201D, Hawaii Revised Statutes, with a new chapter establishing the Business Action Center;
- (2) Transfers the Center from the Department of Business, Economic Development, and Tourism to the Department of Commerce and Consumer Affairs;
- (3) Replaces the exempt positions in the Center, except for the position of supervisor, with civil service positions within one year from the effective date of the measure;
- (4) Entitles a Center employee to compete for appointment to the civil service position that replaces the employee's exempt position;
- (5) Provides that if the employee is appointed to the civil service position:
 - (A) The employee's compensation shall be determined according to the applicable collective bargaining or executive order positions covering exempt employees who are appointed to replacement civil service positions; and
 - (B) There shall be no break in service and the appointment of the employee shall be consistent with initial probation appointments to civil service positions;
- (6) Clarifies that until the date that all of the Center's exempt positions are replaced by civil service positions, the Director of Commerce and Consumer Affairs may employ non-civil service personnel as required to carry out the Center's functions; and
- (7) Takes effect on July 1, 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. 99, 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. 99, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 6 (English, Fukunaga, Inouye, Kanno, Kim, Sakamoto).

SCRep. 1612 (Majority) Ways and Means on H.B. No. 998

The purpose of this measure is to provide for a temporary increase in the hotel construction and remodeling tax credit.

Specifically, this measure raises the four per cent hotel and construction and remodeling tax credit to eight per cent temporarily, from January 1, 2008 through December 31, 2010, then repeals the tax credit altogether on December 31, 2010.

Your Committee finds that the hotel construction and remodeling tax credit has been successful since its inception in 2001. The tax credit has spurred construction to reduce unemployment, boost the economy, and provide quality hotel facilities for the State's visitor industry.

Your Committee has amended the bill by amending the definition of "qualified full service hotel facility" to allow the tax credit for construction and renovation to hotels in which the guest rooms are not subdivided into individual condominium apartments. Your Committee has also amended the bill by making technical 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 H.B. No. 998, 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. 998, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 2 (Hemmings, Trimble). Excused, 1 (Sakamoto).

SCRep. 1613 (Majority) Ways and Means on H.B. No. 97

The purpose of this measure is to provide individual and employer long-term care tax credits for payment of long-term care insurance premium costs.

Specifically, this bill creates a long-term care tax credit for long-term care insurance premium payments made to purchase a qualified long-term care insurance contract that may be claimed against an individual taxpayer's income tax liability for the year in which the individual's income tax return is filed. For tax year 2006, the credit is the lesser of \$500 in the aggregate for a husband and wife filing jointly, or a range of percentages of the total cost of premium payments made, based on the husband's and wife's adjusted gross income. The credit for all other individual taxpayers is the lesser of \$250 in the aggregate or a similar range of percentages of total cost of premium payments made. For tax years 2007 and beyond, the credit rises to the lesser of \$1,000 in the aggregate for joint filers (or a range) and the lesser of \$500 in the aggregate for all other individual filers (or a range).

The qualified long-term care insurance contract may cover the taxpayer, the taxpayer's dependent, spouse, son, daughter, stepson, stepdaughter, father, mother, stepfather, or stepmother. The bill also defines "activity of daily living", "chronically ill individual", "licensed health care practitioner", "maintenance or personal care services", "qualified long-term care insurance contract", and "qualified long-term care services".

This bill further creates a non-refundable employer long-term care insurance premium tax credit. The amount of the credit is \$25 or fifty per cent of the premiums paid for tax year 2006 and \$50 or fifty per cent of the premiums paid for tax year 2007 and beyond. The bill takes effect on July 1, 2010, and applies to taxable years beginning after December 31, 2005.

Your Committee has made amendments recommended by the Department of Taxation to:

- (1) Clarify that the employer tax credit is not the greater of, but the lesser of, \$25 or fifty per cent of the premiums paid in taxable year 2006, and the lesser of \$50 or fifty per cent in taxable year 2007 and beyond; and
- (2) Amend the definition of "chronically ill individual" to conform to the definition contained in section 7702B(c)(2) of the Internal Revenue Code by inserting "within the preceding twelve-month period" immediately after "individual who has been certified by a licensed health care practitioner" on page 10, line 9, and page 15, line 4, and by deleting the words "for the preceding twelve-month period" at the end of the definition on page 10, lines 19-20, and page 15, lines 14-15.

Your Committee also made the following technical amendments to:

- (1) Change "and" to "or" on page 8, line 19 to clarify that not all of the individuals listed need to be covered by long-term insurance for a tax credit to be claimed;
- (2) Amend the definition of "activity of daily living" on page 10, line 6, and page 15, line 1, to "activities" of daily living to conform to the same definition in section 431:10H-201, Hawaii Revised Statutes;
- (3) Delete the word "professional" from the phrase "registered professional nurse" on page 10, line 22, and page 15, line 20; and
- (4) Make technical, nonsubstantive amendments for the purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 97, 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. 97, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, 1 (Trimble). Excused, 1 (Sakamoto).

SCRep. 1614 (Majority) Ways and Means on H.B. No. 863

The purpose of this measure is to make changes to the types of information required from the petroleum industry and the analysis of that information.

This measure:

- (1) Establishes the petroleum monitoring, analysis, and reporting fund, to be funded from the environmental response revolving fund;
- (2) Requires the Department of Business, Economic Development, and Tourism to develop and maintain an automated petroleum industry information reporting system;
- (3) Redelineates the types of information that the petroleum industry must submit to the Department of Business, Economic Development, and Tourism;
- (4) Recognizes the efforts of the Hawaii Energy Policy Forum in working to achieve the objective of creating a single integrated energy strategy; and

- (5) Makes appropriations out of the petroleum industry monitoring, analysis, and reporting special fund to be expended by the:
- (A) Department of Business, Economic Development, and Tourism to establish the petroleum industry monitoring, analysis, and reporting program and to continue to support for the Hawaii Energy Policy Forum; and
 - (B) Public Utilities Commission to implement the petroleum price control program established by Chapter 486H, Hawaii Revised Statutes.

Your Committee considered amending this measure to include the contents of H.B. No. 1705, H.D. 1, which was previously heard and passed by your Committee on Energy, Environment and International Affairs. H.B. No. 1705, H.D. 1 provides more flexibility in the administration of the wholesale gasoline law by allowing the Governor to:

- (1) Determine when the price caps under the law will be first implemented;
- (2) Cease implementation of the law and render the law inoperable; and
- (3) Subsequently restart or cease implementation of the law,

if the Governor determines that such actions are beneficial to the economic well-being, health, and safety of the people of Hawaii, publishes statewide notice of the action, and provides a report to the Legislature for any fiscal year during which the price cap was not operable for more than 180 days.

However, following lengthy discussions with the Chair of your Committee on Commerce, Consumer Protection and Housing, the Chair would not give prior concurrence to the amendment. Your Committee will respect the desires of the Chair of your Committee on Commerce, Consumer Protection and Housing and will not include that amendment in this measure at this time. However, your Committee respectfully requests that the Chair of your Committee on Commerce, Consumer Protection and Housing continue to consider the merits of H.B. No. 1705, H.D. 1 during conference committee deliberations on this measure.

Your Committee has amended this measure by changing the amounts to be appropriated by sections 15, 16, 17, and 18 to \$1.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 863, 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. 863, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 3 (Hemmings, Slom, Trimble). Excused, 1 (Sakamoto).

SCRep. 1615 Ways and Means on H.B. No. 931

The purpose of this measure is to prohibit the condemnation of residential development tracts that qualify as sustainable affordable developments.

The measure also allows a housing development that meets certain guidelines for the provision of affordable housing to obtain an exemption from the leasehold conversion provisions of the State's Land Reform Act by qualifying as a sustainable affordable development.

Your Committee has amended this measure by:

- (1) Adding a new section to section 2 of the measure to prohibit sustainable affordable developments established by the University of Hawaii as developments that qualify for the exemption from the State's leasehold conversion law unless specifically authorized by law;
- (2) Clarifying that, when calculating a lessee's compensation for on-site improvements, the formula shall include all buildings and improvements;
- (3) Clarifying the resale of lease formula contained in the definition of "sustainable affordable lease" and expanding the lessor's ability to share in the appreciation of the leased property under that definition;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (5) Making other amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 931, 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. 931, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1616 (Majority) Ways and Means on H.B. No. 997

The purpose of this measure is to facilitate the implementation of existing and expanded Hawaii tourism authority programs.

Specifically, this bill:

- (1) Allows moneys in the convention center enterprise special fund and the tourism special fund to be placed in interest-bearing accounts or be appropriately invested;
- (2) Authorizes the Hawaii tourism authority to set up a special account in the tourism special fund to receive deposits of non-tax revenues from either public or private contracts;
- (3) Removes the \$31,000,000 cap on deposit of transient accommodations tax revenues into the convention center enterprise special fund beginning on January 1, 2006;
- (4) Increases the percentage of transient accommodations tax revenues to be deposited into the tourism special fund from 32.6 per cent to 35.4 per cent and earmarks 0.5 per cent of that amount to fund a safety and security budget;
- (5) Repeals the deposit of 5.3 per cent of revenues from the transient accommodations tax into the transient accommodations tax trust fund;
- (6) Requires the distribution of one per cent of the transient accommodations tax revenues as follows:
 - (A) Ninety per cent for deposit into the state parks special fund; and
 - (B) Ten per cent for deposit into the special land and development fund for the Hawaii statewide trail and access program;
- (7) Requires 1.5 per cent of the transient accommodations tax revenues to be deposited into the general fund;
- (8) Repeals the transient accommodations tax trust fund; and
- (9) Imposes a transient accommodations tax surcharge upon hotels converting to time sharing plans or to condominiums.

Your Committee has amended this bill by:

- (1) Inserting statutory text inadvertently omitted in section 6 amending section 201B-11, Hawaii Revised Statutes, on page 9, line 20;
- (2) Inserting statutory text inadvertently omitted, but meant to be repealed, in section 7 amending section 237D-6.5(b)(2), Hawaii Revised Statutes, on page 12, line 17; and
- (3) Making other 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 H.B. No. 997, 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. 997, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 2 (Slom, Trimble). Excused, 1 (Sakamoto).

SCRep. 1617 Ways and Means on H.B. No. 1378

The purpose of this measure is to improve the laws governing the issuance of temporary restraining orders and protective orders in Family Court proceedings.

Specifically, this measure:

- (1) Mandates the disclosure of a pending divorce, separation, annulment, maintenance, or any other Family Court proceeding on a petition for a temporary restraining order or protective order;
- (2) Permits a petition for a temporary restraining order or protective order to be filed in an ongoing divorce or child custody proceeding between the parties and that any finding of fact or ruling made in connection with granting or denying a temporary restraining order or protective order shall not be res judicata or collateral estoppel in a subsequent proceeding between the parties;
- (4) Permits a court to allow supervised visitation of children shared by the petitioner and respondent even after a temporary restraining order petition has been granted, provided that the children are not named in the temporary restraining order petition and visitation is in the children's best interests; and
- (5) Requires a Family Court judge to include a concise written statement providing a factual basis for issuing the temporary restraining order.

Your Committee has amended this measure by:

- (1) Specifying that the factual findings and rulings made in conjunction with the issuance of a temporary restraining order or protective order shall not be binding in any other Family Court proceedings and that the facts and circumstances alleged in the temporary restraining order or protective order proceeding shall be given de novo consideration in making subsequent determinations regarding child custody and visitation;
- (2) Substituting the phrase “domestic abuse” for “physical abuse” in section 586-3, Hawaii Revised Statutes, to be consistent with the definitions in section 586-1, Hawaii Revised Statutes;
- (3) Substituting the phrase “physical abuse” for the word “abuse” in section 586-4(c), Hawaii Revised Statutes, to be consistent with the terminology used in section 586-4(a), Hawaii Revised Statutes; and
- (4) Making 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1378, 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. 1378, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1618 Ways and Means on H.B. No. 1554

The purpose of this measure is to allow a fee owner to exclude from taxable income one hundred per cent of the gain realized from the sale of a leased fee interest in a residential house lot or multi-family unit to the lessee of the house lot or unit.

Your Committee finds that there remain a few lessees of house lots and many multi-family residential units that wish to purchase the leased fee interest in their residences. This measure, rather than compel fee owners to sell the leased fee interest, provides an incentive for fee owners to sell the leased fee interest in these residences.

This measure will allow fee owners who sell the leased fee interest in any house lot or multi-family residential unit, in tax years 2006 through 2010, to exclude one hundred per cent of any gain realized from their taxable income. The exclusion will also include the sale of the leased fee interest in any multi-family residential leasehold property to the association of apartment owners or the residential cooperative corporation of the multi-family residential leasehold property.

Your Committee has amended this measure by deleting its contents and inserting in its place the language contained in S.B. No. 1793, S.D. 2. In this manner, the measure is amended by:

- (1) Deleting the exclusion of gain realized from taxable income for any sale by a fee owner of a leased fee interest in any multi-family property to the association of apartment owners or the residential cooperative corporation of the multi-family property; and
- (2) Changing its effective date to facilitate further discussion on this matter.

Your Committee has further amended this measure by reducing the amount that can be excluded from taxable income to fifty per cent of the income derived from the sale.

As affirmed by the record of votes of the members 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. 1554, 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. 1554, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1619 (Majority) Ways and Means on H.B. No. 1608

The purpose of this measure is to authorize public employee organizations to establish voluntary employees' beneficiary association trusts that will provide health benefits to members of the public organization.

Specifically, this measure creates a three-year pilot program for collective bargaining unit (5) to provide health benefits to its members through a VEBA trust, instead of through the Hawaii employer-union health benefits trust fund.

Your Committee finds that the creation of the pilot program will allow for a comparison and contrast of the costs and benefits of providing health benefits through a VEBA trust against the Hawaii employer-union health benefits trust fund.

Your Committee has amended this measure by changing the effective date to July 1, 2050, in order to promote continued discussion of the matter. 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 H.B. No. 1608, 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. 1608, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, 3 (Kokubun, Slom, Trimble). Excused, 1 (Sakamoto).

SCRep. 1620 Ways and Means on H.B. No. 1763

The purpose of this measure is to ensure the continued force and effectiveness of the Hawaii Penal Code (Code) by establishing and appropriating funds for an advisory committee to conduct a comprehensive review of the Code.

This bill would also require the advisory committee to report its findings and recommendations to the Legislature prior to the convening of the 2006 Regular Session.

Your Committee finds that it has been ten years since a comprehensive review of the Code was last conducted and that the Legislature failed to act on the recommendations produced by that review. Your Committee further finds that this measure is designed to address inconsistencies, ambiguities, and errors within the Code that were apparent in 1995 and may have multiplied since that time.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further 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 H.B. No. 1763, 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. 1763, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 6 (English, Fukunaga, Inouye, Kanno, Kim, Sakamoto).

SCRep. 1621 (Majority) Ways and Means on H.B. No. 1784

The purpose of this measure is to establish an Office of International Affairs within the Department of Business, Economic Development, and Tourism.

Your Committee understands that the proposed Office of International Affairs will coordinate the efforts of state, county, and private organizations and individuals to promote relations with other countries in economic, social, cultural, and scientific matters. This will assist the State in competing in the global market, stimulating economic growth, and promoting international and domestic peace.

Your Committee has amended this measure by changing its effective date to July 1, 2050 to facilitate further discussion and making a technical nonsubstantive amendment for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1784, 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. 1784, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, 3 (Hemmings, Slom, Trimble). Excused, 6 (English, Fukunaga, Inouye, Kanno, Kim, Sakamoto).

SCRep. 1622 Ways and Means on H.B. No. 115

The purpose of this measure is to appropriate funds for casket liners and to address the soil problems at the Hawaii State Veterans Cemetery.

Your Committee finds that the Kaneohe cemetery is Hawaii's only state run facility that serves veterans and their family members. The cemetery is a place of peace and tranquillity where comrades-in-arms and friends can visit the final resting-place of departed veterans.

Unfortunately, this peace and tranquillity has been disturbed by soil problems in the area. A recent study has found that the cemetery's soil is not suitable for re-use as back-fill in graves due to its composition and moisture content. Consequently, the substandard soil cannot provide the necessary support for graves and headstones, causing them to sink in unsightly holes that mar the landscape and desecrate the sanctity of the cemetery. In order to remedy the soil problem, appropriate soil and casket liners are necessary.

Your Committee has amended the bill by expanding the scope of the assistance provided to members of the armed forces by:

- (1) Providing a tax credit to members of the Hawaii national guard and reserves with qualifying dependents;
- (2) Providing an income tax exemption for active military personnel based in Hawaii and assigned to an out-of-state location;
- (3) Quantifying the existing income tax exemption received by members of the national guard and reserves; and
- (4) Appropriating an unspecified amount for a temporary position to coordinate joint venture in education forum activities.

Your Committee has also changed the appropriation amount specified for the Hawaii State Veterans Cemetery 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 H.B. No. 115, 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. 115, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 6 (English, Fukunaga, Inouye, Kanno, Kim, Sakamoto).

SCRep. 1623 (Majority) Ways and Means on H.B. No. 160

The purpose of this measure is to revise the method of assessing insurers for the compliance resolution fund.

This bill repeals the Insurance Commissioner's authority to formulate the amount of assessments that insurers owe to the compliance resolution fund and instead legislatively establishes a formula for the total amount of assessments due in all lines of insurance.

Specifically, this measure requires that total assessments for the compliance resolution fund be equal to the commissioner's proposed budget, less the insurance regulation sub-account funds, and less the commissioner's anticipated revenues.

Furthermore, this measure sets a ceiling of \$2,000,000 on total assessments in all lines of insurance and requires annual audits of the insurance regulation sub-account of the compliance resolution fund.

Your Committee finds that this measure will promote transparency and fairness in the assessment process. Your Committee also finds that the considerable size of the cash reserves accumulated by the Insurance Commissioner over the years indicates that the present law, in granting discretion to the Insurance Commissioner to determine the amount of assessments, has the legislatively unintended potential to be used as a revenue generator.

Your Committee has amended this measure by increasing the ceiling for total assessments in all lines of insurance from \$2,000,000 to \$4,000,000. Furthermore, your Committee has amended this measure by eliminating the captive insurance administrative fund as a source of transfer funds for the compliance resolution fund. Lastly, 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 H.B. No. 160, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 160, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 4 (English, Espero, Fukunaga, Sakamoto).

SCRep. 1624 Ways and Means on H.B. No. 1331

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Jacoby Development, Inc. with planning, designing, constructing, equipping, and acquiring land for a plasma municipal solid waste processing system on the island of Oahu.

Your Committee understands that landfill space on Oahu is limited and concrete steps need to be taken to address the problem. Alternative ways of disposing solid waste may be the answer. Plasma technology is an emerging technology that may lessen dependence on the landfill disposal of waste, by converting solid waste into electricity and chemically and biologically inert slag.

Your Committee has amended this measure by appropriating an unspecified amount and inserting an effective date of 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 H.B. No. 1331, 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. 1331, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1625 Ways and Means on S.C.R. No. 134

The purpose of this measure is to authorize the Board of Land and Natural Resources to lease submerged lands at Keehi Small Boat Harbor for the development and operation of a commercial ship repair facility.

Your Committee finds that Honolulu Marine, Inc., doing business as Kewalo Shipyard, presently operates a commercial ship repair facility on state lands at Kewalo Basin. Your Committee further finds that the services provided by Honolulu Marine, Inc. to the general boating industry and the United States Navy are a valuable contribution to our State's economy.

Honolulu Marine, Inc.'s present site is under a lease from the State that does not expire until 2021. However, the Hawaii Community Development Authority that is tasked with developing this public land as part of the development of the Kakaako business district has requested that Honolulu Marine, Inc., vacate the Kewalo Basin site as soon as possible.

Working with the Hawaii Community Development Authority and the Department of Transportation, Honolulu Marine, Inc., has identified a site under the management of the Department of Land and Natural Resources located at Keehi Small Boat Harbor that could be improved to meet the needs of Honolulu Marine, Inc. However, to properly utilize this new site, the fast lands of which are approximately one-third the size of the present Kewalo Basin site, some of the adjoining submerged lands also have to be leased to Honolulu Marine, Inc. in order to accommodate a floating drydock.

Section 171-53(c), Hawaii Revised Statutes, requires the prior authorization of the Legislature by concurrent resolution for a state lease of submerged lands. This measure provides the required prior authorization.

As 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. 134, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 6 (English, Fukunaga, Inouye, Kanno, Kim, Sakamoto).

SCRep. 1626 Transportation and Government Operations on S.C.R. No. 221

The purpose of this measure is to request the Department of Transportation (DOT) to update the Hawaii Commercial Harbors 2020 Master Plan.

Your Committee received testimony in support of this measure from the Department of Transportation (DOT), ILWU Local 142, Young Brothers Limited, Matson Navigation Company, and The Chamber of Commerce of Hawaii. Comments were received from the Hawaii Community Development Authority.

The DOT has jurisdiction over Hawaii's commercial harbors pursuant to section 266-2, Hawaii Revised Statutes, which provides in part that the DOT has control and management responsibility for commercial harbor and waterfront improvements. In 1995, the DOT prepared an Hawaii Commercial Harbors 2020 Master Plan, designed to improve and update the State's harbor system with a focus primarily on Honolulu Harbor to meet the anticipated growth and demand over the ensuing twenty-five years.

Your Committee believes that one of the challenges facing Hawaii's shipping industry is the State's limited facilities and space, with a finite amount of space and facilities working beyond capacity. Without expansion and improvement of Hawaii's harbors, particularly Honolulu Harbor, the State's shipping industry will suffer and decline. Hawaii's shipping industry is effectively the State's life-sustaining enterprise.

Accordingly, the Hawaii Commercial Harbors 2020 Master Plan should be updated to accommodate new demands being placed on commercial harbors in Honolulu and on each Neighbor Island.

Hawaii's economic sustainability is dependent upon the effectiveness and efficiency of the harbor system, as well as the availability of sufficient cargo and container facilities. Harbors on Oahu are extremely busy, and the DOT must accommodate harbor uses for not only cargo activity, but also commercial activity, cruise ships, and potential ferry service as well. These new and competing uses for maritime space have created a cargo space crisis in Honolulu Harbor, which is exacerbated by the fact that prior planning studies did not anticipate harbor uses at these current levels.

Pier 1 and Pier 2 are both under the jurisdiction of the Hawaii Community Development Authority, and recent suggestions have indicated that both piers should be transferred to the DOT's jurisdiction to address the cargo space crisis. However, opposing views suggest that the transfer may not resolve the cargo space crisis, and will also compromise the State's ability to implement its Kakaako community development plan. Your Committee recognizes the importance of both the cargo space crisis and the community development plan, and recommends that a comprehensive study for all maritime areas on Oahu, including fast and submerged lands, as well as the timely implementation of the plan, is necessary to address the cargo space crisis without jeopardizing the community development plan.

A centralized statewide cargo and passenger ship arrival and departure scheduling system would improve the efficiency of ship movements among the harbors of the State. The harbors at Honolulu, Nawiliwili, Lahaina, Kahului, Kona, and Hilo each act as a port facility for passenger cruise ships as well as for cargo ships.

Your Committee recognizes that there will always be a dual demand in the foreseeable future for cargo as well as passenger port facilities at all of the State's harbors. The problem is that each harbor currently handles its own ship movement scheduling and there is no centralized system coordinating ship departures and arrivals statewide.

Your Committee has amended this measure by:

- (1) Adding the provisions of S.C.R. No. 136, to request a comprehensive study of current and anticipated harbor uses on Oahu to improve harbor efficiency and effectiveness, and S.C.R. No. 158, to request the DOT to establish a centralized statewide cargo and passenger ship arrival and departure scheduling system to coordinate and improve the efficiency of ship movements among the harbors of the State. All three measures are closely related; and

- (2) Making clarifying amendments to S.C.R. No. 221, as proposed by the Hawaii Community Development Authority, to stress the crowded conditions of the harbors.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 221, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 221, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 1627 Transportation and Government Operations on S.R. No. 127

The purpose of this measure is to request the Department of Transportation (DOT) to update the Hawaii Commercial Harbors 2020 Master Plan.

Your Committee received testimony in support of this measure from the Department of Transportation (DOT), ILWU Local 142, Young Brothers Limited, Matson Navigation Company, and The Chamber of Commerce of Hawaii. Comments were received from the Hawaii Community Development Authority.

The DOT has jurisdiction over Hawaii's commercial harbors pursuant to section 266-2, Hawaii Revised Statutes, which provides in part that the DOT has control and management responsibility for commercial harbor and waterfront improvements. In 1995, the DOT prepared an Hawaii Commercial Harbors 2020 Master Plan, designed to improve and update the State's harbor system with a focus primarily on Honolulu Harbor to meet the anticipated growth and demand over the ensuing twenty-five years.

Your Committee believes that one of the challenges facing Hawaii's shipping industry is the State's limited facilities and space, with a finite amount of space and facilities working beyond capacity. Without expansion and improvement of Hawaii's harbors, particularly Honolulu Harbor, the State's shipping industry will suffer and decline. Hawaii's shipping industry is effectively the State's life-sustaining enterprise.

Accordingly, the Hawaii Commercial Harbors 2020 Master Plan should be updated to accommodate new demands being placed on commercial harbors in Honolulu and on each Neighbor Island.

Hawaii's economic sustainability is dependent upon the effectiveness and efficiency of the harbor system, as well as the availability of sufficient cargo and container facilities. Harbors on Oahu are extremely busy, and the DOT must accommodate harbor uses for not only cargo activity, but also commercial activity, cruise ships, and potential ferry service as well. These new and competing uses for maritime space have created a cargo space crisis in Honolulu Harbor, which is exacerbated by the fact that prior planning studies did not anticipate harbor uses at these current levels.

Pier 1 and Pier 2 are both under the jurisdiction of the Hawaii Community Development Authority, and recent suggestions have indicated that both piers should be transferred to the DOT's jurisdiction to address the cargo space crisis. However, opposing views suggest that the transfer may not resolve the cargo space crisis, and will also compromise the State's ability to implement its Kakaako community development plan. Your Committee recognizes the importance of both the cargo space crisis and the community development plan, and recommends that a comprehensive study for all maritime areas on Oahu, including fast and submerged lands, as well as the timely implementation of the plan, is necessary to address the cargo space crisis without jeopardizing the community development plan.

A centralized statewide cargo and passenger ship arrival and departure scheduling system would improve the efficiency of ship movements among the harbors of the State. The harbors at Honolulu, Nawiliwili, Lahaina, Kahului, Kona, and Hilo each act as a port facility for passenger cruise ships as well as for cargo ships.

Your Committee recognizes that there will always be a dual demand in the foreseeable future for cargo as well as passenger port facilities at all of the State's harbors. The problem is that each harbor currently handles its own ship movement scheduling and there is no centralized system coordinating ship departures and arrivals statewide.

Your Committee has amended this measure by:

- (1) Adding the provisions of S.C.R. No. 136, to request a comprehensive study of current and anticipated harbor uses on Oahu to improve harbor efficiency and effectiveness, and S.C.R. No. 158, to request the DOT to establish a centralized statewide cargo and passenger ship arrival and departure scheduling system to coordinate and improve the efficiency of ship movements among the harbors of the State. All three measures are closely related; and
- (2) Making clarifying amendments to S.R. No. 127, as proposed by the Hawaii Community Development Authority, to stress the crowded conditions of the harbors.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 127, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 127, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 1628 Education and Military Affairs on S.C.R. No. 66

The purpose of this measure is to urge the adoption of policies and programs promoting school connectedness and addressing behavioral changes.

Testimony in support of the resolution was submitted by the Department of Education, Hawaii State Teachers Association, Drug Policy Action Group, Drug Policy Forum of Hawaii, and one individual.

Your Committee finds that research demonstrates zero tolerance policies have been unsuccessful in deterring student substance use and abuse. Common disciplinary approaches of suspension, expulsion, or involuntary transfer for alcohol and drug-related offenses have been ineffective in deterring students. While the department's Comprehensive Student Support System provides a framework for policies and programs to promote school connectedness and positive behavioral systems, your Committee believes that this measure is needed to encourage further movement on this issue.

It is your Committee's intention to encourage schools to provide consequences for behavioral challenges on best practices of positive behavioral support and intervention.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 66 and recommends its adoption.

Signed by the Vice Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Tsutsui).

SCRep. 1629 Education and Military Affairs on S.R. No. 30

The purpose of this measure is to urge the adoption of policies and programs promoting school connectedness and addressing behavioral changes.

Testimony in support of the resolution was submitted by the Department of Education, Hawaii State Teachers Association, Drug Policy Action Group, Drug Policy Forum of Hawaii, and one individual.

Your Committee finds that research demonstrates zero tolerance policies have been unsuccessful in deterring student substance use and abuse. Common disciplinary approaches of suspension, expulsion, or involuntary transfer for alcohol and drug-related offenses have been ineffective in deterring students. While the department's Comprehensive Student Support System provides a framework for policies and programs to promote school connectedness and positive behavioral systems, your Committee believes that this measure is needed to encourage further movement on this issue.

It is your Committee's intention to encourage schools to provide consequences for behavioral challenges on best practices of positive behavioral support and intervention.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 30 and recommends its adoption.

Signed by the Vice Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Tsutsui).

SCRep. 1630 Health on S.C.R. No. 109

The purpose of this measure is to make educational materials available on diagnosis, treatment, and prevention of hepatitis C to all veterans, physicians, other health care providers, and other persons at high risk for hepatitis C.

The Legislative Information Services of Hawaii, the Hepatitis Hale Treatment & Support Program, the American Liver Foundation, the Statewide Independent Living Council of Hawai'i, the West O'ahu Hope for a Cure Foundation, members of We Are All Downwind, and five individuals submitted testimony in support of this measure. The Department of Health and the Department of Defense submitted comments.

According to the Hepatitis Hale Treatment & Support Program, approximately 10,000 people are reported as having tested positive for hepatitis C. It is estimated that thousands more may be unaware that they are infected because they are not experiencing symptoms and therefore may unknowingly spread the infection to others. Even health care workers need to be educated regarding diagnosis, treatment interventions, referrals, and prevention of this chronic disease.

Upon further consideration, your Committee has amended this measure by:

- (1) Requesting the Department of Health to coordinate a Hepatitis C Education Work Group charged with implementation of the educational goals and objectives of the Hawai'i Hepatitis C Strategic Plan to raise the awareness and the knowledge of health care providers, those at-risk, and the general population regarding hepatitis C;
- (2) Specifying the inclusion of representatives from various organization and Department of Health divisions, among others; and
- (3) Making technical, non-substantive changes for 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 concurs with the intent and purpose of S.C.R. No. 109, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 109, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1631 (Joint) Health and Transportation and Government Operations on S.C.R. No. 110

The purpose of this measure is to prepare for a possible influenza pandemic.

The Department of Health submitted testimony in support of this measure.

According to the Department of Health, the impact of an influenza pandemic will be severe and could effect such areas as the labor force and the civil defense. Influenza pandemics occur when a virulent new strain of influenza, for which there is no vaccine and no human resistance, appears suddenly. The Department has already started formulating a plan to prepare for such a crisis in cooperation with the Healthcare Association of Hawaii and military public health officials. The Centers for Disease Control and Prevention and other states offer guidance and varied perspectives and approaches. This measure calls on the Governor, the Director of Health, and the Director of Civil Defense to prepare for a possible influenza pandemic.

Your Committees have amended this measure by adding the Dean of the University of Hawaii John A. Burns School of Medicine and the Centers for Disease Control and Prevention as recipients of courtesy certified copies of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Transportation and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 110, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 110, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Hanabusa, Kanno, Menor).

SCRep. 1632 (Joint) Health and Transportation and Government Operations on S.R. No. 60

The purpose of this measure is to prepare for a possible influenza pandemic.

The Department of Health submitted testimony in support of this measure.

According to the Department of Health, the impact of an influenza pandemic will be severe and could effect such areas as the labor force and the civil defense. Influenza pandemics occur when a virulent new strain of influenza, for which there is no vaccine and no human resistance, appears suddenly. The Department has already started formulating a plan to prepare for such a crisis in cooperation with the Healthcare Association of Hawaii and military public health officials. The Centers for Disease Control and Prevention and other states offer guidance and varied perspectives and approaches. This measure calls on the Governor, the Director of Health, and the Director of Civil Defense to prepare for a possible influenza pandemic.

Your Committees have amended this measure by adding the Dean of the University of Hawaii John A. Burns School of Medicine and the Centers for Disease Control and Prevention as recipients of courtesy certified copies of this measure.

As affirmed by the records of votes of the members of your Committees on Health and Transportation and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 60, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 60, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Hanabusa, Kanno, Menor).

SCRep. 1633 (Joint) Health and Transportation and Government Operations on S.C.R. No. 44

The purpose of this measure is to urge the United States President and Congress and Centers for Medicare and Medicaid Services to preserve the amount of Medicaid coverage and benefits.

The Hawaii Primary Care Association, the Hawaii Government Employees Association, and one individual submitted testimony in support of this measure.

Public programs such as Medicaid support the health care needs of the low-income population and those that are aged, blind, or disabled who lack an affordable, alternative source of health care. Limiting Medicaid services will not reduce costs, but will only transfer them to already over-burdened community health care centers, hospital emergency rooms, and the criminal justice system. A federal reduction in coverage or benefits will place a greater burden on the State to make up for the difference, possibly leading to increased taxes or the diversion of resources from other valuable public services.

As affirmed by the records of votes of the members of your Committees on Health and Transportation and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 44 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Hanabusa, Kanno, Menor).

SCRep. 1634 (Joint) Health and Transportation and Government Operations on S.R. No. 22

The purpose of this measure is to urge the United States President and Congress and Centers for Medicare and Medicaid Services to preserve the amount of Medicaid coverage and benefits.

The Hawaii Primary Care Association, the Hawaii Government Employees Association, and one individual submitted testimony in support of this measure.

Public programs such as Medicaid support the health care needs of the low-income population and those that are aged, blind, or disabled who lack an affordable, alternative source of health care. Limiting Medicaid services will not reduce costs, but will only transfer them to already over-burdened community health care centers, hospital emergency rooms, and the criminal justice system. A federal reduction in coverage or benefits will place a greater burden on the State to make up for the difference, possibly leading to increased taxes or the diversion of resources from other valuable public services.

As affirmed by the records of votes of the members of your Committees on Health and Transportation and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 22 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Hanabusa, Kanno, Menor).

SCRep. 1635 Commerce, Consumer Protection and Housing on S.C.R. No. 49

The purpose of this measure is to request the Department of Commerce and Consumer Affairs to convene a task force to review the enforcement of the electrician and plumber licensing laws.

The International Brotherhood of Electrical Workers Local Union 1186 testified in support of this measure. The Department of Commerce and Consumer Affairs (DCCA) presented comments on the measure.

Your Committee finds that the timely and effective enforcement of the laws regulating the electrical and plumbing professions is necessary in order to protect the health, safety, and welfare of consumers and the public, and that this task is particularly critical in view of the increased construction activity in the State. Therefore, this measure requests DCCA to convene a task force comprised of inspection professionals outside of the Department to review DCCA's enforcement practices and to develop strategies to improve these practices.

Your Committee has amended this measure:

- (1) By deleting statements relating to the ineffective enforcement of the licensing laws and the underutilization of moneys in the Compliance Resolution Fund;
- (2) To state that the effective enforcement of the licensing laws promotes a healthy business climate for law-abiding electricians, plumbers, and electrical and plumbing contractors, and protects consumers and the public;
- (3) By deleting language that requests DCCA's enforcement of the electrician and plumber licensing laws to focus on both contractors and mechanics/installers;
- (4) To request that the task force be comprised of representatives from the International Brotherhood of Electrical Workers Local 1186, Plumbers-Fitters Local 675, Electrical Contractors Association of Hawaii, Plumbers and Mechanical Contractors Association of Hawaii, Board of Electricians and Plumbers, and Regulated Industries Complaints Office, rather than inspection professionals outside of DCCA; and
- (5) By making technical amendments for the purposes of style 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 concurs with the intent and purpose of S.C.R. No. 49, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 49, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1636 Commerce, Consumer Protection and Housing on S.R. No. 24

The purpose of this measure is to request the Department of Commerce and Consumer Affairs to convene a task force to review the enforcement of the electrician and plumber licensing laws.

The International Brotherhood of Electrical Workers Local Union 1186 testified in support of this measure. The Department of Commerce and Consumer Affairs (DCCA) presented comments on the measure.

Your Committee finds that the timely and effective enforcement of the laws regulating the electrical and plumbing professions is necessary in order to protect the health, safety, and welfare of consumers and the public, and that this task is particularly critical in

view of the increased construction activity in the State. Therefore, this measure requests DCCA to convene a task force comprised of inspection professionals outside of the Department to review DCCA's enforcement practices and to develop strategies to improve these practices.

Your Committee has amended this measure:

- (1) By deleting statements relating to the ineffective enforcement of the licensing laws and the underutilization of moneys in the Compliance Resolution Fund;
- (2) To state that the effective enforcement of the licensing laws promotes a healthy business climate for law-abiding electricians, plumbers, and electrical and plumbing contractors, and protects consumers and the public;
- (3) By deleting language that requests DCCA's enforcement of the electrician and plumber licensing laws to focus on both contractors and mechanics/installers;
- (4) To request that the task force be comprised of representatives from the International Brotherhood of Electrical Workers Local 1186, Plumbers-Fitters Local 675, Electrical Contractors Association of Hawaii, Plumbers and Mechanical Contractors Association of Hawaii, Board of Electricians and Plumbers, and Regulated Industries Complaints Office, rather than inspection professionals outside of DCCA; and
- (5) By making technical amendments for the purposes of style 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 concurs with the intent and purpose of S.R. No. 24, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 24, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1637 (Joint) Business and Economic Development and Media, Arts, Science and Technology on S.C.R. No. 84

The purpose of this measure is to urge the Department of Business, Economic Development, and Tourism to establish a permanent state cultural public market to promote cultural awareness as well as economic development within the State.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs and one individual. Your Committees also received comments from the Department of Business, Economic Development, and Tourism and the Hawaii Community Development Authority.

Your Committees find that many cities throughout the United States mainland have established thriving local public or farmer's markets. Hawaii has a diverse and culturally rich population that would be showcased and celebrated by a state cultural public market. Moreover, such a marketplace would offer a venue for the exhibition and sale of ethnic foods and artworks, local produce and products, and would be an affordable outlet for local artisans and crafters. A permanent cultural public market also would promote cultural awareness and economic development within the State.

Your Committees have amended this measure by:

- (1) Deleting references to requests for the Hawaii Community Development Authority to draft requests for proposals from private entities;
- (2) Including "local produce and products" among the benefits of implementing a state cultural public market;
- (3) Eliminating the amount of state land to be used for the market; and
- (4) Substituting "adequate public parking" for "a state-run public parking lot".

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Media, Arts, Science, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 84, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 84, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 3 (Ihara, Menor, Sakamoto).

SCRep. 1638 (Joint) Business and Economic Development and Media, Arts, Science and Technology on S.R. No. 46

The purpose of this measure is to urge the Department of Business, Economic Development, and Tourism to establish a permanent state cultural public market to promote cultural awareness as well as economic development within the State.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs and one individual. Your Committees also received comments from the Department of Business, Economic Development, and Tourism and the Hawaii Community Development Authority.

Your Committees find that many cities throughout the United States mainland have established thriving local public or farmer's markets. Hawaii has a diverse and culturally rich population that would be showcased and celebrated by a state cultural public market. Moreover, such a marketplace would offer a venue for the exhibition and sale of ethnic foods and artworks, local produce and products, and would be an affordable outlet for local artisans and crafters. A permanent cultural public market also would promote cultural awareness and economic development within the State.

Your Committees have amended this measure by:

- (1) Deleting references to requests for the Hawaii Community Development Authority to draft requests for proposals from private entities;
- (2) Including "local produce and products" among the benefits of implementing a state cultural public market;
- (3) Eliminating the amount of state land to be used for the market; and
- (4) Substituting "adequate public parking" for "a state-run public parking lot".

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Media, Arts, Science, and Technology 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, 6. Noes, none. Excused, 3 (Ihara, Menor, Sakamoto).

SCRep. 1639 (Joint) Business and Economic Development, Labor and Higher Education on S.C.R. No. 183

The purpose of this measure is to request the convening of a task force to study economic development, workforce development, and the role of the University of Hawaii in the economic future of the State.

Your Committees received testimony in support of this measure from the University of Hawaii and the Hawaii Institute for Public Affairs.

Your Committees find that Hawaii's economic, social, and environmental future is dependent upon the reversal in the decline in Hawaii's average per capita income. Sustaining the growth of living wage jobs in emerging industries such as healthcare, bio-sciences, information technologies, and digital media is critical for Hawaii's economic future. An educated, highly skilled workforce is a key element in developing and sustaining a globally competitive economy.

Your Committees have amended this measure to request the University of Hawaii to form and lead the task force.

As affirmed by the records of votes of the members of your Committees on Business and Economic Development and Labor and Higher Education 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, 10. Noes, none. Excused, 4 (Baker, Chun Oakland, Menor, Taniguchi).

SCRep. 1640 (Joint/Majority) Energy, Environment, and International Affairs and Intergovernmental Affairs on S.C.R. No. 205

The purpose of this measure is to condemn government-sponsored terrorism and genocide in the Darfur region of the Sudan, and to request Hawaii's congressional delegation to sponsor, actively support, and vote for the Darfur Accountability Act of 2005.

Testimony in support of the measure was received from one individual.

Your Committees find that the Sudanese government's campaign of destruction and murder of its own people in the Darfur region is a horrific, continuing violation of human rights. Your Committee finds that the people of Hawaii should condemn the Sudanese government for the atrocities committed in Darfur.

Your Committees also find that the Darfur Accountability Act of 2005, introduced in the United States Senate on March 2, 2005, calls for, among other things, the United Nations Security Council to impose sanctions against the Sudan, an extension of the current arms embargo, freezing of certain assets, additional humanitarian assistance to the Darfur region, and the appointment of a Presidential envoy to help bring peace to Sudan. Your Committees thus find that the Darfur Accountability Act of 2005 comprehensively addresses the human rights situation in Darfur, and request that Hawaii's Congressional delegation sponsor, actively support, and vote for this legislation.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 205 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, 1 (Slom). Excused, 3 (Hanabusa, Kim, Hemmings).

SCRep. 1641 (Joint/Majority) Energy, Environment, and International Affairs and Intergovernmental Affairs on S.R. No. 112

The purpose of this measure is to condemn government-sponsored terrorism and genocide in the Darfur region of the Sudan, and to request Hawaii's congressional delegation to sponsor, actively support, and vote for the Darfur Accountability Act of 2005.

Testimony in support of the measure was received from one individual.

Your Committees find that the Sudanese government's campaign of destruction and murder of its own people in the Darfur region is a horrific, continuing violation of human rights. Your Committee finds that the people of Hawaii should condemn the Sudanese government for the atrocities committed in Darfur.

Your Committees also find that the Darfur Accountability Act of 2005, introduced in the United States Senate on March 2, 2005, calls for, among other things, the United Nations Security Council to impose sanctions against the Sudan, an extension of the current arms embargo, freezing of certain assets, additional humanitarian assistance to the Darfur region, and the appointment of a Presidential envoy to help bring peace to Sudan. Your Committees thus find that the Darfur Accountability Act of 2005 comprehensively addresses the human rights situation in Darfur, and request that Hawaii's Congressional delegation sponsor, actively support, and vote for this legislation.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 112 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, 1 (Slom). Excused, 3 (Hanabusa, Kim, Hemmings).

SCRep. 1642 (Joint) Water, Land, and Agriculture and Business and Economic Development on S.C.R. No. 208

The purpose of this measure is to support and encourage Hawaii's agricultural community's efforts toward successful co-existence in a diversified agriculture industry.

The Department of Agriculture, the Department of Business, Economic Development and Tourism, the University of Hawaii College of Tropic Agriculture and Human Resources, the Big Island Farm Bureau, Clegg Farms, Crop Care Hawaii, LLC, Economic Development Alliance of Hawaii, the Hawaii Agriculture Research Center, the Hawaii Alliance for Responsible Technology and Science, the Hawaii Crop Improvement Association, the Hawaii Farm Bureau, Life of the Land, Maui County Farm Bureau, Monsanto Seed Supply, Pioneer Hi-Bred International, Inc., Tropical Hawaiian Products, Hawaiian Research, Monsanto Research, and twelve individuals submitted testimony in support of this measure.

The Ho'okipa Network-Kauai, Kalo Pa'a Hawaii, Kipahulu Ecological Integrity, Ola Honua Reforestation Project, Respiratory and Environmental Disabilities Association of Hawaii, and twenty-nine individuals submitted testimony in opposition to this measure.

Today, Hawaii's agriculture industry continues to evolve and expand, occupying vacant agricultural lands and providing employment in rural Hawaii. The long-term prosperity of Hawaii's agricultural community depends significantly on diversity and research, production, and farming practices.

A diverse agricultural industry, which includes organic, conventional and biotech farming, and agricultural research, generates significant opportunities for economic growth in both export and import markets. Successful diversification mandates that farmers have the opportunity to choose which farming practices will best ensure the most productive use of their resources. Accordingly, this measure supports the agricultural community's efforts to:

- (1) Promote diverse farming methods, practices, and crops;
- (2) Recognize the economic value of diversified agricultural industry supported by mutually supportive co-existence among its sectors; and
- (3) Appreciate the value and importance of agricultural research for the benefit of all farmers.

This measure also requests the Hawaii Farm Bureau Federation to bring stakeholders together in a meaningful process toward co-existence and report its findings to the Department of Agriculture. Your Committees have amended this measure by providing that after the Hawaii Farm Bureau Federation reports its findings and recommendations, the Department of Agriculture is requested to hold a public meeting to allow the public an opportunity to receive the findings and recommendations.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Business and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 208, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 208, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (Menor, Sakamoto).

SCRep. 1643 (Joint) Water, Land, and Agriculture and Business and Economic Development on S.R. No. 115

The purpose of this measure is to support and encourage Hawaii's agricultural community's efforts toward successful co-existence in a diversified agriculture industry.

The Department of Agriculture, the Department of Business, Economic Development and Tourism, the University of Hawaii College of Tropic Agriculture and Human Resources, the Big Island Farm Bureau, Clegg Farms, Crop Care Hawaii, LLC, Economic Development Alliance of Hawaii, the Hawaii Agriculture Research Center, the Hawaii Alliance for Responsible Technology and Science, the Hawaii Crop Improvement Association, the Hawaii Farm Bureau, Life of the Land, Maui County Farm Bureau, Monsanto Seed Supply, Pioneer Hi-Bred International, Inc., Tropical Hawaiian Products, Hawaiian Research, Monsanto Research, and twelve individuals submitted testimony in support of this measure.

The Ho'okipa Network-Kauai, Kalo Pa'a Hawaii, Kipahulu Ecological Integrity, Ola Honua Reforestation Project, Respiratory and Environmental Disabilities Association of Hawaii, and twenty-nine individuals submitted testimony in opposition to this measure.

Today, Hawaii's agriculture industry continues to evolve and expand, occupying vacant agricultural lands and providing employment in rural Hawaii. The long-term prosperity of Hawaii's agricultural community depends significantly on diversity and research, production, and farming practices.

A diverse agricultural industry, which includes organic, conventional and biotech farming, and agricultural research, generates significant opportunities for economic growth in both export and import markets. Successful diversification mandates that farmers have the opportunity to choose which farming practices will best ensure the most productive use of their resources. Accordingly, this measure supports the agricultural community's efforts to:

- (1) Promote diverse farming methods, practices, and crops;
- (2) Recognize the economic value of diversified agricultural industry supported by mutually supportive co-existence among its sectors; and
- (3) Appreciate the value and importance of agricultural research for the benefit of all farmers.

This measure also requests the Hawaii Farm Bureau Federation to bring stakeholders together in a meaningful process toward co-existence and report its findings to the Department of Agriculture. Your Committees have amended this measure by providing that after the Hawaii Farm Bureau Federation reports its findings and recommendations, the Department of Agriculture is requested to hold a public meeting to allow the public an opportunity to receive the findings and recommendations.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Business and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 115, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 115, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (Menor, Sakamoto).

SCRep. 1644 Water, Land, and Agriculture on S.C.R. No. 51

The purpose of this measure is to review and analyze the issues surrounding the shoreline certification process for establishing shoreline setbacks.

The Department of Accounting and General Services (DAGS), the Department of Land and Natural Resources (DLNR), and the Office of Hawaiian Affairs submitted testimony in support of this measure.

The State and the counties have established a shoreline setback system to ensure that construction of buildings near the shoreline do not adversely affect beach processes and public access along the shoreline. Two major components of the system include determining the location of the shoreline by the shoreline certification process and then regulating the established setback requirements from the certification shoreline.

The DLNR, together with DAGS through its Land Survey Division, is responsible for determining the location of the shoreline, while the counties are responsible for regulating uses within the shoreline setback areas. Recently, the DLNR amended its shoreline certification rules; however, the amendments did not address some of the more complicated issues involving the certification process. Thus, this measure requests the DLNR to conduct a review of the issues surrounding the shoreline certification process for the purpose of shoreline certification setbacks.

Specifically, this measure requests:

- (1) A working group to be convened to review the current laws and administrative rules and the issues regarding implementing the laws and rules;
- (2) The working group to make recommendations to address the problems and issues; and
- (3) The DLNR to submit a report to the Legislature no later than twenty days before the convening of the Regular Session of 2006.

Your Committee noted that in 2003, the Marine and Coastal Zone Advocacy Council (MACZAC) convened a Shoreline Working Group. The working group made a series of recommendations, which included:

- (1) Using the highest waves of the year to determine the location of the shoreline;
- (2) Not using planted or altered vegetation to determine the location of the shoreline; and
- (3) Improving public notification requirements.

Your Committee believes that the efforts of the MACZAC working group are important. The working group convening pursuant to this measure should not duplicate the results of MACZAC's working group; rather, this measure's working group should build upon the MACZAC's 1993 recommendations.

Your Committee has amended this measure by:

- (1) Adding information regarding the 1993 MACZAC working group's recommendations;
- (2) Including a representative from the Office of Hawaiian Affairs and MACZAC and environmental and cultural organizations to participate in the working group; and
- (3) Providing that certified copies of this measure will be transmitted to the Administrator of the Office of Hawaiian Affairs and MACZAC.

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. 51, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 51, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 1645 Water, Land, and Agriculture on S.R. No. 27

The purpose of this measure is to review and analyze the issues surrounding the shoreline certification process for establishing shoreline setbacks.

The Department of Accounting and General Services (DAGS), the Department of Land and Natural Resources (DLNR), and the Office of Hawaiian Affairs submitted testimony in support of this measure.

The State and the counties have established a shoreline setback system to ensure that construction of buildings near the shoreline do not adversely affect beach processes and public access along the shoreline. Two major components of the system include determining the location of the shoreline by the shoreline certification process and then regulating the established setback requirements from the certification shoreline.

The DLNR, together with DAGS through its Land Survey Division, is responsible for determining the location of the shoreline, while the counties are responsible for regulating uses within the shoreline setback areas. Recently, the DLNR amended its shoreline certification rules; however, the amendments did not address some of the more complicated issues involving the certification process. Thus, this measure requests the DLNR to conduct a review of the issues surrounding the shoreline certification process for the purpose of shoreline certification setbacks.

Specifically, this measure requests:

- (1) A working group to be convened to review the current laws and administrative rules and the issues regarding implementing the laws and rules;
- (2) The working group to make recommendations to address the problems and issues; and
- (3) The DLNR to submit a report to the Legislature no later than twenty days before the convening of the Regular Session of 2006.

Your Committee noted that in 2003, the Marine and Coastal Zone Advocacy Council (MACZAC) convened a Shoreline Working Group. The working group made a series of recommendations, which included:

- (1) Using the highest waves of the year to determine the location of the shoreline;
- (2) Not using planted or altered vegetation to determine the location of the shoreline; and
- (3) Improving public notification requirements.

Your Committee believes that the efforts of the MACZAC working group are important. The working group convening pursuant to this measure should not duplicate the results of MACZAC's working group; rather, this measure's working group should build upon the MACZAC's 1993 recommendations.

Your Committee has amended this measure by:

- (1) Adding information regarding the 1993 MACZAC working group's recommendations;
- (2) Including a representative from the Office of Hawaiian Affairs and MACZAC and environmental and cultural organizations to participate in the working group; and
- (3) Providing that certified copies of this measure will be transmitted to the Administrator of the Office of Hawaiian Affairs and MACZAC.

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. 27, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 27, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 1646 (Joint) Water, Land, and Agriculture and Media, Arts, Science and Technology on S.C.R. No. 224

The purpose of this measure is to support the efforts of the Hawaii Biotech Policy Forum to convene key stakeholders on the use of genetically engineered (GE) crops in Hawaii.

The Department of Agriculture, the Department of Business, Economic Development and Tourism, the University of Hawaii College of Tropical Agriculture and Human Resources, the Hawaii Crop Improvement Association, the Hawaii Farm Bureau, the Hawaii Institute for Public Affairs (HIPA), and the Maui County Farm Bureau submitted testimony in support of this measure. One individual submitted testimony in opposition to this measure. The Hawaii Alliance for Responsible Technology and Science and Life of the Land submitted comments on this measure.

The use of biotechnology in plant and food production is a rapidly growing phenomenon that is impacting local, national, and global food products and markets. There are currently GE crops growing in Hawaii, and Hawaii has the distinction of hosting the most "open-air" field test sites of GE crops in the nation. The abundance of GE test sites has mobilized public interest groups to oppose the "open-air" testing and create GE-free movements, and there has been great debate on agricultural policies regarding GE crops.

Your Committees find that the socio-economic balance and disputes between GE-free or GE-inclusive agricultural policy, or a variation thereof, will be fiercely debated, and the social, environmental, economic, health, and safety impacts of such a policy are enormous. Thus, this measure provides support to the efforts of the Hawaii Biotech Policy Forum to convene key stakeholders to discuss the use of GE plants and livestock on the island of Kauai.

Your Committees noted testimony from the HIPA explaining that the Hawaii Biotech Policy Forum held its first meeting on March 29, 2005 in Lihue, Kauai. At the meeting, members of the forum changed the scope of the project by limiting it to create a deliberative forum on the use of biotechnology in crops for food production and use for the island of Kauai. Accordingly, your Committees have amended this measure to reflect the amended scope created by the Hawaii Biotech Policy Forum.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Media, Arts, Science, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 224, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 224, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 1 (Hogue).

SCRep. 1647 (Joint) Water, Land, and Agriculture and Media, Arts, Science and Technology on S.R. No. 129

The purpose of this measure is to support the efforts of the Hawaii Biotech Policy Forum to convene key stakeholders on the use of genetically engineered (GE) crops in Hawaii.

The Department of Agriculture, the Department of Business, Economic Development and Tourism, the University of Hawaii College of Tropical Agriculture and Human Resources, the Hawaii Crop Improvement Association, the Hawaii Farm Bureau, the Hawaii Institute for Public Affairs (HIPA), and the Maui County Farm Bureau submitted testimony in support of this measure. One individual submitted testimony in opposition to this measure. The Hawaii Alliance for Responsible Technology and Science and Life of the Land submitted comments on this measure.

The use of biotechnology in plant and food production is a rapidly growing phenomenon that is impacting local, national, and global food products and markets. There are currently GE crops growing in Hawaii, and Hawaii has the distinction of hosting the most "open-air" field test sites of GE crops in the nation. The abundance of GE test sites has mobilized public interest groups to oppose the "open-air" testing and create GE-free movements, and there has been great debate on agricultural policies regarding GE crops.

Your Committees find that the socio-economic balance and disputes between GE-free or GE-inclusive agricultural policy, or a variation thereof, will be fiercely debated, and the social, environmental, economic, health, and safety impacts of such a policy are enormous. Thus, this measure provides support to the efforts of the Hawaii Biotech Policy Forum to convene key stakeholders to discuss the use of GE plants and livestock on the island of Kauai.

Your Committees noted testimony from the HIPA explaining that the Hawaii Biotech Policy Forum held its first meeting on March 29, 2005 in Lihue, Kauai. At the meeting, members of the forum changed the scope of the project by limiting it to create a deliberative forum on the use of biotechnology in crops for food production and use for the island of Kauai. Accordingly, your Committees have amended this measure to reflect the amended scope created by the Hawaii Biotech Policy Forum.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Media, Arts, Science, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 129, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 129, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 7. Noes, none. Excused, 1 (Hogue).

SCRep. 1648 Higher Education on S.C.R. No. 174

The purpose of this measure is to request the University of Hawaii (UH) to work with the Lyon Arboretum community steering committee and to submit a report regarding its efforts to improve conditions at the Lyon Arboretum.

Your Committee received testimony in support of this measure from UH, the Lyon Arboretum Steering Committee, and six individuals.

Your Committee recognizes that the Harold L. Lyon Arboretum, under the auspices of the UH, is a precious and unique botanical and educational resource for the State and nation. In response to Senate Concurrent Resolution 115 passed by the Legislature in 2004, the Auditor completed a report that admonished the UH for certain neglected management practices regarding Lyon Arboretum.

Your Committee acknowledges that community activism and a cadre of dedicated staff have been instrumental in keeping the Lyon Arboretum in operation in spite of inadequate funding and support.

This measure calls for a coordinated and responsible effort between the UH and the Lyon Arboretum Steering Committee to allow the Lyon Arboretum to grow towards its full potential for the benefit of students, the State, and the scientific community, as well as for future generations.

Your Committee previously approved S.B. No. 1747 (Relating to the Lyon Arboretum) in which your Committee appropriated \$900,000 for operations, repair, and maintenance. The appropriation is almost a three-fold increase in Lyon Arboretum's current budget.

This measure will provide the Legislature with appropriate follow up information necessary to ensure the proper use of the new funds and the management and operations of Lyon Arboretum.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 174 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1649 Education and Military Affairs on S.C.R. No. 45

The purpose of this measure is to recognize the Pacific Resources for Education and Learning and support its designation as an "Educational Service Agency".

Testimony in support of the measure was submitted by the Department of Education, Hawaii State Teachers Association, and Pacific Resources for Education and Learning (PREL).

Your Committee finds that the research and development of educational resources and materials by PREL has proven to be valuable in promoting educational excellence for children. PREL is a non-profit corporation that provides educational support programs in Hawaii and throughout the Pacific. Designating PREL as an educational service agency (ESA) would allow the corporation to access federal education support funds under laws such as the No Child Left Behind Act (NCLB). As there are no ESAs in Hawaii, PREL would be able to apply for the additional federal funds to design and coordinate support services to Hawaii schools. This would also bring a positive effect for schools struggling to meet the requirements of NCLB.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 45 and recommends its adoption.

Signed by the Vice Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Hooser, Tsutsui).

SCRep. 1650 Health on S.C.R. No. 54

The purpose of this measure is to request the Legislative Reference Bureau to conduct a study and make recommendations on the future of the Reproductive Rights Protection Committee.

The State Council on Developmental Disabilities and the Disability and Communication Access Board submitted testimony in support of this measure. The Legislative Reference Bureau submitted comments.

The Reproductive Rights Protection Committee was established to provide clinical and technical support to the Family Court when it has a hearing on a petition filed by an incapacitated person or an interested person for sterilization of the incapacitated person who lacks the legal power to consent. As one proponent noted, the Committee has not had any petitions filed for review since 1995. This measure includes analysis of the reason for the decline in petitions and requests for consultation, and whether there is a continued need for the Committee or its technical input given the lack of activity. The measure also requests the Legislative Reference Bureau to make a recommendation regarding whether there are other ways of providing the Family Court with input other than through the Committee.

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. 54 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1651 (Joint) Health and Media, Arts, Science and Technology on S.C.R. No. 78

The purpose of this measure is to convene a consortium to develop standards for electronic health and medical records management in this State.

Kaiser Permanente, the Acting Dean of the University of Hawaii John A. Burns School of Medicine, Hawaii Business Health Council, Quality Healthcare Alliance, Hawaiian Tug & Barge/Young Brothers, Ltd., Punahou School, and one individual submitted testimony in support of this measure. The Department of Health submitted comments.

A digital medical information system could reduce paper handling, increase efficiency, eliminate unnecessary or duplicative tests, reduce medical errors, and cut health care spending. Furthermore, a national health information network comprised of patient information that is stripped of personal identification could be used for national health research projects, impartial assessments of drug effectiveness, and other data-mining possibilities.

As one proponent noted, a collaborative effort will result in greater adoption and acceptance of electronic health and medical records management practices by public and private sector health care providers and related entities because a supported standard of well-defined technical guidelines will reduce implementation costs and risks. Proponents also noted the benefit health and medical records management could have on disease surveillance in areas such as bioterrorism and emerging epidemics.

Upon further consideration, your Committees have amended this measure by including language regarding the possibility that

Upon further consideration, your Committees have amended this measure by including language regarding the possibility that national interoperability standards for electronic health records could be developed and that if national standards should emerge, the consortium should adopt them if they are congruous with this State's needs and circumstances.

Your Committees further amended this measure by including the Hawaii Business Health Council and the Hawaii Health Management Group to the agencies requested to convene the consortium.

As affirmed by the records of votes of the members of your Committees on Health and Media, Arts, Science, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 78, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 78, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Hanabusa, Ige, Hogue, Whalen).

SCRep. 1652 (Joint) Health and Media, Arts, Science and Technology on S.R. No. 41

The purpose of this measure is to convene a consortium to develop standards for electronic health and medical records management in this State.

Kaiser Permanente, the Acting Dean of the University of Hawaii John A. Burns School of Medicine, Hawaii Business Health Council, Quality Healthcare Alliance, Hawaiian Tug & Barge/Young Brothers, Ltd., Punahou School, and one individual submitted testimony in support of this measure. The Department of Health submitted comments.

A digital medical information system could reduce paper handling, increase efficiency, eliminate unnecessary or duplicative tests, reduce medical errors, and cut health care spending. Furthermore, a national health information network comprised of patient information that is stripped of personal identification could be used for national health research projects, impartial assessments of drug effectiveness, and other data-mining possibilities.

As one proponent noted, a collaborative effort will result in greater adoption and acceptance of electronic health and medical records management practices by public and private sector health care providers and related entities because a supported standard of well-defined technical guidelines will reduce implementation costs and risks. Proponents also noted the benefit health and medical records management could have on disease surveillance in areas such as bioterrorism and emerging epidemics.

Upon further consideration, your Committees have amended this measure by including language regarding the possibility that national interoperability standards for electronic health records could be developed and that if national standards should emerge, the consortium should adopt them if they are congruous with this State's needs and circumstances.

Your Committees further amended this measure by including the Hawaii Business Health Council and the Hawaii Health Management Group to the agencies requested to convene the consortium.

As affirmed by the records of votes of the members of your Committees on Health and Media, Arts, Science, and Technology 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, 6. Noes, none. Excused, 4 (Hanabusa, Ige, Hogue, Whalen).

SCRep. 1653 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on S.C.R. No. 115

The purpose of this measure is to request the Office of Planning to update the 1991 State Land Use Boundary Review, Urban Land Requirements Study to determine the amount of vacant and developable urban classified land available.

The Office of Planning submitted testimony in support of this measure.

Your Committees find that in 1991, a study was conducted to quantify the amount of urban classified land that was available for development, which included resort, business, industrial, agricultural, preservation, special district, and residential and apartment lands. Since that study was conducted, there undoubtedly has been development of these lands in all counties; however, a follow-up to the study has not been performed, and it is currently unclear how much urban classified land is currently vacant and developable within the State. Thus, this measure requests the Office of Planning to update the 1991 study.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 115, recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 115.

Signed by the Chair and Vice Chair on behalf of the Committees.

Ayes, 11. Noes, none. Excused, none.

SCRep. 1654 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on S.C.R. No. 100

The purpose of this measure is to express support for the federal Community Development Block Grant (CDBG) program.

The Housing and Community Development Corporation of Hawaii; the Mayor of the County of Maui; the City and County of Honolulu Departments of Budget and Fiscal Services and Community Services; the County of Hawaii Office of Housing and Community Development; the Kauai County Housing Agency; the Affordable Housing and Homeless Alliance; the ARC in Hawaii; Catholic Charities Hawaii; Institute for Human Services, Inc.; Safe Haven; and the Waianae Coast Comprehensive Health Center submitted testimony in support of this measure.

The CDBG program has provided a flexible block grant that allows communities to prioritize their needs for public facilities, housing construction and rehabilitation, public services, and necessary infrastructure. All counties in the State have received CDBG grants and have utilized the money to provide much-needed facilities and services, especially benefiting the low- and moderate-income households.

Currently, the fiscal year 2006 budget offered by the presidential administration eliminates the CDBG program in its entirety by combining it with seventeen other programs, reducing its funding, and transferring the programs to the Department of Commerce — a department that has no experience in community development. Thus, this measure expresses the Legislature's strong support for the CDBG program and urges Hawaii's Congressional Delegation to oppose the elimination, reorganization, and funding reduction of this valuable program.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 100 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, none.

SCRep. 1655 Water, Land, and Agriculture on S.C.R. No. 207

The purpose of this measure is to request the Department of Agriculture to work with the Legislature to create a proposal to improve the management of the Molokai Irrigation System.

The Department of Hawaiian Home Lands, the Hawaii Crop Improvement Association, the Hawaii Farm Bureau Federation, Molokai Farm Bureau, and five individuals submitted testimony in support of this measure. The Department of Agriculture submitted comments on this measure.

Currently, Hawaiian homestead lessees are entitled to two-thirds of the water from the Molokai Irrigation System. However, because of years of difficulty in addressing many of the system's problems, homestead lessees have reduced their use of the system. As a result, farmers have cut back on their crops, and homestead lessees are receiving only about one-third of the system's total water.

Recently, the Department of Agriculture proposed a water rate increase that will double the cost of water for the Molokai Irrigation System users; however, this raise in price will adversely affect the native Hawaiian and homestead farmers. Thus, this measure requests the Department of Agriculture Resource Management Division to work with the Legislature to create a proposal to improve the management of the Molokai Irrigation System.

Specifically, this measure:

- (1) Convenes a working group to study the management of the Molokai Irrigation System; and
- (2) Requests the working group to submit a written report to the Legislature no later than the twenty days prior to the convening of the Regular Session of 2006.

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. 207 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 1656 Water, Land, and Agriculture on S.R. No. 114

The purpose of this measure is to request the Department of Agriculture to work with the Legislature to create a proposal to improve the management of the Molokai Irrigation System.

The Department of Hawaiian Home Lands, the Hawaii Crop Improvement Association, the Hawaii Farm Bureau Federation, Molokai Farm Bureau, and five individuals submitted testimony in support of this measure. The Department of Agriculture submitted comments on this measure.

Currently, Hawaiian homestead lessees are entitled to two-thirds of the water from the Molokai Irrigation System. However, because of years of difficulty in addressing many of the system's problems, homestead lessees have reduced their use of the system. As a result, farmers have cut back on their crops, and homestead lessees are receiving only about one-third of the system's total water.

Recently, the Department of Agriculture proposed a water rate increase that will double the cost of water for the Molokai Irrigation System users; however, this raise in price will adversely affect the native Hawaiian and homestead farmers. Thus, this measure requests the Department of Agriculture Resource Management Division to work with the Legislature to create a proposal to improve the management of the Molokai Irrigation System.

Specifically, this measure:

- (1) Convenes a working group to study the management of the Molokai Irrigation System; and
- (2) Requests the working group to submit a written report to the Legislature no later than the twenty days prior to the convening of the Regular Session of 2006.

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. 114 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hemmings).

SCRep. 1657 Health on S.C.R. No. 98

The purpose of this measure is to convene a working group to evaluate and recommend methods to streamline court-ordered forensic evaluations and to deliver appropriate mental health treatment to pretrial detainees.

The Hawaii Disability Rights Center, the National Alliance for the Mentally Ill O'ahu, the National Alliance for the Mentally Ill Hawaii, the Hawaii Psychiatric Medical Association, and The Mestizo Association submitted testimony in support of this measure. The Department of Health submitted testimony in support of the intent. The Judiciary submitted comments.

According to a report by the Hawaii Disability Rights Center dated December 2003, thirty-five percent of all pretrial detainees who undergo mental evaluations pursuant to section 704-404, Hawaii Revised Statutes, are in need of, yet are not receiving timely services to restore or stabilize their mental health. The Center testified that the Department of Health and the Judiciary have since incorporated many of the changes proposed in the report. However, not all recommendations were implemented and some of the changes are in the trial stage.

This measure will convene a working group that can evaluate the changes being implemented, review alternatives to facilitate the provision of appropriate mental health services, and make additional recommendations to streamline and expedite the process by which pretrial detainees are evaluated for competency and fitness to proceed to trial.

At the request of the Judiciary, your Committee has amended this measure by substituting the Department of Health for the Judiciary as the agency requested to establish the working group. Your Committee further amended the measure by including representatives from the Department of the Attorney General and the Honolulu Police Department to the working group.

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. 98, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 98, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1658 (Joint) Transportation and Government Operations and Labor on S.C.R. No. 225

The purpose of this measure is to request the Auditor to conduct a follow-up audit of the "Management Audit of the Highways Division of the Department of Transportation" and of the Department's general practice of placing staff on prolonged administrative assignments without revising their job responsibilities, in order to informally institute a major reorganization not reflected in the written position descriptions, organization charts, and functional statements.

Your Committees received testimony in support of this measure from the Hawaii Government Employees Association. Testimony in opposition was received from the Department of Transportation (DOT).

Auditor Report No. 00-09, "Management Audit of the Highways Division of the Department of Transportation" found that:

- (1) The division's organizational structure was fragmented and inefficient;
- (2) The director ignored administrative directives for effecting organizational change and the Governor's order to increase the division's span of supervisory control; and
- (3) The division has placed staff on administrative assignments, a term contrived by the division, to circumvent established rules and executive orders, so consequently, functions of newly created positions parallel existing organizational units rather than displace them and supervisors continue to occupy their positions with no one to supervise.

In addition, in March 2004, the Director of Transportation effectuated a transition to a fourth Division, named the Central Planning Office, without adopting a clear written description of proposed changes to the DOT's organization, functions, staffing, chain-of-command, and job responsibilities.

Your Committees want to ensure that the problems raised in the Auditor's report have been rectified, and the personnel operations in the DOT conform to applicable personnel rules. To aid the Committees in understanding the operations of the central planning office, your Committee chairs request the DOT to provide a written explanation of the impact of the reorganization upon the positions referenced in this measure as well as a description of the operations of the central planning office.

Your Committees urge the DOT to communicate more openly, frequently, and candidly with its employees about proposed changes that would affect them.

Your Committees have amended this measure to add the airports and harbors divisions to the audit.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 225, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 225, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (Baker, Kanno).

SCRep. 1659 Commerce, Consumer Protection and Housing on S.C.R. No. 21

The purpose of this measure is to request federal assistance to provide more housing for households with minors headed by grandparents and other relatives.

The Kokua Council testified in support of this measure.

Your Committee finds that 38,051 children in Hawaii are living in grandparent-headed households, with many living in federal or state subsidized housing. Many other children live in substandard and crowded conditions that contribute to poor health and developmental delays. Therefore, this measure requests Congress to consider legislation to increase the availability of affordable and adequate intergenerational 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. 21 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1660 (Joint) Higher Education and Energy, Environment, and International Affairs on S.C.R. No. 173

The purpose of this measure is to request the Center for Smart Building and Community Design (Center) to develop energy efficient design standards for new and retrofitted buildings throughout the University of Hawaii system.

Your Committees received testimony in support of this measure from the University of Hawaii and the Hawaiian Electric Company.

The State of Hawaii has the highest electrical cost in the country. The University of Hawaii is the largest user of electricity on Oahu after the United States military.

The University of Hawaii and the State of Hawaii have a special responsibility to taxpayers to use resources in a manner that is as productive and efficient as possible today and for future generations. This year, the University of Hawaii will spend over \$20 million on electricity. During the 2003-2004 budget cycle, oil costs averaged \$37 a barrel. Presently, oil costs are \$53 per barrel. That change represents a 70% increase in fuel costs and industry insiders do not expect to see these prices decrease in the future.

The Center is prepared to develop design standards for energy efficiency for new and retrofitted buildings. The University of Hawaii is in the process of identifying engineers and architects to develop the standards and anticipates a Fall completion date. Establishing standards for energy efficient building design can reduce the University's overall energy consumption by twenty to fifty per cent and reduce energy costs by millions of dollars annually at current costs.

The University of Hawaii is the perfect starting point to generate energy conserving design principles. The Center is committed to improving the interaction among the built, natural, and human environments by focusing resources and expertise to solve issues facing the University of Hawaii's larger community.

The University of Hawaii can realize these savings and demonstrate leadership to the larger community by creating design standards that consider energy conservation, healthful design strategies, and life cycle costs for efficient building operations. Building orientation, passive design techniques, thermal mitigation, appropriate material choices, day-lighting, energy efficient lighting, air conditioning design, water conserving strategies, and viable renewable energy applications can substantially reduce the energy demand and improve the quality of life within and around our buildings.

As affirmed by the records of votes of the members of your Committees on Higher Education and Energy, Environment, and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 173 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Hanabusa, Sakamoto, Hemmings).

SCRep. 1661 (Joint) Commerce, Consumer Protection and Housing, Human Services and Intergovernmental Affairs on H.C.R. No. 3

The purpose of this measure is to urge the President of the United States (President) to support federal policies designed to end homelessness in the nation.

The Hawaii Family Forum, Hawaii Catholic Conference, and Hawaii Youth Services Network testified in support of this measure. The Office of the Governor presented comments.

Your Committees find that ending homelessness requires a full range of resources and strategies, and commitments from all segments of our community. This measure urges the President to support federal policies that advocate the elimination of homelessness in the United States utilizing intervention and prevention strategies implemented through the coordinated efforts of federal agencies and faith-based organizations.

Your Committees have amended this measure:

- (1) To include an appeal to the United States Congress in the Legislature's request for support of federal policies to end homelessness in America; and
- (2) By making technical amendments for the purposes of clarity, consistency, and style, including an amendment to the measure title.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Human Services and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 3, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 3, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 6 (English, Hooser, Kim, Kokubun, Nishihara, Sakamoto).

SCRep. 1662 Commerce, Consumer Protection and Housing on H.C.R. No. 83

The purpose of this measure is to request the Insurance Commissioner (Commissioner) to convene a working group to review the National Conference of Insurance Legislators (NCOIL) Property/Casualty Insurance Modernization Act.

The Department of Commerce and Consumer Affairs (DCCA), State Farm Insurance Companies, and Hawaii Insurers Council testified in support of this measure.

The NCOIL Property/Casualty Insurance Modernization Act is model legislation that establishes a “use and file” rate regulatory system for personal lines of insurance and a “no-file” system for commercial lines of insurance, and allows policies sold to large, sophisticated commercial insurance providers to be exempt from rate and regulatory requirements. The intent of the model legislation is to create a more competitive and less onerous regulatory system that protects policyholders and the public from the adverse effects of excessive, inadequate, or unfairly discriminatory rates.

This measure requests the Commissioner to convene a working group to review the model legislation and to submit a report on the group’s review to the Legislature. Your Committee finds that this measure supports a balanced study of rate filing and review systems that may be appropriate for Hawaii’s insurance market.

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. 83, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1663 Human Services on S.C.R.No. 26

The purpose of this measure is to ensure the timely updating of the Child Protective Services System database and to ensure that parents and caregivers are provided with information regarding their rights and responsibilities within the child welfare system.

Your Committee received testimony in support of this measure from three individuals. Your Committee received testimony in opposition to this measure from the Department of Human Services.

Your Committee finds that updates to the Child Protective Services System are improperly performed, including timely filing, database input, and expungement when necessary. Failure to document case files impacts a database’s reliability and may cause decision-makers to lack key information. Missing information may contribute to delays in decision-making, custody proceedings, and permanency planning.

Your Committee further finds that parents and caregivers must be fully informed of their rights and responsibilities for providing care to children under the Child Protective Services System. The primary responsibility for informing parents and caregivers should be with the Child Protective Services System and 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 concurs with the intent and purpose of S.C.R. No. 26 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Fukunaga, Kokubun).

SCRep. 1664 (Joint) Human Services and Labor on S.C.R. No. 60

The purpose of this measure is to request the Legislative Reference Bureau to study laws that facilitate or detract from effective work-family policy.

An individual submitted testimony in support of this measure. The Legislative Reference Bureau submitted comments.

Your Committees find that many working families have responsibilities for family members with extraordinary needs, including children with special needs, adults with disabilities, and dependent elders. Working families discover that it is a difficult task to take care of their children or be a caregiver for the elderly, which often requires both personal and professional sacrifices. In addition, conflicts over work-family issues will often enter the workplace, becoming a major issue of concern with both the employee and employer.

Many states, including Hawaii, have enacted a multitude of laws that support state policies by assisting families with work-family issues to promote a sustainable and successful economy through workforce development. The extent of the failure or success of these programs and policies is unclear. This measure will strengthen Hawaii’s work-family laws in addressing the needs of the growing number of employees with children and elderly responsibilities.

Your Committees have amended this measure by:

- (1) Requesting the Governor to convene a Work-Family Task Force consisting of representatives from the executive and judicial agencies, and private entities that deal directly with working families, to review Hawaii’s work-family laws and policies; and
- (2) Requesting the Legislative Reference Bureau to study other states’ laws and practices identified as promoting good work-family policy.

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. 60, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 60, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 3 (Hooser, Kanno, Kokubun).

SCRep. 1665 (Majority) Ways and Means on S.C.R. No. 76

The purpose of this measure is to express legislative opposition to the privatization of social security and to urge Hawaii's congressional delegation to reject proposed changes to the social security system.

Your Committee finds that the federal social security system is our country's most important and successful income protection program and provides essential benefits to over 195,000 people in Hawaii, including 139,300 retired workers, 16,090 widows and widowers, 16,790 disabled workers, and 13,630 children. Additionally, social security has reduced the poverty rate for the elderly from over thirty per cent to 10.2 per cent in the last forty years and helped keep thirty four per cent of the elderly women in Hawaii out of poverty.

Recently, proposals have been made to privatize social security and divert more than one-third of the wage contributions made by workers into private accounts. This diversion of funds would not only result in a national debt of almost \$2 trillion over the next ten years, but would reduce the benefits to widows from \$829 to \$456 per month -- which is only sixty-three per cent of the poverty level.

This measure supports the current social security system and opposes any attempt to privatize the system or jeopardize the financial security and faith of the country's working class.

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 Ways and Means 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, 9. Noes, 3 (Hemmings, Slom, Trimble). Excused, 3 (Fukunaga, Inouye, Sakamoto).

SCRep. 1666 Ways and Means on S.C.R. No. 93

The purpose of this measure is to urge the Department of Health, in cooperation with Hawaii Health Systems Corporation, to facilitate the convening of a stakeholder group to develop and implement crisis stabilization services at the Maui Memorial Medical Center.

Your Committee finds that there is an urgent need in Maui for a system of psychiatric care for children and adolescents. Since the Molokini unit of the Maui Memorial Medical Center closed in July 2004, Maui families and their children in crisis are forced to seek help on Oahu. This delay in treatment and the lack of available on-call psychiatrists specializing in child and adolescent care exacerbate the crisis. Further, the transportation and hotel costs of seeking treatment on Oahu pose an undue hardship on these families.

Following the close of the Molokini Unit, the Department of Health and the Hawaii Health Systems Corporation started working closely to reestablish child and adolescent psychiatry services on Maui. A crisis stabilization model is being proposed as a means of meeting urgent child and adolescent psychiatric health care needs without incurring the ongoing high costs of a full acute inpatient unit. Proponents envision crisis stabilization units in central Maui and Hilo that would focus on stabilizing the urgent medical crisis through intensive family treatment and psychiatric consultation.

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 Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 93, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 93, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Fukunaga, Inouye, Sakamoto).

SCRep. 1667 Commerce, Consumer Protection and Housing on S.C.R. No. 19

The purpose of this measure is to request a "sunrise" review of legislation that proposes to regulate the activities of athlete agents under the Uniform Athlete Agents Act (UAAA).

The Department of Commerce and Consumer Affairs (DCCA), Hawaii State Commission to Promote Uniform Legislation, and University of Hawaii testified in support of this measure.

House Bill No. 51, as originally introduced this session, proposes to enact the UAAA, which would require the registration of athlete agents with DCCA and establish requirements for athlete agents operating in the State. Proponents of the House measure

submit that the regulation of athlete agents is necessary because an agent's recruitment of an athlete while the athlete is still enrolled in school may cause eligibility problems for both the athlete and the school. In addition, they argue that student athletes are vulnerable to being taken advantage of by unscrupulous individuals.

State policy under the Hawaii Regulatory Licensing Reform Act dictates that regulation of a profession or vocation only be undertaken where reasonably necessary to protect the health, safety, or welfare of consumers. Therefore, pursuant to section 26H-6, Hawaii Revised Statutes, a measure proposing to establish a new regulatory system must be referred by concurrent resolution to the Auditor for a "sunrise" analysis that sets forth the probable effects of the measure and assesses whether the measure is consistent with State regulatory policy. This measure refers H.B. No. 51 to the Auditor for the required analysis.

Your Committee has amended this measure to clarify that the bill being referred to the Auditor for analysis is H.B. No. 51, as originally introduced during the Regular Session of 2005, and not H.D. No. 51, H.D. 1.

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. 19, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 19, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1668 Commerce, Consumer Protection and Housing on S.C.R. No. 29

The purpose of this measure is to request a "sunrise" review of proposed legislation to mandate health insurance coverage for the screening of prostate cancer.

The National Prostate Cancer Coalition and Kaiser Permanente testified in support of this measure.

Your Committee finds that the State of Hawaii has the worst record in the United States for prostate cancer screening. Further, statistics indicate that the number of men in Hawaii screened for prostate cancer during the period 2001 to 2002, the last period for which such information is available, decreased from the previous year.

S.B. No. 1467, S.D. 1 (2005) proposes to require all health insurance policies or plans to include coverage for prostate cancer screening. Section 23-51, Hawaii Revised Statutes, requires the Auditor to assess the social and financial effects of mandating coverage for a specific health service, specific disease, or treatment rendered by a certain health care provider, before the Legislature may enact a bill effecting the mandate. This measure authorizes the required "sunrise" analysis.

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. 29, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1669 Human Services on S.C.R. No. 128

The purpose of this measure is to request the Department of Public Safety to establish a task force to develop programs and support services for children of incarcerated parents, as well as programs to strengthen the family bond.

The Hawaii Youth Services Network, Parents and Children Together, Keiki O Ka' Aina Family Learning Centers, Hawaii Juvenile Justice Project, Community Alliance on Prisons, Hawaii Coalition for Dads, Blueprint For Change, and five individuals submitted testimony in support of this measure. The Department of Public Safety submitted testimony supporting the intent of this measure.

Your Committee finds that there are more than five thousand children in the State that have a parent in prison. These children experience grief, guilt, shame, and fear. School performance often declines and truancy, substance abuse, and aggressive behavior may increase. Many children of prisoners report depression, difficulty in sleeping, and concentration problems. Children whose mother is arrested are likely to experience even more stress and change than those who have fathers that are incarcerated. About two-thirds of incarcerated mothers were the primary caregivers of the children before they were arrested. The children are more likely to have a new caregiver, to be placed in foster care or with relatives other than a parent. Prison visitation policies and procedures can be frightening to children. Children are the best motivators in their incarcerated parents' rehabilitation. Numerous studies have found that increased contact between incarcerated parents and their families contribute to the incarcerated parents' reintegration into the community after their release. During this transitional period, former incarcerated parents turned to their families for support.

Your Committee further finds that the proposed task force could better assess and address the needs of families to support children of incarcerated parents and will strengthen the family bond among the parents and children. Most importantly, the children need to have contact with their parents, to have that relationship valued even under adverse circumstances. Rather than be stigmatized for their actions, they need to be treated with respect and as persons with potential. Currently, research has indicated that children with incarcerated parents will follow their parents into the criminal justice system perpetuating the cycle unless intervention occurs. In addition, intervention programs have shown that school attendance and grades improve and children are less likely to end up in the judicial system themselves.

Your Committee further finds that creating special visiting rooms with toys, books, and games for parents will create positive memories and foster stronger relationship among parents and children. Research has also shown that incarcerated mothers who enjoy

greater contact with their children showed less recidivism, reduced misconduct and disciplinary behavior, and displayed more productivity in terms of work and program participation. In addition, experts have argued that enforced separation between parents and children is detrimental to both parents and children. The proposed task force is the first step and the proper approach in addressing this important issue by focusing on how many parents are incarcerated, where they are serving time, and the number and ages of their children, thereby placing the State and community partners in a better position to assess the kinds of services that are needed, and where and how they would be delivered most effectively.

Your Committee has amended this measure by:

- (1) Adding to the title the Department of Human Services and community partners in establishing the task force and to participate in developing programs and support services for children of incarcerated parents, as well as programs to strengthen the family bond; and
- (2) By deleting the provision that requested the Department of Public Safety and Department of Human Services to contract with various agencies and organizations to implement the programs identified and developed by the task force.

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. 128, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 128, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Kokubun, Trimble).

SCRep. 1670 (Joint) Energy, Environment, and International Affairs and Business and Economic Development on S.C.R. No. 118

The purpose of this measure is to encourage the Department of Land and Natural Resources to place reverse vending machines in state parks, and to have these machines in place in the most heavily-used state parks by January 1, 2007.

The testimony received from the Department of Health supported the intent of the measure but declined to take a position, deferring to the Department of Land and Natural Resources. The Department of Land and Natural Resources offered testimony in opposition to the measure.

Your Committees find that reverse vending machines are a convenient way to remove recyclable materials from solid waste that ends up in landfills. Your Committees also find that placing reverse vending machines in state parks will increase accessibility to recycling, with the added benefit of minimizing litter in state parks. Thus, your Committees find that placing reverse vending machines in state parks will help carry out the purposes of Act 176, Session Laws of Hawaii 2002, which include a deposit beverage container program to effectuate proper waste management.

Your Committees have taken into account testimony from the Department of Land and Natural Resources indicating that implementation of a reverse vending machine program in state parks may be difficult due to funding and personnel constraints. Your Committees believe that the provision that reverse vending machines be installed in the most heavily-utilized state parks by January 1, 2007, is reasonable and can be achieved. Your Committees also believe that the provision gives the Department of Land and Natural Resources needed latitude to determine which parks are heavily-used and should therefore receive reverse vending machines by January 1, 2007.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Business and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 118 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Hanabusa, Menor, Sakamoto, Hemmings).

SCRep. 1671 Energy, Environment, and International Affairs on S.C.R. No. 203

The purpose of this measure is to request the Legislative Reference Bureau to prepare a report examining incentives provided by other states to encourage electrical generation by photovoltaic (PV) systems, and to request the Director of Taxation to prepare a report on the anticipated fiscal impacts of various tax incentive programs to help foster residential PV systems.

Testimony in support of this measure was received from the Hawaii PV Coalition and 17 individuals. Hawaiian Electric Company, Inc., and the Hawaii Solar Energy Association supported the intent of the measure and offered comments. The Department of Taxation and the Public Utilities Commission offered comments on the measure.

Your Committee finds that Act 163, Session Laws of Hawaii 1998, created a task force to explore the most cost-effective ways for the State to support increased energy efficiency and sustainability. The Energy-Efficiency Policy Task Force produced a final report to the Legislature in 2002. Your Committee further finds that since the task force report was produced, the cost of energy has greatly increased and relatively few PV systems have been installed in Hawaii, although a number of other jurisdictions now provide attractive incentives for the installation of PV systems. Thus, your Committee finds that the information gained from the 2002 report of the Energy-Efficiency Policy Task Force should be expanded to include an update on incentive programs in other jurisdictions and a determination of which incentive plans can be practicably implemented in Hawaii.

Your Committee has amended this measure by including information about the Energy-Efficiency Policy Task Force and requesting the Legislative Reference Bureau to further expand on that study regarding incentives and specifically to compare Hawaii's program to other states, such as California. Your Committee has also amended this measure by requesting that the Legislative Reference Bureau make recommendations on practical incentive options for the State, and 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 Energy, Environment, and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 203, 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. 203, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Hemmings).

SCRep. 1672 Energy, Environment, and International Affairs on S.R. No. 78

The purpose of this measure is to request that the Department of Health develop an environmental justice policy and, through a guidance document, apply provisions of this policy to analysis and review of projects subject to the environmental impact statement law.

Testimony in support of the measure was received from the Office of Hawaiian Affairs and Life of the Land. The Department of Health provided testimony that supported the intent of the measure and provided comments. The Office of Environmental Quality Control and the Environmental Center of the University of Hawaii provided comments.

Your Committee finds that the environmental impact statement program under chapter 343 of the Hawaii Revised Statutes is a comprehensive one that analyzes the impact of projects upon affected local communities, including socioeconomic and cultural impacts. However, your Committee also finds that many projects considered to have a negative effect upon the health and safety of neighboring residents, such as landfills and industrial facilities, have been approved and sited in neighborhoods with a high and disproportionate percentage of Native Hawaiian or other minority residents, or in low-income communities. Your Committee finds that the President's Council on Environmental Quality has already produced a federal guidance document on environmental justice. Your Committee thus finds that the Department of Health should create a document to guide state decision-makers in incorporating principles of environmental justice in the environmental review process. Your Committee finds that the Department of Health is the appropriate department to produce this guidance document because it can utilize the expertise of the entire department, including the Office of Environmental Quality Control.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 78 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, none. Excused, 2 (Hanabusa, Hemmings).

SCRep. 1673 Energy, Environment, and International Affairs on S.C.R. No. 140

The purpose of this measure is to request that the Department of Health develop an environmental justice policy and, through a guidance document, apply provisions of this policy to analysis and review of projects subject to the environmental impact statement law.

Testimony in support of the measure was received from the Office of Hawaiian Affairs and Life of the Land. The Department of Health provided testimony that supported the intent of the measure and provided comments. The Office of Environmental Quality Control and the Environmental Center of the University of Hawaii provided comments.

Your Committee finds that the environmental impact statement program under chapter 343 of the Hawaii Revised Statutes is a comprehensive one that analyzes the impact of projects upon affected local communities, including socioeconomic and cultural impacts. However, your Committee also finds that many projects considered to have a negative effect upon the health and safety of neighboring residents, such as landfills and industrial facilities, have been approved and sited in neighborhoods with a high and disproportionate percentage of Native Hawaiian or other minority residents, or in low-income communities. Your Committee finds that the President's Council on Environmental Quality has already produced a federal guidance document on environmental justice. Your Committee thus finds that the Department of Health should create a document to guide state decision-makers in incorporating principles of environmental justice in the environmental review process. Your Committee finds that the Department of Health is the appropriate department to produce this guidance document because it can utilize the expertise of the entire department, including the Office of Environmental Quality Control.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 140 and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hanabusa, Hemmings).

SCRep. 1674 Ways and Means on S.C.R. No. 17

The purpose of this measure is to request the convening of a task force to consider the establishment of a uniform statewide building code.

Your Committee finds that, while statewide conditions affecting construction are nearly identical, each of the counties of this State have adopted its own building code that differs from county to county. This measure requests that the Department of Accounting and General Services establish a task force, to be made up of members of the design and construction industry, to make recommendations pertaining to the adoption of a uniform building code for the State.

Your Committee has amended this measure by requesting the inclusion of elements of indigenous architecture in a uniform statewide building code and by adding an architect with expertise in indigenous architecture on the task force. These amendments were intended by your Committees on Business and Economic Development and Intergovernmental Affairs but were inadvertently omitted. Your Committee has further amended this measure by making technical nonsubstantive changes for style and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 17, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 17, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 4 (Fukunaga, Inouye, Sakamoto, Trimble).

SCRep. 1675 Ways and Means on S.C.R. No. 24

The purpose of this measure is to request the Hawaii State Council on Developmental Disabilities to continue to convene the residential settings task force to identify issues and solutions regarding individuals with developmental disabilities and their choice of residential setting.

Your Committee finds that the Hawaii State Council on Developmental Disabilities needs more time to complete its work in addressing Senate Concurrent Resolution No. 79, S.D. 1, H.D. 1, adopted during the 2004 regular session.

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 concurs with the intent and purpose of S.C.R. No. 24, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 24, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Fukunaga, Inouye, Sakamoto).

SCRep. 1676 Ways and Means on S.C.R. No. 27

The purpose of this measure is to request the Department of Transportation to study and evaluate existing traffic conditions in the South Kona area of the island of Hawaii for the purpose of preparing a traffic solution plan.

Your Committee understands that traffic in the state highway corridor in South Kona is heavy, making traffic backlogs and tie-ups commonplace. This situation is likely to worsen with anticipated growth in population and development in nearby areas. A traffic solution plan is clearly needed to address these concerns.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 27, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 27, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Fukunaga, Inouye, Sakamoto).

SCRep. 1677 Ways and Means on S.C.R. No. 39

The purpose of this measure is to request the Auditor to assess the social and financial effects of requiring health insurers to offer coverage for marriage and family therapy.

Your Committee finds that this measure must be adopted in order for S.B. No. 1228, S.D. 2, to be considered. The bill mandates coverage of marriage and family therapy among the mental illness, alcohol and drug dependence benefits required in accident and health or sickness policies.

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 concurs with the intent and purpose of S.C.R. No. 39, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 39, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Fukunaga, Inouye, Sakamoto).

SCRep. 1678 Ways and Means on S.C.R. No. 40

The purpose of this measure is to request the Department of Business, Economic Development, and Tourism to conduct a carrying capacity study to determine the maximum capacity for tourists in areas throughout the State.

Your Committee understands that, as our resident and visitor populations grow, planning is necessary to prevent our communities and visitor industry from reaching a point of diminishing returns due to inadequate carrying capacity. The requested study will provide the capacity information, projections, and analysis needed for policy and decision making, addressing issues such as visitor and resident populations, visitor lodging and accommodations, and infrastructure capabilities and requirements.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 40, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Fukunaga, Inouye, Sakamoto).

SCRep. 1679 Ways and Means on S.C.R. No. 42

The purpose of this measure is to request the Department of Taxation to enforce the collection of the transient accommodations tax on unregistered vacation rentals.

This measure also requests the counties to enforce the zoning laws against illegal operations of vacation rentals.

Your Committee finds that many vacation rentals, including bed-and-breakfast facilities, are operating illegally without transient accommodation tax licenses, resulting in the loss of revenue from the transient accommodations tax. These vacation rentals in many cases operate in residential districts, in violation of local zoning laws. These violations in many instances overly burden neighborhood infrastructure and otherwise threaten the quiet enjoyment of local neighborhoods. This measure requests that the Department of Taxation enforce the collection of the transient accommodations taxes on these vacation rentals, particularly those advertising on the Internet. Further, this measure requests that the counties enforce their laws and regulations of these vacation rentals, particularly those operating in residential neighborhoods.

Your Committee further finds that Maui County has already taken a stance on the illegal operation of vacation rentals through its program to step-up the permitting of transient vacation rentals and is currently working with the industry to address this problem.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 42, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Fukunaga, Inouye, Sakamoto).

SCRep. 1680 Ways and Means on S.C.R. No. 106

The purpose of this measure is to convene a joint legislative task force to review and make recommendations concerning chapter 103D, Hawaii Revised Statutes, otherwise known as the Hawaii public procurement code (procurement code).

Your Committee finds that there are currently ten statutory exemptions from the procurement code for various agencies and functions. In addition to the statutory exemptions, there are sixteen administrative exemptions for various types of purchases.

Your Committee believes that an abundance of exemptions may have the effect of defeating the intent of the Legislature and the purpose of chapter 103D, Hawaii Revised Statutes, to create a government purchasing system that is uniform, fair, and comprehensive, so that there is an even playing field for all contractors and providers. Your Committee also believes that the procurement code may contain provisions that make the procurement process unnecessarily cumbersome and time-consuming.

Your Committee intends that the task force address the issues of procurement exemptions and the procurement process and procedures to ensure that chapter 103D, Hawaii Revised Statutes, fulfills its original intent.

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 Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 106, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 106, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Fukunaga, Inouye, Sakamoto).

SCRep. 1681 Ways and Means on S.C.R. No. 147

The purpose of this measure is to request the Auditor to conduct a financial and management audit of the Division of Conservation and Resources Enforcement of the Department of Land and Natural Resources.

Your Committee finds that the audit requested by this Resolution will help the Division of Conservation and Resources Enforcement address significant jurisdictional, procedural, and administrative problems raised with regard to its fiscal and management practices.

Your Committee has amended this measure by making technical nonsubstantive changes for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee 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, 12. Noes, none. Excused, 3 (Fukunaga, Inouye, Sakamoto).

SCRep. 1682 Ways and Means on S.C.R. No. 199

The purpose of this measure is to evaluate the impact of the physician “on-call” crisis on the Queen’s Medical Center Trauma Center’s ability to provide emergency medical services.

Specifically, the Department of Health is requested to conduct an analysis of the “on-call” crisis including:

- (1) A description of the on-call issue and its impact on the Level II Trauma Center;
- (2) Identification of the factors that have contributed to the on-call issue becoming a crisis;
- (3) The response of The Queen’s Medical Center to address this crisis and keep the Trauma Center operational;
- (4) The role of the Trauma Center in the state comprehensive emergency medical services system;
- (5) A description of the impact, if any, of the on-call crisis on the delivery of non-trauma emergency medical services at select hospitals across the State including neighbor island hospitals; and
- (6) An analysis of how the decision to transfer patients is made, including a description of the transfer process, and recommendations to improve this process, if any, to enhance patient outcomes.

The Legislative Reference Bureau is requested to identify and analyze any appropriate government response to the on-call crisis including:

- (1) The experience and response of other states and cities facing a similar on-call crisis;
- (2) Options to address trauma/emergency department medical services that go uncompensated;
- (3) Options to address liability concerns faced by on-call physicians; and
- (4) An analysis that looks at the pros and cons of mandating that physicians “take call” in order to:
 - (A) Obtain or maintain a license to practice medicine in the State of Hawaii; or
 - (B) Receive privileges to admit patients to a hospital located in the State of Hawaii.

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 concurs with the intent and purpose of S.C.R. No. 199, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 199, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 3 (Fukunaga, Inouye, Sakamoto).

SCRep. 1683 Judiciary and Hawaiian Affairs on S.C.R. No. 141

The purpose of this measure is to request that the Governor establish a task force to study and determine whether classification of the offenses of assault and terroristic threatening based on the occupation of the victim is still necessary.

Testimony in support of the measure was received from the Public Defender. Testimony in opposition to the measure was received from the Department of Public Safety, the Honolulu Police Department, and the Prosecuting Attorney for the City and County of Honolulu.

Your Committee finds that, over the past few decades, laws have been enacted to provide certain groups of individuals with special treatment under the State's assault and terroristic threatening laws. The special treatment was provided in a manner that imposed a higher criminal penalty against perpetrators of these crimes against any person who belonged to one of the specially protected classes of persons, regardless of the severity of injury inflicted or harm perceived or incurred. These specially protected classes include law enforcement officers, correctional personnel, and educational workers. Recently, health care workers and sports officials have also sought inclusion into the category of specially protected persons.

Your Committee believes that, prior to the inclusion of any additional classes of occupations or persons into this category, a study should be performed to determine whether the establishment of this specially protected class system has actually deterred assaults and terroristic threats against persons in the specially protected classes. Your Committee also believes that, if any additional classes of persons are to be added, then it should be done in a uniform and impartial manner, based upon sound and reasoned criteria.

In light of these beliefs, your Committee has amended the measure to clarify its intent regarding the justification for maintaining the specially protected class system and to specifically request that the task force establish or clarify criteria to be used when determining whether additional classes of occupations or persons should be included within the category of specially protected persons. Your Committee has also made technical nonsubstantive amendments for the purpose of 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 concurs with the intent and purpose of S.C.R. No. 141, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 141, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (English).

SCRep. 1684 (Joint) Education and Military Affairs and Higher Education on S.C.R. No. 121

The purpose of this measure is to form a working group on adult education.

Testimony in support of this measure was submitted by the University of Hawaii and the Hawaii P-20 Initiative.

Your Committees find that an increasingly high rate of adults lack a high school diploma, and very few are transitioning into community colleges. This growing deficit in skilled workers is hindering the economy in innovating, growing, and competing in the global marketplace. In order to counteract this trend, more attention needs to be focused on adult education students and other adults with low basic skills. This measure will contribute to the efforts of increasing the number of skilled workers by convening a working group to assist in the expansion and improvement of options to help them complete secondary education programs.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 121 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Tsutsui, Trimble).

SCRep. 1685 Energy, Environment, and International Affairs on S.C.R. No. 64

The purpose of this measure is to request that the Legal Services Corporation remove current restrictions that deny publicly-funded legal services to citizens of the Freely Associated States residing in Hawaii and other affected jurisdictions, and to request the assistance of Hawaii's congressional delegation to help achieve this goal.

The United States entered into agreements, collectively known as the Compact of Free Association, with the Freely Associated States (FAS): the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. This Compact is codified in federal law. The Compact allows FAS citizens to live and work in the United States. The Legal Services Corporation (LSC), a nonprofit corporation created by Congress, provides funding for legal services for many United States residents who cannot otherwise afford legal services in a wide variety of areas.

Your Committee finds that over the last several years, a number of citizens of the FAS have settled in Hawaii to seek employment, educational, and health care opportunities for themselves and for their families. Your Committee also finds that, like other Hawaii residents, FAS citizens face legal concerns from time to time in a variety of areas, such as divorce and paternity issues, domestic violence, health care planning, housing issues, debt collection and bankruptcy, and consumer protection concerns. Your Committee finds that current federal regulations prohibit local legal service organizations receiving funds from LSC from providing legal services to citizens of the FAS residing in Hawaii, the other states of the United States, and most other areas serviced by LSC recipient organizations. Your Committee also finds that, while FAS citizens residing in Hawaii may be eligible to receive services from LSC recipient organizations located in the FAS territories, it is both impractical and imprudent for LSC-funded legal organizations in the FAS to give legal advice about matters arising in other jurisdictions, such as Hawaii. Your Committee further finds that the current law has denied and will continue to deny a number of FAS citizens, who otherwise would meet the criteria for legal services eligibility, from obtaining services from the Legal Aid Society of Hawaii, even though their legal needs may be as pressing as others who receive service.

Your Committee finds that the Legal Services Corporation should review its current regulations that prohibit LSC recipient legal organizations from providing legal services to FAS citizens in the same residential area, in light of the rights guaranteed to FAS citizens under the Compact of Free Association. Your Committee also finds that the Legal Services Corporation should amend its current regulations to allow LSC-recipient organizations to provide legal services to FAS citizens residing in Hawaii or other affected

jurisdictions. Your Committee also requests that Hawaii's congressional delegation introduce legislation to clarify that FAS citizens who otherwise are eligible for public legal service shall be entitled to legal services from LSC recipient legal service organizations, in Hawaii or other relevant jurisdictions.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 64 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 1686 Energy, Environment, and International Affairs on S.C.R. No. 176

The purpose of this measure is to urge the Legislature to adopt the United Nations' Declaration on the Rights of Indigenous Peoples, and to specifically recognize that these rights apply to the Native Hawaiian people.

Native Hawaiian people have populated the Hawaiian archipelago for the last 2000 years. These people, known as "kanaka maoli," developed a unique culture, society, and political structure. Despite western contact and eventual domination of the native culture by outside influences, many in today's world are perpetuating Hawaiian culture, language, and practices.

The United Nations (UN) Subcommission on Prevention of Discrimination and Protection of Minorities adopted a Declaration on the Rights of Indigenous Peoples in 1994. Your Committee finds that the UN Declaration on the Rights of Indigenous Peoples provides basic human rights principles that are universally applicable to all native peoples. Your Committee also finds that the indigenous people of Hawaii, the kanaka maoli, are entitled to all the rights as an indigenous people as recognized under international law, including those enumerated in the UN Declaration on the Rights of Indigenous Peoples. Your Committee also finds that the Legislature has shown, through its actions, a commitment to the preservation and perpetuation of Hawaiian language, culture, and arts. Your Committee believes that support for this measure is in keeping with the Legislature's past commitment to the perpetuation of Hawaiian culture and practices.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 176 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 1687 Energy, Environment, and International Affairs on S.R. No. 100

The purpose of this measure is to urge the Legislature to adopt the United Nations' Declaration on the Rights of Indigenous Peoples, and to specifically recognize that these rights apply to the Native Hawaiian people.

Native Hawaiian people have populated the Hawaiian archipelago for the last 2000 years. These people, known as "kanaka maoli," developed a unique culture, society, and political structure. Despite western contact and eventual domination of the native culture by outside influences, many in today's world are perpetuating Hawaiian culture, language, and practices.

The United Nations (UN) Subcommission on Prevention of Discrimination and Protection of Minorities adopted a Declaration on the Rights of Indigenous Peoples in 1994. Your Committee finds that the UN Declaration on the Rights of Indigenous Peoples provides basic human rights principles that are universally applicable to all native peoples. Your Committee also finds that the indigenous people of Hawaii, the kanaka maoli, are entitled to all the rights as an indigenous people as recognized under international law, including those enumerated in the UN Declaration on the Rights of Indigenous Peoples. Your Committee also finds that the Legislature has shown, through its actions, a commitment to the preservation and perpetuation of Hawaiian language, culture, and arts. Your Committee believes that support for this measure is in keeping with the Legislature's past commitment to the perpetuation of Hawaiian culture and practices.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 100 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 1688 Energy, Environment, and International Affairs on H.C.R. No. 62

The purpose of this measure is to support the people of Kiribati in their efforts to address war reparations for the damage and suffering inflicted upon them during World War II.

Your Committee finds that the people of the Republic of Kiribati were victims of the atrocities inflicted by the Japanese military during World War II, and were further victimized by the fighting between the Japanese military and American armed forces in the latter's attempt to free the islands from Japanese rule. Your Committee is concerned that the people of Kiribati, who did not instigate the military conflict and aggression, nonetheless suffered devastating losses to people and property. Your Committee finds that it is important to signal to the Kiribati government and its people that its efforts to obtain war reparations are strongly supported.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 62, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 1689 Ways and Means on S.C.R. No. 37

The purpose of this measure is to address overcrowding of Maui's public high schools, especially in the community of Kihei.

Specifically, this measure requests the Department of Education to enter a lease/purchase agreement for a new public high school in Kihei, Maui, to be funded by the issuance of certificates of participation.

Your Committee finds that students who live in the Kihei community need to commute long distances to either Baldwin High School or Maui High School, both of which are already over capacity. As the population of Kihei continues to grow, the need for a high school in Kihei becomes more critical. However, your Committee finds that, due to the scarcity of funding resources, it is necessary to investigate alternate means of financing a new high school in Kihei, Maui.

Accordingly, your Committee has amended this measure by:

- (1) Amending the title of this measure to read:

“SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF EDUCATION TO INVESTIGATE ALTERNATE MEANS OF FINANCING A NEW PUBLIC HIGH SCHOOL IN KIHAI, MAUI”;

- (2) Deleting the last three Whereas clauses relating to lease purchase agreements and certificates of participation;
- (3) Adding a last Whereas clause to state the need to investigate alternate means of financing;
- (4) Amending the first Resolved clause to request the Department of Education to investigate alternate means of financing a new public high school in Kihei, Maui, excluding certificates of participation;
- (5) Amending the second Resolved clause to request the Department of Education to report findings and recommendations rather than submitting a copy of any lease purchase agreement;
- (6) Deleting the third Resolved clause relating to lease purchase agreements; and
- (7) Making technical nonsubstantive amendments for the purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 37, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 37, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Fukunaga, Inouye, Sakamoto).

SCRep. 1690 (Joint) Human Services and Intergovernmental Affairs on S.C.R. No. 186

The purpose of this measure is to urge the federal, state, and county governments to place a moratorium on the removal of homeless people from large public parks.

The League of Women Voters of Hawaii, Kahalu'u United Methodist Church and Windward Homeless Coalition, Affordable Housing and Homeless Alliance, Hawaiian Political Action Council of Hawaii, North Shore Homeless, Homeless Ohana, and two individuals submitted testimony in support of this measure. The Board of Land and Natural Resources and an individual submitted testimony in opposition of this measure.

Your Committees find that addressing the needs of those living without a permanent shelter has been a difficult situation to resolve. The recent removals of the homeless that occurred on Oahu to allow the public to use public areas and to protect the health and safety of the surrounding residences will not address the underlying basis for homelessness. The Legislature is attempting to address short- and long-term solutions for the homeless population, including repairing or building hundreds of public housing units, housing subsidies and services, employment and job training programs, programs to curb substance abuse, and food programs.

Your Committees further find that solving the homeless issue cannot be achieved overnight. Affordable rental housing is in short supply and low-income individuals are in danger of becoming homeless. If the homeless problem is not solved, it will be difficult for homeless individuals and families to find and hold jobs, maintain and recover from health problems, provide proper education and nurturance for their children, and most of all, have a safe and healthy place to live. Removal of homeless families and individuals for the past several years has not reduced the number of people living in the streets and other public areas. Solutions aimed at ending homelessness within the State are being addressed, but the various entities of the government and community organizations must form a partnership to reduce or eliminate homelessness.

Your Committees have amended this measure by:

- (1) Requesting the federal, state, and county governments to designate areas within large public facilities such as public parks, unused government facilities, and abandoned military facilities where the homeless can stay under supervision;
- (2) Emphasizing that such areas are not permanent sites, but a temporary housing area as part of resolving the homeless issue;
- (3) Allowing each major island to designate sites based on the needs of each community and shall obtain inputs or comments from the community when designating sites;
- (4) Requesting the federal, state & county governments and community partners to develop a policy that may limit the hours of utilization by the homeless on these designated sites and to adopt a policy that will also address the issue of separating homeless individuals, couples and families within the designated sites;
- (5) Requesting the federal, state, and county governments to emphasize to the homeless that designated sites are only temporary and not permanent sites, and they will provide assistance in locating permanent housing during the transitional period; and
- (6) Specifying that, if no such designation is made within three months from the adoption of this measure, there is to be a moratorium on the sweeps that are currently in use to roust the homeless. This moratorium will be removed when such designations are made.

As affirmed by the records of votes of the members of your Committees on Human Services and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 186, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 186, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Baker, Inouye, Kim, Kokubun, Trimble).

SCRep. 1691 (Joint) Human Services and Intergovernmental Affairs on S.C.R. No. 154

The purpose of this measure is to request the Department of Human Services to attempt to broaden alternative housing options that may include tents, modified buses, and other structures.

The League of Women Voters of Hawaii, Kahalu'u United Methodist Church, Windward Homeless Coalition, the Homeless Ohana, and nineteen individuals submitted testimony in support of this measure. The Department of Human Services and an individual submitted testimony in opposition to this measure. The Governor's Office supports the intent.

Your Committees find that homelessness is a continuous and increasing social problem and the demand for homeless shelters far exceeds the supply. It is in the interest of the State that homeless do not take up residence in public parks or public beaches. These homeless groups are a diverse population. They are families, runaway teens, elderly persons, mentally ill individuals, and individuals with drug addiction problems who find themselves without housing. Tent cities are not a long-term solution and the government should find alternative ways to provide transitional and permanent housing for them.

Your Committees further find that there is a need to find decent, alternative shelter on public lands for homeless families and individuals. In view of the limited options for the homeless, viable alternatives need to be explored to fill an urgent need for shelter.

Your Committees have amended this measure by:

- (1) Amending the title to request the Department of Human Services, in partnership with the City and County of Honolulu and community partners, to pilot transitional housing options for homeless families, couples, and individuals;
- (2) Increasing alternative options for short-term solutions on homeless accommodations;
- (3) Requesting the Department of Human Services to work with other counties that express interest in piloting transitional housing options; and
- (4) Adding the Department of Accounting and General Services, Department of Agriculture, Department of Hawaiian Home Lands, Office of Hawaiian Affairs, Department of Defense, Partners in Care, and Inter-Agency Council on Homelessness to the list of government agencies and community partners who will be transmitted certified copies of this Concurrent Resolution.

As affirmed by the records of votes of the members of your Committees on Human Services and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 154, 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. 154, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Baker, Inouye, Kim, Kokubun, Trimble).

SCRep. 1692 (Joint) Education and Military Affairs, Human Services and Intergovernmental Affairs on S.C.R. No. 62

The purpose of this measure is to support and develop partnerships with community-oriented agencies and students on the island of Hawaii to promote activities that encourage positive youth outcomes.

Testimony in support of the measure was submitted by the Youth Leadership Program and eight individuals.

Your Committees find that developing activities with a community for its youth provides additional opportunities to socialize in a safe, drug-free environment. Through these projects, the youth on the island of Hawaii are able to be among their friends and family while participating in safe, drug-free activities. These programs have been in place for several years with some financial support through the legislative process. Your Committees find that these programs on the island of Hawaii have proven to be successful and should be encouraged to continue their efforts to develop positive outcomes for youth.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Human Services and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 62 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 6 (Baker, English, Inouye, Kokubun, Tsutsui, Trimble).

SCRep. 1693 (Joint) Education and Military Affairs and Intergovernmental Affairs on S.C.R. No. 70

The purpose of this measure is to encourage the reevaluation of enlistment policies for homeschooled students.

Although no formal testimony was received on this measure, your Committees received comments on this issue from The Chamber of Commerce of Hawaii.

Your Committees find that reports suggest that while the Armed Services in the past allowed enlistment of tier one homeschooled candidates with a score of fifty and above, at present they no longer enlist homeschoolers either above or below the score of fifty. As research demonstrates that homeschoolers achieve higher scores compared to public school graduates on a variety of tests, your Committees believe that homeschool graduates have qualities that could contribute to the military service, specifically in light of the current need for military recruitment.

Upon further consideration, your Committees have amended this measure by including language indicating the criteria for homeschoolers eligible for enlistment as tier one candidates.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 70, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 70, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Baker, English, Hooser, Kim, Tsutsui).

SCRep. 1694 (Joint) Water, Land, and Agriculture and Business and Economic Development on S.C.R. No. 137

The purpose of this measure is to request the Office of Planning Coastal Zone Management Program to coordinate the updating and implementation of the Hawaii Ocean Resources Management Plan.

The Office of Planning, Hawaii's Thousand Friends, and the Ocean Tourism Coalition submitted testimony in support of this measure.

This measure:

- (1) Requests that the Coastal Zone Management Program to be recognized as the lead agency for coastal zone management and specifically as the coordinator of all ocean and coastal resources management efforts;
- (2) Requests all state and county agencies engaged in ocean and coastal resource management to report, consult, and coordinate with the Coastal Zone Management Program, as lead agency, in accordance with the objectives and policies of chapter 205A, Hawaii Revised Statutes, including updating and implementing a comprehensive and integrated ocean resources management plan;
- (3) Outlines policies for the Coastal Zone Management Program to follow; and
- (4) Requests the Coastal Zone Management Program to hold an informational briefing and provide a status report on its efforts to the Legislature.

Your Committees find that this measure will assist in the maintenance of an important state resource.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Business and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 137 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (Menor, Sakamoto).

SCRep. 1695 (Joint) Water, Land, and Agriculture and Business and Economic Development on S.R. No. 75

The purpose of this measure is to request the Office of Planning Coastal Zone Management Program to coordinate the updating and implementation of the Hawaii Ocean Resources Management Plan.

The Office of Planning, Hawaii's Thousand Friends, and the Ocean Tourism Coalition submitted testimony in support of this measure.

This measure:

- (1) Requests that the Coastal Zone Management Program to be recognized as the lead agency for coastal zone management and specifically as the coordinator of all ocean and coastal resources management efforts;
- (2) Requests all state and county agencies engaged in ocean and coastal resource management to report, consult, and coordinate with the Coastal Zone Management Program, as lead agency, in accordance with the objectives and policies of chapter 205A, Hawaii Revised Statutes, including updating and implementing a comprehensive and integrated ocean resources management plan;
- (3) Outlines policies for the Coastal Zone Management Program to follow; and
- (4) Requests the Coastal Zone Management Program to hold an informational briefing and provide a status report on its efforts to the Legislature.

Your Committees find that this measure will assist in the maintenance of an important state resource.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Business and Economic Development that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 75 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (Menor, Sakamoto).

SCRep. 1696 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on S.C.R. No. 92

The purpose of this measure is to urge Hawaii's congressional delegation to work toward national park status for the Kawainui Marsh Complex.

A United States Congressman, the Department of Land and Natural Resources, Hawaii's Thousand Friends, the Kawai Nui Heritage Foundation, the Wildlife Society – Hawaii Chapter, the Windward Ahupua'a Alliance, and eight individuals submitted testimony in support of this measure.

Wetlands are a source of water, food, recreation, transportation, and, for some, a part of local and cultural heritage. They provide groundwater replenishment, benefit inhabitants of entire watersheds, and play a vital role in storm and flood protection and water filtration.

Recently, the United States designated three new Ramsar sites, one of them being the Kawainui and Hamakua Marsh Complexes located on the northeast coast of the island of Oahu. This measure urges Hawaii's congressional delegation to continue working toward designating Kawainui and Hamakua Marsh Complexes for National Park protection.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs 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, 10. Noes, none. Excused, 1 (Kim).

SCRep. 1697 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on S.R. No. 51

The purpose of this measure is to urge Hawaii's congressional delegation to work toward national park status for the Kawainui Marsh Complex.

A United States Congressman, the Department of Land and Natural Resources, Hawaii's Thousand Friends, the Kawai Nui Heritage Foundation, the Wildlife Society – Hawaii Chapter, the Windward Ahupua'a Alliance, and eight individuals submitted testimony in support of this measure.

Wetlands are a source of water, food, recreation, transportation, and, for some, a part of local and cultural heritage. They provide groundwater replenishment, benefit inhabitants of entire watersheds, and play a vital role in storm and flood protection and water filtration.

Recently, the United States designated three new Ramsar sites, one of them being the Kawainui and Hamakua Marsh Complexes located on the northeast coast of the island of Oahu. This measure urges Hawaii's congressional delegation to continue working toward designating Kawainui and Hamakua Marsh Complexes for National Park protection.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 51, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 51, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 10. Noes, none. Excused, 1 (Kim).

SCRep. 1698 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on S.C.R. No. 143

The purpose of this measure is to request participation in the federal program to assist states in obtaining scrapped federal ships to use as artificial reefs.

The Department of Land and Natural Resources, the Maritime Consultants of the Pacific, and two individuals submitted testimony in support of this measure.

Scrap metal vessels or concrete structures are often used to create artificial reefs in marine environments. Your Committees find that these artificial reefs provide an ideal habitat for marine life such as fish and coral to propagate and proliferate, enhancing fish populations, marine ecosystems, and recreational opportunities for the surrounding ocean area. Thus, this measure requests the Department of Land and Natural Resources to actively participate in the federal program to utilize scrapped federal ships for artificial reefs.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 143 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1699 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on S.R. No. 81

The purpose of this measure is to request participation in the federal program to assist states in obtaining scrapped federal ships to use as artificial reefs.

The Department of Land and Natural Resources, the Maritime Consultants of the Pacific, and two individuals submitted testimony in support of this measure.

Scrap metal vessels or concrete structures are often used to create artificial reefs in marine environments. Your Committees find that these artificial reefs provide an ideal habitat for marine life such as fish and coral to propagate and proliferate, enhancing fish populations, marine ecosystems, and recreational opportunities for the surrounding ocean area. Thus, this measure requests the Department of Land and Natural Resources to actively participate in the federal program to utilize scrapped federal ships for artificial reefs.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 81 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1700 (Joint) Water, Land, and Agriculture and Intergovernmental Affairs on S.C.R. No. 177

The purpose of this measure is to urge the federal, state, and city and county governments to cooperate to protect the Kawai Nui marsh.

The Kawai Nui Heritage Foundation, the Windward Ahupua'a Alliance, and six individuals submitted testimony in support of this measure. The Department of Land and Natural Resources submitted testimony in opposition to this measure.

The Kawai Nui marsh serves as a critical flood control basin to protect the developed lower-lying areas of urban Kailua and the water quality of Kailua Bay on the island of Oahu. It also provides an important habitat for native Hawaiian and migratory birds and is identified by the United States Fish and Wildlife Service as a water bird recovery area. Further, the Kawai Nui marsh was recently designated by the Convention on Wetlands of International Importance as one of three wetlands of international importance in the United States.

Over the years, many groups have contributed to the care and protection of this valuable natural resource, and the DLNR is working on developing an ecosystem restoration project for the Kawai Nui marsh. However, more needs to be done to protect and restore this area. Accordingly, this measure urges the United States Army Corps of Engineers, the State of Hawaii, and the City and County of Honolulu to meet and resolve the land-ownership issues involving the Kawai Nui marsh to protect and preserve the natural resources of the marsh.

Your Committees have amended this measure by deleting two clauses within this measure stating that:

- (1) All privately owned land around Kawai Nui marsh has been purchased by the State; and
- (2) The State has acquired control over all the publicly owned land in Kawai Nui marsh through a lease from the City and County of Honolulu.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 177, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 177, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1701 Labor on Gov. Msg. Nos. 392 and 393

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF TRUSTEES OF THE DEFERRED COMPENSATION PLAN

G.M. No. 392 WAYNE L. CHU, for a term to expire 06-30-2009; and

G.M. No. 393 CAROL T. RABER, for a term to expire 12-26-2008

WAYNE L. CHU is a supervising auditor for the audit division of the Department of Accounting and General Services where he has served since 1985. Mr. Chu holds a bachelor's degree in Accounting and Business Management from the Church College of Hawaii (Brigham Young University – Hawaii). He has also practiced independently as a certified public accountant (CPA), served as a financial manager/property manager for the Waikiki Business Plaza, Inc., and as a CPA for Peat, Marwick, Mitchell & Co. Mr. Chu has previously served one term on the Deferred Compensation Board.

Testimony in support of Mr. Chu was submitted by the Department of Human Resources Development.

CAROL T. RABER is a CPA and currently serves as an account manager with the Employees' Retirement System (ERS). Ms. Raber holds a bachelor's degree in Business Administration from the University of Hawaii. She has dedicated the majority of her career to public service, serving as the acting administrator and an accountant with the ERS, an accountant with the Hawaii Public Employees Health Fund, an accountant with the University of Hawaii, and an auditor with the Department of Commerce and Consumer Affairs. Ms. Raber has received several awards and honors and has previously served one term on the Deferred Compensation Board.

Testimony in support of Ms. Raber was submitted by the Department of Human Resources Development and one individual.

Your Committee finds that the nominees' experience, demonstrating their extensive knowledge of deferred compensation and retirement plans, coupled with a strong commitment to public service, continue to make them each 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 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, 1 (Taniguchi).

SCRep. 1702 Labor on Gov. Msg. Nos. 403 and 404

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII WORKFORCE DEVELOPMENT COUNCIL

G.M. No. 403 CORIANNE W. LAU, for a term to expire 06-30-2009; and

G.M. No. 404 GARY L. WISEMAN, for a term to expire 06-30-2009

CORIANNE W. LAU is an attorney with the law firm of Alston, Hunt, Floyd & Ing, where she focuses her practice on employment law. Ms. Lau is a graduate of Kalani High School who has earned a bachelor's degree in Psychology and French as well as a juris doctor degree from Lewis and Clark College. She has practiced as an attorney with private law firms in employment, maritime, personal injury defense, and general business law; served as a deputy attorney general; served as the executive director for the Hawaii Institute for Continuing Legal Education; worked as a program development coordinator; and worked as a field representative/employment specialist for the State of Oregon. Ms. Lau is actively involved in the community, volunteering her efforts to various professional organizations.

Testimony in support of the nominee was submitted by nine individuals.

GARY L. WISEMAN is the president of Associated Builders and Contractors, Inc., where he has served for the past decade. Mr. Wiseman has received a degree in Accounting from Angelo State University in San Angelo, Texas, and is an inactive certified public accountant, licensed in Hawaii and Colorado. Throughout his career he has served as a controller, accounting specialist, staff accountant, and market support representative for various private businesses. Mr. Wiseman is actively involved in the community, including involvement in many professional and community organizations, such as the Olomana Community Association, the Aloha Society of Association Executives, the Construction Financial Managers Association, and the Hawaii Developers' Council.

Testimony in support of the nominee was submitted by the Associated Builders and Contractors, Inc. – Hawaii Chapter, the Building Industry Association – Hawaii, and seven individuals.

Your Committee members diligently questioned the nominees regarding their vision and priorities for the Hawaii 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, 3. Noes, none. Excused, 1 (Taniguchi).

SCRep. 1703 Higher Education on Gov. Msg. Nos. 434 and 529

Recommending that the Senate advise and consent to the nominations of the following:

WESTERN INTERSTATE COMMISSION FOR HIGHER EDUCATION (WICHE)

G.M. No. 434 ROY T. OGAWA, for a term to expire 06-30-2008; and

G.M. No. 529 ROBERTA M. RICHARDS, for a term to expire 06-30-2009

Your Committee received testimony in support of ROY T. OGAWA from MEDCAR Incorporated, Market City, Limited, and six individuals. The nominee is the president and director of Oliver Law Lawhn Ogawa and Nakamura. Mr. Ogawa received a BA degree from the University of Hawaii at Manoa and a Juris Doctor Degree from Indiana University. Mr. Ogawa has practiced law for twenty-six years in Hawaii, and has been a member of various legal organizations. His current practice is primarily in commercial, real estate, and construction litigation and transactions. The nominee has been an interim appointment to WICHE and presently serves on the Issue Analysis and Research Committee and the Audit Committee. Your Committee notes from the nominee's written statement that he wishes to work hard to provide Hawaii's citizens with the opportunity to obtain the best public education available on an affordable basis. His dedication to hard work, combined with his background, education, and experience will allow him to meet the requirements of this position.

Your Committee received testimony in support of ROBERTA M. RICHARDS from Hawaii Government Employees Association, Susannah Wesley Community Center, and three individuals. Roberta M. Richards is presently employed as an educational officer by the Department of Education. Ms. Richards received a Bachelor of Arts degree and a Master of Education degree from the University of Hawaii at Manoa. She also holds a Certificate of Teaching the Disadvantaged from the University of Hawaii at Manoa, and a Professional Certificate of Counseling and Guidance and an Educational Administration Certificate from the Department of Education. Ms. Richards has been employed by the Department of Education for thirty-eight years. Your Committee notes the written statement of the nominee that she desires to bridge the gap between lower and higher education by providing opportunities for young men and women to explore. Ms. Richards is being re-appointed.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1704 Transportation and Government Operations on Gov. Msg. No. 475

Recommending that the Senate advise and consent to the nomination of the following:

STATE HIGHWAY SAFETY COUNCIL

G.M. No. 475 ANITA DiMAURO, for a term to expire 06-30-2009

Your Committee received testimony in support of the nominee from the Department of Transportation and Mothers Against Drunk Driving. ANITA DiMAURO received a Bachelor's degree from Elmira College for Women in 1960. Ms. DiMauro currently serves on the Hawaii Partnership to Prevent Underage Drinking. She also assisted with the establishment of the Hawaii Chapter of Mothers Against Drunk Driving and served as a past president of that organization which is devoted to preventing drunk driving and its social causes. Ms. DiMauro has demonstrated her willingness to serve her community through volunteer work by serving on various non-profit boards and coalitions. Your Committee notes the written statements of the nominee that it is important to have input from

someone who is not speaking from an agency perspective. Your Committee finds that Ms. DiMauro will be an excellent resource to the council.

As affirmed by the record of votes of the members of your Committee on Transportation 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, Hee, Kanno).

SCRep. 1705 Commerce, Consumer Protection and Housing on Gov. Msg. No. 230

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF EXAMINERS IN NATUROPATHY

G.M. No. 230 MICHAEL TRAUB, N.D., D.H.A.N.P., for a term to expire 06-30-2008

The Department of Commerce and Consumer Affairs testified in support of the nomination.

MICHAEL TRAUB, N.D., D.H.A.N.P., holds a naturopathic medicine degree from the National College of Naturopathic Medicine, is a Diplomate of the Homeopathic Academy of Naturopathic Physicians, and is certified in classical homeopathy by the Council for Homeopathic Certification. He is licensed to practice naturopathic medicine in Hawaii and Oregon. Dr. Traub has been engaged in the private practice of naturopathic medicine for over twenty years and has taught at several naturopathic and homeopathic medicine colleges. The nominee is an interim appointee to the Board of Examiners in Naturopathy and currently serves as its vice chairperson.

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, 2 (Ige, Hogue).

SCRep. 1706 Commerce, Consumer Protection and Housing on Gov. Msg. No. 231

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF EXAMINERS IN OPTOMETRY

G.M. No. 231 TIMOTHY H. MOON, O.D., for a term to expire 06-30-2008

The Department of Commerce and Consumer Affairs, Hawaii Optometric Association, and two individuals testified in support of the nomination.

TIMOTHY H. MOON, O.D., received his doctor of optometry degree from the Southern College of Optometry, and has been engaged in the private practice of optometry since 1996. Dr. Moon has a history of community service, having volunteered his professional services for the past eight years on medical missions to developing countries. Additionally, the nominee has volunteered with the United Methodist Church's Vision Project 20/20, which provides eyeglasses to the needy. Dr. Moon has served as an interim appointee to the Board of Examiners in Optometry since July 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, 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 (Ige, Hogue).

SCRep. 1707 Commerce, Consumer Protection and Housing on Gov. Msg. No. 232

Recommending that the Senate advise and consent to the nomination of the following:

PEST CONTROL BOARD

G.M. No. 232 RANDALL J. BURNETT, for a term to expire 06-30-2008

The Department of Commerce and Consumer Affairs, Hawaii Pest Control Association, Diamond Head Termite and Pest Control Co., Inc., and an individual testified in support of the nomination.

RANDALL J. BURNETT is owner and general partner of Burnett's Termite and Pest Control, LLC, and has over thirty years of experience in the pest control industry. The nominee is a member of the Hawaii Pest Control Association and served on the association's board of directors from 1995 to 2000. Mr. Burnett has served as an interim appointee to the Pest Control Board since July 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, 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 (Ige, Hogue).

SCRep. 1708 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 243, 244, 245 and 246

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PRIVATE DETECTIVES AND GUARDS

G.M. No. 243 RANDALL W. MACK III, CPP, CFE, CHS, for a term to expire 06-30-2008;

G.M. No. 244 LAWRENCE K. MAHUNA, for a term to expire 06-30-2008;

G.M. No. 245 THOMAS PHILLIPS, for a term to expire 06-30-2006; and

G.M. No. 246 PATRICK W. SOUZA, for a term to expire 06-30-2008

Testimony in support of nominee RANDALL W. MACK III was received from the Department of Commerce and Consumer Affairs, the law enforcement coordinator of the United States Attorney's Office, District of Hawaii, and one individual. The nominee also submitted a written statement with an attached resume.

Your Committee finds that Mr. Mack, nominated as a licensed guard, is a United States citizen. Your Committee also finds that Mr. Mack attended Olympic College and the University of Washington and has received training in military police operations and anti-terrorism. Your Committee further finds that Mr. Mack's security experience includes positions as Director of Security and Nuclear Security Officer, and that he is currently is employed as the Director of Security for the Renaissance Ilikai Hotel. In addition, your Committee finds that Mr. Mack is certified as a licensed guard in the State of Hawaii. Thus, your Committee finds that Mr. Mack fulfills the requirement for a licensed guard member of the Board. Your Committee notes that Mr. Mack was appointed as an interim member of the Board effective July 1, 2004.

Testimony in support of nominee Chief LAWRENCE K. MAHUNA was received from the Department of Commerce and Consumer Affairs, the United States Attorney, District of Hawaii, and the law enforcement coordinator for the United States Attorney's Office, District of Hawaii. The nominee also submitted a written statement with an attached resume.

Your Committee finds that Chief Mahuna, nominated as a county police chief member of the Board, is a United States citizen and is the current Chief of Police for the County of Hawaii. Your Committee also finds that Chief Mahuna graduated from The Kamehameha Schools and Washington State University, and has been a member of the Hawaii Police Department since 1973. Thus, your Committee finds that Chief Mahuna fulfills the requirements for membership on the Board as a county chief of police. Your Committee notes that Chief Mahuna was appointed as an interim member of the Board effective July 1, 2004.

Testimony in support of nominee Chief THOMAS M. PHILLIPS was received from the Department of Commerce and Consumer Affairs. The nominee also submitted a written statement.

Your Committee finds that Chief Phillips, nominated as a chief of police member on the Board, is a United States citizen. Your Committee also finds that Chief Phillips graduated from Westminster College in Salt Lake City, Utah, and since 1976 has been a member of the Maui County Police Department. Your Committee further finds that Chief Phillips is involved in various community and charitable activities. Your Committee thus finds that Chief Phillips fulfills the requirements for membership on the Board as a county police chief. Your Committee notes that Chief Phillips was appointed to the Board as an interim member effective May 28, 2004.

Testimony in support of nominee PATRICK W. SOUZA was received from the Department of Commerce and Consumer Affairs and the Deaf of the Pacific Rim, Inc. The nominee also submitted a written statement.

Your Committee finds that Mr. Souza, nominated as a private citizen to the Board, is a United States citizen. Your Committee also finds that since 1976 Mr. Souza has been employed in the mortuary and funeral business, starting as a night watchman and apprentice embalmer and eventually becoming vice president and director of sales for the Mililani Group, Inc. Your Committee further finds that Mr. Souza is not engaged in any of the licensed practices that are regulated by the Board. Thus, your Committee finds that Mr. Souza fulfills the requirements for membership on the Board as a private citizen member. Your Committee notes that Mr. Souza was appointed to the Board on an interim basis effective 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, 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 (Ige, Hogue).

SCRep. 1709 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 249 and 250

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PSYCHOLOGY

G.M. No. 249 STANLEY LUKE, Ph.D., for a term to expire 06-30-2008; and

G.M. No. 250 G. SUE McCANN, Psy.D., for a term to expire 06-30-2008

The Department of Commerce and Consumer Affairs testified in support of both nominees, who have served as interim appointees to the Board of Psychology since July 2004.

STANLEY LUKE, Ph.D., received his bachelor's degree in psychology from Amherst College and his doctoral degree in clinical psychology from Northwestern University. His professional experience includes serving as behavioral health manager for Queen's Health Care Plan and staff psychologist at Kahi Mohala. Currently, Dr. Luke is senior program director for behavioral health at Helping Hands Hawaii. Additionally, the nominee is a member of the Hawaii Psychological Association and the American Psychological Association.

G. SUE McCANN, Psy.D., earned a master of arts degree in counseling psychology and a doctor of psychology degree in clinical psychology from the Adler School of Professional Psychology. Her professional experience includes serving as a clinical psychologist at Kona Community Hospital and as a consulting psychologist at Kapiolani Child Protection Center on the Island of Hawaii. Dr. McCann is currently in private practice, specializing in adolescent psychology. The nominee is a member of several professional organizations, including the Hawaii Island Psychologists' Association, Hawaii Psychological Association, and the American Psychological Association.

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, 4. Noes, none. Excused, 2 (Ige, Hogue).

SCRep. 1710 Transportation and Government Operations on Gov. Msg. Nos. 440 and 441

Recommending that the Senate advise and consent to the nominations of the following:

CIVIL DEFENSE ADVISORY COUNCIL

G.M. No. 440 CREIGHTON W. GOLDSMITH, for a term to expire 06-30-2009; and

G.M. No. 441 RANDY L. PROTHERO, for a term to expire 06-30-2009

Your Committee received testimony in support of CREIGHTON W. GOLDSMITH from the Honolulu Prosecuting Attorney, Hawaii Medical Service Association, and one individual. The nominee is currently the Chief Inspector for the Anti-terrorism and Contraband Enforcement Branch of the United States Customs and Border Protection. Mr. Goldsmith received his Bachelor's Degree in Political Science from California State University at Long Beach in 1970. He is a member of the International Association of Chiefs of Police, and received a Secretary of the Treasury Citation for Excellence and a Commissioner of Customs Citation for International Service. He has worked with the Civil Defense on matters in Hawaii and his training and experience are an asset to the State. Your Committee notes from his written statement that he believes civil defense is of critical importance to Hawaii, whether it involves a natural disaster, an attack, or a public health epidemic.

Your Committee received testimony in support of RANDY L. PROTHERO from one member of the House of Representatives, Century 21—Liberty Homes, and eleven individuals. The nominee is currently an Office Manager for State Representative Guy P. Ontai and a Realtor Associate for Century 21—Liberty Homes. Mr. Prothero is the President of the Hawaii Chess Federation, Vice President of the Mililani Chess Club, Vice Chairman of the Mililani Anti-Drug Committee, and Director of Mililani Garden Homes. The nominee is dedicated to the well-being and safety of Hawaii's citizens. Your Committee notes from his oral testimony that he wants to have more communication between the Civil Defense Advisory Council and the community.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations 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 (Baker, Hee, Kanno).

SCRep. 1711 Energy, Environment, and International Affairs on Gov. Msg. No. 467

Recommending that the Senate advise and consent to the nomination of the following:

ENVIRONMENTAL COUNCIL

G.M. No. 467 MONALISA G. GALLEG0, for a term to expire 06-30-2007

Your Committee received testimony in support of the nominee from the Office of Environmental Quality Control and two individuals. The nominee submitted written testimony and made an oral presentation.

Your Committee finds that the nominee, a United States citizen, received her Bachelor of Science degree in Chemistry from the Mindanao State University, Iligan Institute of Technology, received an Associate degree in Occupational and Environmental Safety Management from Honolulu Community College, and has engaged in continuing education in those fields. Your Committee also finds that the nominee has worked as an environmental survey researcher and as an environmental technician working on asbestos abatement projects. Your Committee further finds that since 2001 the nominee has been employed by C & S Services, Inc., as an environmental quality assurance director and safety compliance officer, and that the nominee's duties include performing level II nondestructive testing inspections.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International 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, 1 (Hemmings).

SCRep. 1712 (Majority) Judiciary and Hawaiian Affairs on Gov. Msg. No. 402

Recommending that the Senate not advise and consent to the nomination of the following:

COMMISSION ON THE STATUS OF WOMEN

G.M. No. 402 BRANDI M.L. JIM ON, for a term to expire 06-30-2006

BRANDI M.L. JIM ON earned a Bachelor of Science degree in Civil Engineering from the University of California at Los Angeles and a Master of Science degree in Structural Engineering from Purdue University. Ms. Jim On is currently a member of the Structural Engineers Association of Hawaii.

Testimony in support of Ms. Jim On was submitted by two individuals. Hawaii's Women Coalition testified in opposition to the nominee. The Honolulu County Committee on the Status of Women commented on the nominee.

Your Committee has concerns with the nomination of Ms. Jim On to the Commission on the Status of Women on two levels. First, prospective nominees to the Commission should not only have a broad and in-depth understanding of women's issues, but also be actively involved in women's organizations and issues in the community. Your Committee's concerns with respect to this nominee are not premised upon Ms. Jim On's professional accomplishments or achievements which are noteworthy. Instead, your Committee is concerned with Ms. Jim On's lack of familiarity with the important issues confronting women and girls in Hawaii as well as her lack of involvement with the various women's groups in the community that work with the Commission.

The second concern of your Committee with respect to this nominee centers upon the important role and mission of this Commission. This Commission was first established in 1970 to develop long-range goals and coordinate research planning, programming, and action on the opportunities, needs, problems, and contributions of women in Hawaii. The Commission continues to face daily challenges in not only fulfilling this mission, but also its very existence. Previous Governors as well as the current Governor have reduced the Commission's budget and staffing. Therefore, it is vital that prospective nominees of this Commission be strong advocates who are dedicated to not only the mission of the Commission, but the vital role it continues to play in educating and bringing greater public awareness of women's issues in 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, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee not to be qualified for the position to which nominated and recommends that the Senate not advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, 1 (Whalen). Excused, 1 (Ihara).

SCRep. 1713 Higher Education on S.C.R. No. 68

The purpose of this measure is to request the Auditor to review administrative procedures and policies at Kapiolani Community College to ensure and uphold the University of Hawaii's commitment to academic quality and integrity, equity, and fairness.

Your Committee circulated a proposed S.D. 1 that would instead request the Auditor to conduct an audit of the approval and decision-making procedures and the project approval process of the Mauna Kea science reserve.

Your Committee received testimony in support of the proposed S.D. 1 from the Office of Hawaiian Affairs; KAHEA, the Hawaiian-Environmental Alliance; Mauna Kea Anaina Hou; Sierra Club; and two individuals. Your Committee received testimony in opposition of this measure from the Department of Land and Natural Resources, Kahu Po'o, the Royal Order of Kamehameha I. Comments were also submitted by the University of Hawaii Interim Vice President for Research and the University of Hawaii at Hilo Office of Mauna Kea Management.

The Office of Mauna Kea Management was established under the University of Hawaii at Hilo to assume the authority for overall management of operational matters and minor projects of the Mauna Kea science reserve. Mauna Kea is now considered one of the world's premier sites for astronomical research because the rarified atmosphere surrounding its summit makes for excellent viewing conditions. Mauna Kea now hosts the world's premier observatories, which are owned by some of the wealthiest nations. In consideration for their use of the Mauna Kea summit, these nations pay the University of Hawaii (UH) one dollar per year in lease rent, or no lease rent at all, provided that the University receives limited use of the observatories. The astronomy research facilities located on the summit of Mauna Kea bring international recognition and status to the UH and its Institute for Astronomy. Supporting national and international astronomy programs is an important goal and acknowledges the scientific and educational benefits that can be realized from these endeavors.

A follow-up audit of the Mauna Kea science reserve will provide a means to answer the question as to whether the serious concerns raised in the 1998 audit have been addressed. As part of the audit a new management structure should be discussed that is fair to the people and to the University of Hawaii system. Your Committee finds that there are those who feel that Native Hawaiians and the general population of Hawaii are being cheated to the benefit of the international community. Mauna Kea is a profound natural gift to Hawaii with no equal elsewhere in the world. The University of Hawaii must not be derelict in its responsibilities for this resource, built on ceded lands, to Native Hawaiians and the general population of Hawaii.

However, your Committee finds that there is still public dissatisfaction with the management structure. Thus, your Committee finds that there is a need to consider a new project approval process for development within the Mauna Kea science reserve. Such an approval process should ensure that decision-making procedures are open to public scrutiny.

Your Committee further finds there is a need for the Auditor to analyze the transfer of management authority of the science reserve to a new Mauna Kea Science Reserve Authority. This consideration is aimed at ensuring that the management of the science reserve is conducted in an independent manner that is in the State's best interests. The resulting management scheme must protect the area's natural, cultural, and historic resources while it adequately and timely addresses the concerns of local groups with a strong interest in the mountain. A new and independent management authority would create and implement the necessary management and fiscal processes to protect the important natural, cultural, and historic resources of the science reserve, while giving due consideration to its multiple-use management objectives.

Your Committee has amended the proposed S.D. 1 by making technical amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 68, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 68, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 1714 (Joint) Higher Education and Education and Military Affairs on S.C.R. No. 172

The purpose of this measure is to urge the University of Hawaii (UH) to hold hearings and report on the University Affiliated Research Center designation by the Navy, Applied Research Laboratory proposal, classified research policy, and their relationship to the University's mission and strategic plan.

Your Committees received testimony in support of this measure from a total of fifty-eight organizations and individuals. Twenty-one organizations and individuals testified in opposition while thirty-eight individuals and organizations provided testimony in support of this measure. Among those testifying against the resolution were the Manoa Chancellor, deans, and faculty researchers. Those testifying in support of the resolution included students, faculty, retired faculty, and community individuals and groups.

Your Committees find the Board of Regents' Strategic Plan identifies the UH system missions as "promoting distinctive pathways to excellence and differentially emphasizing instruction, research, and service while fostering a cohesive response to state needs in the global community." Individuals testifying in support of the resolution stated that the University's Strategic Plan was developed through a rigorous strategic planning process and did not identify increased classified military research but rather called for increased openness and transparency which should be honored. Testimony received by those in opposition was sufficiently compelling to merit continuing the discussion of the establishment of a University Affiliated Research Center and Applied Research Laboratory. Those in support of the measure raised equally valid concerns surrounding the establishment of a University Affiliated Research Center and Applied Research Laboratory. Therefore, while both sides come from opposing viewpoints the resolution calls on the Interim President to assist the Legislature in providing thoughtful response to many unanswered questions.

Accordingly, after hearing and reviewing the oral and written testimony, your Committees have amended the measure by:

- (1) Recognizing that the University of Hawaii completed a rigorous strategic planning process, which is absent of a demand for increased classified military research, but rather calls for increased openness and transparency to be honored;
- (2) Recognizing that the Board of Regents Policy §5-15 provides that “each member also has an absolute right to choose whether, how, and where to publish scholarly conclusions and results of the research”;
- (3) Recognizing that while all research activities at the University have significant intellectual and economic benefits for the University and the State, they also have the potential to jeopardize animal or human subjects of research;
- (4) Recognizing that establishing a University Affiliated Research Center and Applied Research Laboratory is a decision that must be made carefully, ensuring that it is and will remain in compliance with all Federal, State, and UH policies;
- (5) Acknowledging that the Manoa Chancellor has begun to hold public meetings to provide information and hear concerns from the faculty, students, and the community; and
- (6) Requesting the Interim President to consult with stakeholders instead of create a task force.

Your Committees have further amended this measure by adding the following instructions to the list of items the Interim President is to report on:

- (1) How the UH will address the concern of critics that classified research may prevent the dissemination of new knowledge and insulates research from peer review;
- (2) The numbers and proportions of faculty and students that have participated in non-classified vis-a-vis classified research at other University Affiliated Research Centers around the country and any issues those institutions may have faced with respect to participation in classified research;
- (3) The anticipated number of faculty and students that UH Manoa anticipates will participate in non-classified vis-a-vis classified research;
- (4) The experience of other Navy University Affiliated Research Centers relative to the surrounding community as well as any consequences associated with the University Affiliated Research Center; and
- (5) How the UH will address the assertion that participation in classified research will “seriously compromise the tenure and promotion process, which requires that faculty evaluate our colleagues’ work.”

As affirmed by the records of votes of the members of your Committees on Higher Education and Education and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 172, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 172, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 2 (Tsutsui, Hogue).

SCRep. 1715 (Joint) Human Services and Intergovernmental Affairs on S.R. No. 86

The purpose of this measure is to request the Department of Human Services to attempt to broaden alternative housing options that may include tents, modified buses, and other structures.

The League of Women Voters of Hawaii, Kahalu’u United Methodist Church, Windward Homeless Coalition, the Homeless Ohana, and nineteen individuals submitted testimony in support of this measure. The Department of Human Services and an individual submitted testimony in opposition to this measure. The Governor’s Office supports the intent.

Your Committees find that homelessness is a continuous and increasing social problem and the demand for homeless shelters far exceeds the supply. It is in the interest of the State that homeless do not take up residence in public parks or public beaches. These homeless groups are a diverse population. They are families, runaway teens, elderly persons, mentally ill individuals, and individuals with drug addiction problems who find themselves without housing. Tent cities are not a long-term solution and the government should find alternative ways to provide transitional and permanent housing for them.

Your Committees further find that there is a need to find decent, alternative shelter on public lands for homeless families and individuals. In view of the limited options for the homeless, viable alternatives need to be explored to fill an urgent need for shelter.

Your Committees have amended this measure by:

- (1) Amending the title to request the Department of Human Services, in partnership with the City and County of Honolulu and community partners, to pilot transitional housing options for homeless families, couples, and individuals;
- (2) Increasing alternative options for short-term solutions on homeless accommodations;

- (3) Requesting the Department of Human Services to work with other counties that express interest in piloting transitional housing options; and
- (4) Adding the Department of Accounting and General Services, Department of Agriculture, Department of Hawaiian Home Lands, Office of Hawaiian Affairs, Department of Defense, Partners in Care, and Inter-Agency Council on Homelessness to the list of government agencies and community partners who will be transmitted certified copies of this Resolution.

As affirmed by the records of votes of the members of your Committees on Human Services and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 86, as amended herein, recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 86, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Baker, Inouye, Kim, Kokubun, Trimble).

SCRep. 1716 Higher Education on Gov. Msg.Nos. 240, 241 and 509

Recommending that the Senate advise and consent to the nominations of the following:

STATE POST-SECONDARY EDUCATION COMMISSION

G.M. No. 240 GRACE BLODGETT, for a term to expire 06-30-2008;

G.M. No. 241 DIANE KOMENAKA, for a term to expire 06-30-2008; and

G.M. No. 509 SALLY B. PROCTOR, for a term to expire 06-30-2009

GRACE BLODGETT is the Vice President and Campus Director of the University of Phoenix. The nominee received a Bachelor of Science degree from Westminster College of Utah, a Master of Science degree from University of Utah, a Master of Business Administration degree from the University of Phoenix, and a Ph.D. degree in Human Sexuality from the Institute for Advanced Studies of Human Sexuality. The nominee has a background in education and has held various positions in education in the last sixteen years in Hawaii. Your Committee notes from the nominee's written statement that she is interested in collaborating among public and private universities to assist in enhancing the quality of the community colleges.

Your Committee received testimony in support of the DIANE KOMENAKA from two individuals. The nominee is presently employed as a lecturer at Kapiolani Community College. She received a Bachelor of Arts degree from the University of Hawaii and a Master of Education degree in Curriculum Instruction, Secondary Mathematics Education, from the University of Hawaii. The nominee has held various positions in education for the last nineteen years in Hawaii. Your Committee notes from the nominee's written statement that she is a recipient of a four-year State of Hawaii Scholarship and can appreciate the significance of having financial aid to assist with the expenses of obtaining a college education.

Your Committee received testimony in support of SALLY B. PROCTOR from one individual. The nominee is the owner of Acorn Marketing, LLC. She received an Associate in Applied Science degree from Briarcliff College and a Bachelor of Science degree from Hawaii Pacific University. The nominee has held various positions in the visitor and tourism industry for the last twenty-three years in Hawaii.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1717 Higher Education on Gov. Msg. No. 483

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII MEDICAL EDUCATION COUNCIL

G.M. No. 483 MARY ELIZABETH WORRALL, for a term to expire on June 30, 2009

Your Committee received testimony in support of MARY ELIZABETH WORRALL from the University of Hawaii School of Nursing and one individual who provided oral testimony. The nominee is the President and Principal Broker of Mary Worrall Associates, Inc. She has held various positions in real estate and brokerage for the last forty-six years in Hawaii. The nominee is being re-appointed. The nominee's blend of experience and outstanding dedication and commitment to Hawaii's people would provide a very important perspective to the Hawaii Medical Council.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1718 Higher Education on Gov. Msg. Nos. 498, 500 and 501

Recommending that the Senate advise and consent to the nominations of the following:

CENTER FOR NURSING ADVISORY BOARD

G.M. No. 498 JANE K. KADOHIRO, DrPH, APRN, for a term to expire 06-30-2009;

G.M. No. 500 ANA M. SILVA, RN, CNA, BC, for a term to expire 06-30-2009; and

G.M. No. 501 JOAN PRINDIVILLE WHITE, for a term to expire 06-30-2009

Your Committee received testimony in support of the JANE K. KADOHIRO, DrPH, APRN from the University of Hawaii School of Nursing and Dental Hygiene, Hawaii Government Employees Association, Hawaii Public Health Association, and American Diabetes Association. The nominee is employed as a faculty member by the University of Hawaii School of Nursing and Dental Hygiene. The nominee received an Associate of Arts degree from Pierce College of Los Angeles, and Bachelor of Arts, Master of Public Health, Master of Science, and a Doctorate in Public Health degrees from the University of Hawaii at Manoa. Dr. Kadohiro has a background in health care and has held various positions in health care in the last twenty-eight years in Hawaii and on the mainland. She is being re-appointed. Your Committee notes from the nominee's written statement that she is honored and privileged to have been a founding member of the Center for Nursing Advisory Board, and believes that her experience and life-long volunteer work and leadership positions will be helpful in the advancement of the Center.

Your Committee received testimony in support of ANA M. SILVA, RN, CNA, BC, from the University of Hawaii School of Nursing and Dental Hygiene, Hawaii Government Employees Association, and two individuals. The nominee is presently employed as the Director of Education by the Kona Community Hospital. The nominee received an Associate Degree from Pam American University at Edinburg, a Bachelor of Science degree from the University of Hawaii at Manoa, and an ANCC Certification in Nursing Administration. She has held various positions in health care for the last twenty-two years in Hawaii and on the mainland. The nominee is being re-appointed. Your Committee notes from the nominee's written statement her willingness to continue her participation on the Board to assist with the advancement of the Board's strategic plan.

Your Committee received testimony in support of JOAN PRINDIVILLE WHITE from the University of Hawaii School of Nursing and Dental Hygiene and two individuals. The nominee is the Executive Director of the Hawaii Institute for Public Affairs. The nominee received a Bachelor of Science degree from Hawaii Pacific University and a Master of Business Administration degree from Chaminade University of Honolulu. She has held various positions in health care for the last twenty-six years in Hawaii. The nominee is being re-appointed. Your Committee notes from the nominee's written statement that she is enthusiastic about the Center's possibilities and is very dedicated to the Center's mission.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the 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 (Sakamoto).

SCRep. 1719 Health on Gov. Msg. Nos. 448, 449 and 450

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON DEVELOPMENTAL DISABILITIES

G.M. No. 448 ORALIE CARTER, for a term to expire 09-20-2008;

G.M. No. 449 ANN E. COLLINS, for a term to expire 09-20-2008; and

G.M. No. 450 CHARLOTTE K. YOSHIDA, for a term to expire 06-30-2007

Your Committee has reviewed the personal histories, resumes, 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 ORALIE CARTER from the State Council on Developmental Disabilities. Ms. Carter has served on the State Council on Developmental Disabilities for the past four years. She is the Policy and Community Coordinator at Goodwill Industries and will be representing private, non-profit organizations concerned with services for individuals with developmental disabilities in this State pursuant to the federal mandate. She has already proven herself to be an asset by leading the Community Supports Committee in developing a Waiver Handbook about the Community-Based Services Waiver Program for individuals with developmental disabilities and their families.

Your Committee received testimony in support of ANN E. COLLINS from the State Council on Developmental Disabilities and the President of the Hawaii Disability Rights Center. Ms. Collins is currently the Vice-President of the Hawaii Disability Rights Center

and brings the protection and advocacy system perspective to the Council pursuant to the federal mandate. Her appointment to the Council will enable the two agencies to coordinate and collaborate on advocacy activities.

Your Committee received testimony in support of CHARLOTTE K. YOSHIDA from the State Council on Developmental Disabilities, the Department of Education Windward Oahu District, Family Voices of Hawai'i, Hawaii Families As Allies, and one individual. Ms. Yoshida is a parent of an individual with a developmental disability. She is presently Co-Chair of the Ko'olauloa Community Children's Council and an Ombudsman for the Windward District Department of Education where her advocacy skills have been used to increase responsiveness to parents and their satisfaction with the educational system. Ms. Yoshida is also a graduate of the Council-sponsored Partners in Policymaking Leadership Academy. She will bring valuable insight to the 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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1720 Health on Gov. Msg. Nos. 451, 452, 453, 454 and 455

Recommending that the Senate advise and consent to the nominations of the following:

DISABILITY AND COMMUNICATION ACCESS BOARD

G.M. No. 451 MARIE E. KIMMEY, for a term to expire 06-30-2009;

G.M. No. 452 WILLIAM K. KOKI, II, for a term to expire 06-30-2009;

G.M. No. 453 STERLING KRYSLER, for a term to expire 06-30-2009;

G.M. No. 454 MARK T. OBATAKE, for a term to expire 06-30-2007; and

G.M. No. 455 NORMAN F. OLESEN, for a term to expire 06-30-2009

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Disability and Communication Access Board.

Your Committee received testimony in support of MARIE E. KIMMEY from the Disability and Communication Access Board. Ms. Kimmey has served as a member of the Board for the last three and one-half years. She is the current Chair of the Facility Access Committee and previously chaired the Nomination Committee. Ms. Kimmey is an architect with Riecke Sunnland Kono Architects, Ltd. and knowledgeable in the areas of the Americans with Disabilities Act and Federal Fair Housing Design. She provides audits regarding compliance for new and existing buildings. Ms. Kimmey's experience in the field of accessible design and policy is a valuable asset to the Board.

Your Committee received testimony in support of WILLIAM K. KOKI, II from the Disability and Communication Access Board. Mr. Koki is presently filling a vacancy on the Board and was recently appointed to serve as Chair of the Standing Committee on Communication Access. Mr. Koki is an American Sign Language interpreter and currently employed with Hawai'i Centers for Independent Living. He also instructs an American Sign Language/Interpreter Education Program at Kapi'olani Community College. Mr. Koki provides critical assistance to the Board's office as it implements its program to test and credential American Sign Language interpreters in the State.

Your Committee received testimony in support of STERLING KRYSLER from the Disability and Communication Access Board. Mr. Kryslar is currently completing his first term on the Board. He is a member of the Standing Committee on Communication Access. Mr. Kryslar is a person with a disability and a wheelchair user. He is a past President and current member of Aloha Special Technology Access Center, a board member of Hawaii PC User Group, and Vice-President of the Spinal Cord Injury Support Group. He is also a past board member of Hawaii Centers for Independent Living. He is very active as a participant in the Board-sponsored "Tools for Life" exposition of assistive technology and products for persons with disabilities.

Your Committee received testimony in support of MARK T. OBATAKE from the Disability and Communication Access Board, the Statewide Independent Living Council of Hawai'i, United Cerebral Palsy of Hawaii, and one individual. Mr. Obatake is a consumer with a mobility impairment. He has an extensive background in the development of services and advocacy for persons with disabilities. Mr. Obatake is the former Director of the Hawaii Centers for Independent Living, a former Commissioner with the Commission on Persons with Disabilities, and one of the founders of DiverseAbilities. He has also served as a member of Aloha United Way Council of Agency Executives, Statewide Independent Living Council, Goodwill Industries of Hawaii Board of Directors, and the Med-QUEST Phase II Technical Advisory Group. Mr. Obatake possesses the experience and commitment necessary to serve on the Board.

Your Committee received testimony in support of NORMAN F. OLESEN from the Disability and Communication Access Board. Mr. Olesen is completing his first term on the Board where he serves on the Facility Access Committee and the Parking Committee. He also represents the Board at meetings of the Mayors Committee on Disabilities. Mr. Olesen is a licensed engineer with over thirty years of management experience in the construction industry. He served as Deputy Planning Director for Hawaii County for four years. He was also Executive Assistant to the Mayor and the Americans with Disabilities Act Coordinator of Hawaii County whereby

he lead the transition plans and major construction projects for the county. Mr. Olesen's engineering perspective complements the other design professionals on the 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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1721 Health on Gov. Msg. Nos. 459 and 460

Recommending that the Senate advise and consent to the nominations of the following:

POLICY ADVISORY BOARD FOR ELDER AFFAIRS

G.M. No. 459 CAROLYN ARBUCKLE, Ph.D., for a term to expire 06-30-2009; and

G.M. No. 460 THOMAS J. MacDONALD, for a term to expire 06-30-2009

Your Committee reviewed the personal histories, resumes, 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.

Your Committee received testimony in support of CAROLYN ARBUCKLE, Ph.D. from the Executive Office on Aging and La Pietra Hawaii School for Girls. Ms. Arbuckle received a P.D. in English from the University of Hawaii and a Ph.D. in Alternative Medicine from Clayton College in Alabama. She has been a respected English teacher at La Pietra for twenty-two years. Ms. Arbuckle has volunteered with a number of life skills building programs including Hospice Hawaii, Kapiolani Medical Center for Women and Children's Teen Intervention Program, and the Hale Kipa Independent Living Program. Ms. Arbuckle was a caregiver for her husband and wrote a book about her experience and that of others undergoing the challenges of caring for a terminally ill loved one titled "A Caregiver's Journey with a Terminal Patient."

Your Committee received testimony in support of THOMAS J. MacDONALD from the Executive Office on Aging. Mr. MacDonald has over twenty-five years experience as a professional fiduciary. He received an M.A. and pursued a Ph.D. at Stanford University. He later attended the Stanford Graduate School of Business' Executive Program. Mr. MacDonald retired as President and Chief Executive Officer of Hawaiian Trust Co., Ltd. in 1995. He is a former member of the Executive Committee, Trust & Investment Division, of the American Bankers' Association and former President of the Hawaii Bankers' Association, Trust Division. His past community service includes serving as Director of the Hawaii Community Foundation where he was on the Nominating and Investment Committees. He is also a former Director of the United Way of Honolulu and the YMCA of Honolulu. He served on the Finance Committees of both of these organizations. Mr. MacDonald's knowledge and experience make him well qualified for the Policy Advisory Board for Elder Affairs.

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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1722 Health on Gov. Msg. No. 461

Recommending that the Senate advise and consent to the nomination of the following:

EMERGENCY MEDICAL SERVICES ADVISORY COMMITTEE

G.M. No. 461 DARREN J. ROSARIO, for a term to expire 06-30-2007

Your Committee reviewed the personal history and the statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Emergency Medical Services Advisory Committee.

Your Committee received testimony in support of DARREN J. ROSARIO from the Department of Health. Mr. Rosario currently serves as the Vice-Chair of the Emergency Medical Services Advisory Committee and has been a member since 1999. He is currently a Mobile Intensive Care Technician with the Hawaii County Fire Department. Mr. Rosario is also the fire department's Emergency Medical Services Quality Improvement Coordinator. He began as a Combat Medical Specialist in the Hawaii Army National Guard after he graduated from Hilo High School in 1985 and has been in the emergency medical services profession ever since. Mr. Rosario indicated that Hawaii has one of the best paramedic programs in the nation and that he is dedicated to upholding that legacy.

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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1723 Health on Gov. Msg. Nos. 468, 469, 470, 471, 472 and 473

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF HEALTH

G.M. No. 468 GENEVIEVE A. KINNEY, Ph.D. for a term to expire 06-30-2008;

G.M. No. 469 ANN M. KWOCK, D.V.M. for a term to expire 06-30-2008;

G.M. No. 470 BARRY SHITAMOTO, M.D., for a term to expire 06-30-2008;

G.M. No. 471 RICHARD E. SMITH, R.E.H.S., M.P.H., for a term to expire 06-30-2005;

G.M. No. 472 RICHARD E. SMITH, R.E.H.S., M.P.H., for a term to expire 06-30-2009; and

G.M. No. 473 JEFF J. SOL, M.D., for a term to expire 06-30-2008

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Board of Health.

Your Committee received testimony in support of GENEVIEVE A. KINNEY, Ph.D., from the Department of Health and an Associate Professor at the University of Hawaii at Hilo. Ms. Kinney earned a B.S. in Nursing and an M.A. in Nursing Education from St. John's University and Columbia University, respectively. She continued on to receive a Ph.D. in Transcultural Nursing from Union Institute in Ohio. Ms. Kinney was the first Nursing Director of the University of Hawaii at Hilo Baccalaureate Nursing Program. Over the last thirty years her nursing experience has included working at the University of Hawaii School of Nursing and the Hawaii Community College Nursing Programs. She also served as an Air Force Nurse. Currently, Ms. Kinney is the Principal Investigator of a research project related to health care practices of Micronesians, Native Hawaiians, and Filipino families. Ms. Kinney's experience in public health nursing and nursing education will be a great asset to the Board of Health.

Your Committee received testimony in support of ANN M. KWOCK, D.V.M., from the Department of Health, a senior researcher from the National Institute of Infectious Diseases - Japan, a Diplomat of the American College of Veterinary Ophthalmology, an Emeritus Professor from the Department of Animal Sciences at the University of Hawaii at Manoa, and six individuals. Dr. Kwock earned a B.S. from Washington State University and a D.V.M. from Oregon State University College of Veterinary Medicine. She also completed a residency certification in Veterinary Clinical Pathology at Michigan State University College of Veterinary Medicine. Aside from her private small animal veterinary practice, Dr. Kwock is also a successful loan officer with Primary Residential Mortgage. Dr. Kwock's perspective will enhance the Board of Health, especially as it concerns the relationship of animals to human health, as with diseases like SARS, poxvirus, and avian influenza.

Your Committee received testimony in support of BARRY SHITAMOTO, M.D., from the Department of Health, the President and Chief Executive Officer of Hawaii Health Systems Corporation, and the Chief Executive Officer of the Maui Memorial Medical Center. Dr. Shitamoto is board-certified in Anatomic and Clinical Pathology. He earned his B.A. in Microbiology from the University of Hawaii and his M.D. from the John A. Burns School of Medicine. Dr. Shitamoto completed a pathology internship and residency at the University of Colorado Health Science Center and a fellowship in Surgical Pathology at the University of Minnesota Health Science Center. He currently practices pathology at Maui Memorial Medical Center Laboratories. Dr. Shitamoto's wide-ranging experience includes having served as Executive Vice-President of Clinical Laboratories of Hawaii, Inc., Vice-Chief of Staff of Maui Memorial Medical Center, and Director of Laboratories at Maui Memorial Hospital. His community service includes having served on the Board of Directors of the American Cancer Society and as President of the American Heart Association. Dr. Shitamoto's experience and community service make him well qualified for the Board of Health.

Your Committee received testimony in support of RICHARD E. SMITH, R.E.H.S., M.P.H., from the Department of Health, the President of Coldwell Banker Previews International, the President of Kauai Vacation Rentals & Real Estate, Inc., and seven individuals. Mr. Smith is currently filling a vacancy and is seeking reappointment to the Board. Mr. Smith earned a B.A. in Environmental Health from San Jose State University and a M.P.H. from the University of Michigan. He worked for thirty-two years as a State of California Registered Environmental Health Specialist. Mr. Smith's vast public health experience includes working in areas such as food protection, solid waste, water supplies, sewage disposal, recreational water safety, and housing. He also has experience managing a hazardous material program and a hazardous waste enforcement program. Even though he is retired, Mr. Smith is dedicated to protecting the public against the degradation of food, water, land, and air resources. He volunteers on the Hanalei Watershed Hui, a nonprofit federally recognized group that seeks better solutions for sewage disposal. He also volunteers to teach science at Hanalei Elementary School. Mr. Smith's knowledge and experience in environmental health will greatly enhance the Board.

Your Committee received testimony in support of JEFF J. SOL, M.D., from the Department of Health, Windward United Church of Christ, a professor from the University of Hawaii at Manoa College of Education, a professor of medicine, and five individuals. Dr. Sol is semi-retired after practicing cardiology and internal medicine in Hawaii for thirty years. He earned his A.B. from Columbia University and his M.D. from Tufts University School of Medicine. Dr. Sol completed an internship and first year of residency at Boston City Hospital. He also served as a Major in the Army Medical Corps at Tripler Army Medical Center for two years. Dr. Sol is an Assistant Clinical Professor of Medicine at the University of Hawaii John A. Burns School of Medicine, where he has taught for the past thirty years. His distinguished medical career includes being a former Director of the CPU and ICU units at Castle Medical Center and a former Director of the Echocardiography Laboratory and Treadmill Exercise Testing Laboratory at Castle Medical

Center. Dr. Sol has also served on the Board of Directors of the Hawaii Heart Association and as President of the Windward Unit of the Hawaii Health Association. Dr. Sol's years of experience in the practice and teaching of medicine make him a valuable asset to the 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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1724 Health on Gov. Msg. No. 474

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HAWAII HEALTH SYSTEMS CORPORATION

G.M. No. 474 ANDREA LEHUANANI COSMA, for a term to expire 06-30-2009

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Board of Directors of the Hawaii Health Systems Corporation.

Your Committee received testimony in support of ANDREA LEHUANANI COSMA from the President and Chief Executive Officer of Hawaii Health Systems Corporation, the Chair of the Board of Directors of Hawaii Health Systems Corporation, the Chief Executive Officer of the Maui Region Hawaii Health Systems Corporation, and three individuals.

Ms. Cosma was born on Maui and has lived in Hana her entire life. She is a graduate of Hana High School and is currently enrolled at Western International University in pursuit of a degree in Human Services. She is also taking a counseling course at Maui Community College in Hana. Ms. Cosma is a community advocate who is active in helping address the health care challenges facing rural communities in Maui. To that end, she founded Hui Laulima, a resolution-oriented organization that strives to answer the concerns of the Hana community. Ms. Cosma advocates on behalf of renal dialysis patients and has worked to bring treatment services to Hana. In addition, she volunteers with the National Kidney Foundation to do kidney screening. She has testified before the Maui Governor's Advisory Committee regarding health care in Hana. Ms. Cosma's community-based knowledge and insight will bring an important perspective to the 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 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 (Hanabusa, Whalen).

SCRep. 1725 Health on Gov. Msg. Nos. 512, 513, 514, 515 and 516

Recommending that the Senate advise and consent to the nominations of the following:

RADIOLOGIC TECHNOLOGY BOARD

G.M. No. 512 LORI H. O. KAMIKAWA, for a term to expire 06-30-2009;

G.M. No. 513 VICTORY KNEISLEY, for a term to expire 06-30-2009;

G.M. No. 514 MARJORIE M. KUNIYOSHI, for a term to expire 06-30-2008;

G.M. No. 515 MARK MONIZ, for a term to expire 06-30-2009; and

G.M. No. 516 STEIN ERIK RAFTO, M.D., for a term to expire 06-30-2009

Your Committee reviewed the personal histories, resumes, and the 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, both the Director and the Medical Director of Imaging Services at Castle Medical Center, and two individuals. Ms. Kamikawa was born and raised in Hawaii. She graduated from Pearl City High School and attended Leeward Community College and Kapiolani Community College where she earned an Associate's Degree in Radiology Sciences. Ms. Kamikawa is a certified radiologic technologist and mammographer presently employed at Castle Medical Center. She has worked in the field for over twenty years. Ms. Kamikawa is a member of the Hawaii Society of Radiologic Technologists and is currently serving on the Radiologic Technology Board. Her familiarity with the Board combined with her years of related experience makes her well qualified for reappointment to the Board.

Your Committee received testimony in support of VICTORY KNEISLEY from the Office of the Governor and the Department of Health. She will be filling an Oahu public member vacancy on the Board. Ms. Kneisley earned a Certificate of Histology from Baylor

College of Medicine and has taken additional courses at the University of Houston and the University of Hawaii. Ms. Kneisley was a medical technician for over twenty-five years. She is presently a member of the Governor's Policy Team, but will be retiring at the end of August 2005. Ms. Kneisley's past experience includes working at the Office of the Honolulu Mayor, and as a legislative aide and private secretary for the City Council of Honolulu. She has been active in the community for a number of years including as a volunteer for the American Cancer Society, former docent at the Bishop Museum, and as a former aide at the Methodist Hospital in Houston.

Your Committee received testimony in support of MARJORIE M. KUNIYOSHI from the Department of Health, the Chief of Abdominal Imaging at Tripler Army Medical Center, and one individual. Ms. Kuniyoshi was born and raised in Hawaii. She attended Castle High School and graduated from the Radiological Technology Program at Kapiolani Community College. She also graduated from the University of Hawaii – West Oahu with a Bachelor's degree in Public Administration and a Certificate in Health Care Administration. She is a certified radiological technologist and an expert at performing a variety of diagnostic radiology examinations. Ms. Kuniyoshi has worked for Tripler Army Medical Center for the last twenty-three years. Prior to that, she worked for ten years in the private sector at various local hospitals. Ms. Kuniyoshi's professional affiliations include the American Society of Radiologic Technologists, the Hawaii Society of Radiologic Technologists, and the American Registry of Radiologic Technologists.

Your Committee received testimony in support of MARK MONIZ from the Department of Health, ILWU Local 142, and the current Board member whose vacancy Mr. Moniz will be filling. Mr. Moniz graduated from Damien Memorial High School and earned an A.S. in Radiologic Technology from Kapiolani Community College. Over the last ten years Mr. Moniz has worked as a Radiologic Technologist, a Clinical Instructor, Chief Technologist, and as an Angiocardiology Technologist. He is presently employed as a Cardiovascular Technologist for Kaiser Permanente. Mr. Moniz's professional affiliations include the American Society of Radiologic Technologists and the American Registry of Radiologic Technologists. Mr. Moniz's experience will benefit the Board.

Your Committee received testimony in support of STEIN ERIK RAFTO, M.D., from the Department of Health. Dr. Rafto is currently serving on the Radiologic Technology Board and is seeking reappointment. He has been employed as a staff radiologist with Kaiser Permanente for fifteen years. Dr. Rafto is very active in Kaiser's national development of a completely automated medical records system. He is also affiliated with the Honolulu County Medical Society. Dr. Rafto's professional experience and his familiarity with the issues facing the Board make him well qualified for 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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1726 Transportation and Government Operations on Gov. Msg. No. 530

Recommending that the Senate advise and consent to the nomination of the following:

WIRELESS ENHANCED 911 BOARD

G.M. No. 530 GORDON J. BRUCE, for a term to expire 06-30-2007

Your Committee received testimony in support of the nominee from Seagull Schools, Inc., Tissue Genesis Incorporated, and ten individuals. GORDON J. BRUCE is a graduate of Ryerson Polytechnical Institute, received a Master of Business Administration degree from Hawaii Pacific University, and completed the Small Business Management Program from the University of Hawaii. He is the Managing Member and Owner of GJB & Associates LLC, a consulting firm for information technology strategic planning, systems process engineering, new business start-ups, outsource contract management, and construction management. His clients include Kamehameha Schools, Hoala Greevy LLC, PauSpam LLC, Hale Makua, The Estate of James Campbell, Integrated Security Technologies, Hawaii PET Imaging, and the Japan America Institute of Management Science. Mr. Bruce previously held various managerial positions with the Estate of James Campbell and Queen's Medical Center.

Your Committee notes the oral testimony of the nominee that he will work with providers of cellular service to bring reception to so-called "dead spots" on all islands. This is important for a 911 service and for police communications.

As affirmed by the record of votes of the members of your Committee on Transportation 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, 5. Noes, none. Excused, 2 (Kanno, Whalen).

SCRep. 1727 Business and Economic Development on Gov. Msg. Nos. 397 and 398

Recommending that the Senate advise and consent to the nominations of the following:

SMALL BUSINESS REGULATORY REVIEW BOARD

G.M. No. 397 JEANETTE OTSUKA CHANG, for a term to expire 06-30-2009; and

G.M. No. 398 EDWARD MacDOWELL, for a term to expire 06-30-2009

Your Committee received testimony in support of the reappointment of JEANETTE OTSUKA CHANG from the Department of Business, Economic Development, and Tourism; the Small Business Regulatory Review Board; and three individuals. Ms. Chang graduated with honors from Punahou School and earned bachelor's and master's degrees at the University of Hawaii. Ms. Chang has small business experience as the owner of a children's clothing design and manufacturing company and, since 1999, as president of Otsuka's Furniture and Appliances, the business founded by her father and uncle in 1935. Her innovative management style was instrumental in the company being named Kauai's Retailer of the Year, as well as Best Furniture Store on Kauai two years running, and to Ms. Chang's selection as Hawaii Small Business Person of the Year in 2003.

Your Committee received testimony in support of the reappointment of EDWARD MacDOWELL from the Department of Business, Economic Development, and Tourism and the Small Business Regulatory Review Board. Mr. MacDowell has been the owner and principal broker of Vision Properties, Inc. for the past fifteen years. He has been a member of Us Guys Builders LLC, general contractors, since 1998. He is a director of the Kapaa Business Association, president and director of the Kauai Board of Realtors, and director of the Kauai Economic Development Board. He has served on the board since October 2003.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be reappointed to the Small Business Regulatory Review Board.

As affirmed by the record of votes of the members of your Committee on Business and 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, 2 (Menor, Sakamoto).

SCRep. 1728 Business and Economic Development on Gov. Msg. Nos. 399, 400 and 401

Recommending that the Senate advise and consent to the nominations of the following:

STADIUM AUTHORITY

G.M. No. 399 KATHLEEN O. AHINA, for a term to expire 06-30-2009;

G.M. No. 400 MARCIA J. KLOMPUS, for a term to expire 06-30-2009; and

G.M. No. 401 NELSON OYADOMARI, for a term to expire 06-30-2009

Your Committee received testimony in support of the nomination of KATHLEEN O. AHINA from the Stadium Authority and twenty-five individuals. Ms. Ahina was born and raised in Wahiawa, earned an Associate's Degree from Kapiolani Community College, and worked for approximately twenty-five years in the legal profession. She volunteered as a Team Leader for the Republican National Committee, for which she received a National Commendation Award in 2003. Ms. Ahina also is active in the Hawaii Republican Party, serving as the co-chair of the Victory Campaign, co-chair of the Platform Committee, and has served as the chair of the Lincoln Day Dinner Silent Auction in 2002 and 2003. In response to questions posed by your Committee, Ms. Ahina attested to her independent thinking and her ability to consider what is best for the Stadium Authority and Hawaii's people in particular despite being a paid appointee in the Governor's administration.

Your Committee received testimony in support of the nomination of MARCIA J. KLOMPUS from the Stadium Authority, the State Adjutant General, a member of the House of Representatives, the Mayor of the City and County of Honolulu, the University of Hawaii Athletics Department, and three individuals. Ms. Klompus has over twenty-five years of experience televising, broadcasting, and producing sporting events nationwide. She has worked in many stadiums and has participated in planning large-scale events, including bowl games. In addition, Ms. Klompus has served as the Executive Director of Sanctioned Events for the NCAA for the past ten years. In response to questions posed by your Committee, Ms. Klompus attested to her ability to make independent decisions and put the best interests of the Stadium Authority first despite being a paid appointee in the Governor's administration.

Your Committee received testimony in support of the nomination of NELSON OYADOMARI from the Stadium Authority and nine individuals. Mr. Oyadomari is a lifelong Hawaii resident. He has been in private business for over twenty years, and has been involved in the mortgage industry for the past eleven years. He is a member of several professional associations, the lead sponsor of the MDA of Hawaii Golf Tournament, and has been involved with the Lanakila Rehabilitation Center's Senior Meals-on-Wheels program.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Stadium Authority.

As affirmed by the record of votes of the members of your Committee on Business and 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, 2 (Menor, Sakamoto).

SCRep. 1729 Business and Economic Development on Gov. Msg. No. 432

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE ALOHA TOWER DEVELOPMENT CORPORATION

G.M. No. 432 MELISSA TEVES PAVLICEK, for a term to expire 06-30-2008

Your Committee received testimony in support of the appointment of MELISSA TEVES PAVLICEK from the Aloha Tower Development Corporation and seven individuals. Ms. Pavlicek grew up on Maui and is a graduate of the University of Hawaii and William S. Richardson School of Law. She is an attorney in private practice, with an emphasis on business transactions and government affairs. Ms. Pavlicek sits on the Hawaii Justice Foundation Board of Directors and serves as vice president of the Legal Aid Society of Hawaii. She has served as an officer of the Hawaii State Bar Association and as president of Hawaii Women Lawyers. In response to questions posed by your Committee, Ms. Pavlicek communicated her desire to help the Aloha Tower Development Corporation balance economic development with environmental and cultural preservation.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Aloha Tower Development Corporation.

As affirmed by the record of votes of the members of your Committee on Business and 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, 2 (Menor, Sakamoto).

SCRep. 1730 Business and Economic Development on Gov. Msg. No. 443

Recommending that the Senate advise and consent to the nomination of the following:

COMMUNITY-BASED ECONOMIC DEVELOPMENT ADVISORY COUNCIL

G.M. No. 443 STEPHANIE S.H. CRIVELLO, for a term to expire 06-30-2009

Your Committee received testimony in support of the appointment of STEPHANIE S.H. CRIVELLO to the Community-Based Economic Development Advisory Council from the Department of Business, Economic Development, and Tourism; Molokai Properties Limited; and seven individuals.

Ms. Crivello is a lifelong Hawaii resident who graduated from Molokai High School and attended the College of Commerce Business School. She retired as the island manager for Molokai/Lanai after working more than thirty years at GTE Hawaiian Tel/Verizon Telecommunications. Ms. Crivello is actively involved in community service on Molokai, where she sits on the Board of Directors of Na Puuwai Hawaiian Health Systems, Friends for Molokai High and Intermediate Schools, and Hawaii Alliance for Community-Based Economic Development. She is a member of the Maui County Board of Water Supply Commission, as well as the past president of both the Molokai High School PTA and the Molokai Enterprise Community Governance Board. She presently serves as the Interim Executive Director of the Molokai Enterprise Community nonprofit organization. In response to questions posed by your Committee, Ms. Crivello demonstrated her commitment to the people of Molokai and to developing viable community-based projects to promote community ownership of economic development.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Community-Based Economic Development Advisory Council.

As affirmed by the record of votes of the members of your Committee on Business and 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, 2 (Menor, Sakamoto).

SCRep. 1731 Transportation and Government Operations on S.R. No. 83

The purpose of this measure is to request the Department of Transportation (DOT) to amend section 19-42-83, Hawaii Administrative Rules, relating to movement of vessels at state ports.

Your Committee received testimony in support of this measure from Young Brothers, Limited, ILWU Local 142, Hawaii Ports Maritime Council, The Hawaii Pilots Association, Hawaii State Association of Electrical Workers, Inlandboatmen's Union of the Pacific, International Organization of Masters, Mates & Pilots, and ten individuals. Testimony in opposition was received from the Department of Transportation, Waldron Steamship Co., Ltd., Transmarine Navigation Corporation, Norwegian Cruise line, and North West Cruiseship Association.

Hawaii is dependent on waterborne transportation for the supply of the vast majority of goods used in the State, which underscores the importance of the harbor system to the State. As such, systems and procedures need to be in place to safeguard the harbors to allow the safe and continuous flow of commerce and the operation of systems in a safe and prudent manner. This concept is sometimes referred to as "prudent navigation." In particular, Hawaii's neighbor island harbor system is a vital link in the supply of food, energy, and other essential supplies.

A grounding, collision, or other casualty involving a large ship in the harbor area would have serious consequences for all residents on that island. Such a casualty would likely result in closure of the harbor, with a resultant interruption of shipping to and from the island. One of the most effective means to reduce the risk of shipping casualties, such as groundings and collisions, is to ensure the adequate use of tug boats to assist large ships entering and departing harbors.

Testimony of the DOT acknowledges that there is a need to amend its administrative rules pertaining to the movement of large vessels, which were last revised in 1997. Since that time, modern ship design and technology have made possible the current use of much larger commercial cargo and passenger ships. Safety issues are magnified with the introduction of larger vessels, both cargo and cruise, into service in the Hawaiian islands. The DOT states that the desired rules change is to assure the safe operation of larger vessels at state harbors, particularly with regard to the use of tug boat assistance.

Testimony on this measure indicated that there is no consensus on requiring the use of tug boats to berth large ships. Your Committee is primarily concerned with safety and possible liability to the State from property damage and physical injury. Your Committee recognizes that the added costs to shipping lines for the use of tug boats may discourage the discretionary use of tug boats. Therefore, the administrative rules should be clear and unambiguous as to when tug boats are required.

It has come to your Committee's attention that the DOT's policy with regard to use of tug boats at Hilo Harbor has been ambivalent and most recently contradictory. In the meantime while the DOT is revising its administrative rules, your Committee requests the DOT to administratively require the use of tug boats at Hilo Harbor for the large ships and to rescind any prior orders to the contrary.

Your Committee has amended this measure to urge the DOT to:

- (1) Review and update its administrative rules regarding the safe use of commercial harbors by large vessels; and
- (2) Require, as appropriate to the individual harbor, the use of at least one assist tug for all ships six hundred feet in length or more.

As affirmed by the record of votes of the members of your Committee on Transportation and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 83, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 83, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kanno, Whalen).

SCRep. 1732 Health on Gov. Msg. Nos. 456 and 457

Recommending that the Senate advise and consent to the nominations of the following:

DRUG PRODUCT SELECTION BOARD

G.M. No. 456 TODD KIYOSHI INAFUKU, for a term to expire 06-30-2005, and

G.M. No. 457 TODD KIYOSHI INAFUKU, for a term to expire 06-30-2009

Your Committee reviewed a resume 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 TODD KIYOSHI INAFUKU from the Department of Health. Mr. Inafuku is presently filling a vacancy left by another member of the Board. He is also seeking reappointment. Mr. Inafuku is familiar with the responsibilities of the vacancy as he chaired the Drug Product Selection Board from 1994 to 2002. Mr. Inafuku majored in chemistry while attending the University of Hawaii and received his Bachelor of Science in pharmacy with honors from the University of Wyoming, Laramie. He is currently pharmacist to the Bioterrorism Preparedness and Response Branch of the Department of Health. He is Vice-President of Medicine Bank of Hawaii, and his affiliations also include the Flu and Pneumonia Task Force and the Pharmacy Advisory Committee. Mr. Inafuku has experience serving as a pharmacist consultant to Radiant Research of Hawaii in which he prepared Phase One clinical trials of new drug entities of various pharmaceutical manufacturers. Mr. Inafuku's knowledge and experience make him well qualified for appointment to the 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 nominee, has found the nominee 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 (Hanabusa, Whalen).

SCRep. 1733 Commerce, Consumer Protection and Housing on Gov. Msg. No. 439

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF ACUPUNCTURE

G.M. No. 439 ULRIKE WEISS, for a term to expire 06-30-2009

The Department of Commerce and Consumer Affairs testified in support of the nomination.

ULRIKE WEISS has been a licensed acupuncturist in Hawaii since 1994 and currently holds a license in good standing. In 1993, she received a master's degree in oriental medicine from the Tai Hsuan College of Acupuncture and Herbal Medicine. Ms. Weiss has served on the Board of Acupuncture since July 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, 4. Noes, none. Excused, 2 (Espero, Sakamoto).

SCRep. 1734 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 484 and 485

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF MEDICAL EXAMINERS

G.M. No. 484 BRIAN E. CODY, for a term to expire June 30, 2009; and

G.M. No. 485 H. ROGER NETZER, M.D., for a term to expire 06-30-2009

The Department of Commerce and Consumer Affairs, Board of Medical Examiners, Kapaa Family Physicians, Kuhio Medical Center, and an individual testified in support of the nomination of H. Roger Netzer.

BRIAN E. CODY is the director of ancillary services at Kaiser Foundation Health Plan and has over fifteen years of management experience in the health care delivery system. Mr. Cody's current responsibilities include administrative and operations oversight for laboratory, pharmaceutical, and radiological services in the health maintenance organization's statewide system. The nominee's record of community service includes serving as co-chairperson of the Kaiser Aloha United Way campaign and, currently, Mr. Cody serves as an Aloha United Way Community Building Team member.

H. ROGER NETZER received his medical degree from the University of Michigan Medical School. Since 1973, Dr. Netzer has been licensed to practice medicine in Hawaii and engaged in private practice with the Kauai Medical Group. The nominee was appointed to the Board of Medical Examiners in July 2001 and currently serves as its chairperson.

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, 4. Noes, none. Excused, 2 (Espero, Sakamoto).

SCRep. 1735 Commerce, Consumer Protection and Housing on Gov. Msg. No. 486

Recommending that the Senate advise and consent to the nomination of the following:

MOTOR VEHICLE INDUSTRY LICENSING BOARD

G.M. No. 486 WAYNE K. De LUZ, for a term to expire 06-30-2009

The Department of Commerce and Consumer Affairs, Big Island Toyota, Inc., and Hawaii Automobile Dealers Association testified in support of the nomination.

WAYNE K. De LUZ, a graduate of the Northwoods Institute in Midland Michigan, is vice president and general manager of Hilo-Kona Mazda Subaru, a licensed motor vehicle dealership. Mr. De Luz has been involved in the automotive industry for over twenty-five years and has served in almost every auto dealership position. Over the years, the nominee has earned numerous dealership awards and is currently president-elect of the Hawaii Automobile Dealers Association. Mr. De Luz is a current member of the Motor Vehicle Industry 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, 2 (Espero, Sakamoto).

SCRep. 1736 Commerce, Consumer Protection and Housing on Gov. Msg. No. 487

Recommending that the Senate advise and consent to the nomination of the following:

MOTOR VEHICLE REPAIR INDUSTRY BOARD

G.M. No. 487 RANDAL M. MORIFUJI, for a term to expire 06-30-2008

The Department of Commerce and Consumer Affairs testified in support of the nomination.

RANDAL M. MORIFUJI has been a licensed motor vehicle mechanic since 1986. He holds a Master Technician designation from the National Institute for Automobile Service Excellence, a designation granted to individuals certified in all eight automotive mechanical repair classifications. For the past fourteen years, Mr. Morifuji has owned and operated Excel Automotive, Inc. The nominee has served on the Motor Vehicle Repair Industry Board since July 2000.

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, 2 (Espero, Sakamoto).

SCRep. 1737 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 437 and 438

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF ACCOUNTANCY

G.M. No. 437 STEPHEN E. CALLO, for a term to expire 06-30-2009; and

G.M. No. 438 HOWARD S. TODO, for a term to expire 06-30-2009

The Department of Commerce and Consumer Affairs, the Representative for the Nineteenth District of the State House of Representatives, Hawaii Society of Certified Public Accountants, LDA Business Service, Ernst and Young, Bowen Hunsaker Hirai Consulting Inc., and an individual testified in support of the nomination of Howard S. Todo.

STEPHEN E. CALLO has been licensed in the State as a certified public accountant since 1985. Mr. Callo began his career in the profession as a junior accountant in 1980 and today owns a tax financial consulting business. The nominee is a member of the American Institute of Certified Public Accountants and Hawaii Society of Certified Public Accountants. Mr. Callo has been active in the community with numerous organizations, including the Filipino Chamber of Commerce, Organ Donor Center of Hawaii, and Filipino Community Center.

HOWARD S. TODO has been a licensed certified public accountant in the State since October 1974 and currently holds a license in good standing. Prior to assuming his current position as vice president-finance and chief financial officer for Hawaii Island Air, Inc., and sole proprietor of a financial management and consulting firm, Mr. Todo was a partner with Ernst and Young, LLP. He has represented his peers on the national level by serving on the National Council of the American Institute of Certified Public Accountants. The nominee has served on the Board of Public Accountancy since July 2001, and as its vice chairperson since 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 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 (Espero, Sakamoto).

SCRep. 1738 Commerce, Consumer Protection and Housing on Gov. Msg. No. 510

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PRIVATE DETECTIVES AND GUARDS

G.M. No. 510 WARREN J. FERREIRA, M.A., C.P.P., for a term to expire 06-30-2009

The Department of Commerce and Consumer Affairs testified in support of the nomination.

WARREN J. FERREIRA has been a licensed principal guard since August 1991 and a licensed principal detective since September 1991. Mr. Ferreira has over twenty-nine years in public law enforcement and over fifteen years in the private security industry. The nominee is presently corporate director of security and support services for Outrigger Hotels and Resorts. Mr. Ferreira has served on the Board of Private Detectives and Guards since July 2003 and as its chairperson since July 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, 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 (Espero, Sakamoto).

SCRep. 1739 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 463, 464, 465 and 466

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PROFESSIONAL ENGINEERS, ARCHITECTS, SURVEYORS, AND LANDSCAPE ARCHITECTS

G.M. No. 463 MICHAEL S. CHU, for a term to expire 06-30-2008;

G.M. No. 464 SHELLI A. McCELVEY, for a term to expire 06-30-2009;

G.M. No. 465 ROSS S. OKUDA, P.E., for a term to expire 06-30-2008; and

G.M. No. 466 KEN OTA, for a term to expire 06-30-2009

The Coalition of Hawaii Engineering and Architectural Professionals, Institute for Human Services, and one individual testified in support of Michael S. Chu. Lester H. Inouye and Associates Inc. and American Society of Landscape Architects-Hawaii Chapter testified in support of Shelli A. McCelvey. Iwamoto and Associates, LLC, and an individual supported the nomination of Ross S. Okuda. The Department of Commerce and Consumer Affairs supported the nomination of Ken Ota.

MICHAEL S. CHU holds a bachelor of science degree in landscape architecture from California State Polytechnic University and has been a licensed landscape architect since 1982. The nominee has received several landscape architecture awards, including the A.I.A. National Honor Award for Urban Design and the Kukulu Hale Award.

SHELLI A. McCELVEY earned a bachelor of science degree in landscape architecture from California State Polytechnic University. Ms. McCelvey has practiced landscape architecture since 1984 and is the owner of McCelvey Associates, Inc. The nominee is a member of the American Society of Landscape Architects and a past board member of Landscape Industry Council Hawaii.

ROSS S. OKUDA holds a bachelor of science degree in mechanical engineering from the University of Hawaii. Mr. Okuda has practiced mechanical engineering since 1992 and is currently principal mechanical engineer with Mechanical Enterprises, Inc. The nominee is a member of the American Society of Heating, Refrigeration and Air-Conditioning Engineers.

KEN OTA, nominated as a public member, is a certified irrigation designer and general manager of Irrigation Systems, Inc. Mr. Ota's community service includes work with the A&B Sugar Museum and Keiki's Dream. The nominee has served on the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects since July 2001 and currently serves as its chairperson.

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, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 1740 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 527 and 528

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF VETERINARY EXAMINERS

G.M. No. 527 ERIC M.F.C. AKO, D.V.M., for a term to expire 06-30-2008; and

G.M. No. 528 PAM L. SMITH, for a term to expire 06-30-2008

The Department of Commerce and Consumer Affairs and Board of Veterinary Examiners (Board) testified in support of the nomination of Eric M.F.C. Ako. Four individuals supported the nomination of Pam L. Smith.

ERIC M.F.C. AKO has been a licensed veterinarian since 1983 and engaged in the private practice of veterinary medicine since 1987. Dr. Ako is executive vice president of the Hawaii Veterinary Medical Association and vice president of the Honolulu Veterinary Society. The nominee has served on the Board since July 1999 and currently serves as its chairperson.

PAM L. SMITH is an independent contractor and consultant with a background in business and marketing. Ms. Smith has extensive experience in community work and governmental affairs, having served on the Ewa Neighborhood Board and Ewa Vision Team. Additionally, Ms. Smith has volunteered as a reading tutor and AARP tax aide, and helped to develop the Ewa Beach Weed and Seed Program. The nominee has been active in the legislative process relating to animal quarantine and animal cruelty laws.

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, 4. Noes, none. Excused, 2 (Espero, Sakamoto).

SCRep. 1741 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 444, 445 and 446

Recommending that the Senate advise and consent to the nominations of the following:

CONTRACTORS LICENSE BOARD

G.M. No. 444 TADY T. ARISUMI, for a term to expire 06-30-2009;

G.M. No. 445 JOE S. KINDRICH, for a term to expire 06-30-2009; and

G.M. No. 446 AUDREY E.J. NG, for a term to expire 06-30-2009

The Department of Commerce and Consumer Affairs and Contractors License Board testified in support of nominees Arisumi and Ng. A Maui County Councilmember, J. Walter Cameron Center, and an individual supported the nomination of Mr. Arisumi. Testimony in support of Mr. Kindrich was received from Legacy Tax Group, Electrical Contractors Hawaii, Aylward Enterprises, Incorporated, Pacific Source, Pacific Commercial Services, LLC., Associated Builders and Contractors-Hawaii Chapter, and three individuals.

TADY T. ARISUMI is president of Arisumi Brothers, Inc., and has been employed by the family's construction business since 1955. Mr. Arisumi has been licensed as a contractor since 1992 and holds a general engineering and general building contractor license, in addition to numerous specialty contractor licenses. The nominee has served on the Contractors License Board (Board) since July 2001.

JOE S. KINDRICH is president and owner of Hicks Homes and a third generation home builder. Mr. Kindrich holds a general contractors license and a specialty contractor license in the painting trade. The nominee has served as president of the Associated Builders and Contractors-Hawaii Chapter and serves on the board of the national chapter.

AUDREY E.J. NG, nominated as a public member, is a partner in the law firm Goodsill Anderson Quinn and Stifel LLP. Her legal practice has involved representation of homeowners, business owners, contractors, developers, lenders, public utilities, and other parties in real estate development and construction projects. Ms. Ng has served on the Board since July 2001.

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, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 1742 Commerce, Consumer Protection and Housing on Gov. Msg. No. 511

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PSYCHOLOGY

G.M. No. 511 EVELYN H. YANAGIDA, for a term to expire 06-30-2009

The Department of Commerce and Consumer Affairs, Board of Psychology (Board), and three individuals testified in support of the nomination.

EVELYN H. YANAGIDA has been a licensed psychologist since July 1980 and holds a current license in good standing. Dr. Yanagida also holds a diplomate certificate in clinical psychology from the American Board of Professional Psychology. The nominee

is on the staff of Kapiolani Medical Center and maintains a private practice specializing in child psychology. Additionally, Dr. Yanagida has served on the Board since July 2002 and is its current chairperson.

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, 2 (Espero, Sakamoto).

SCRep. 1743 Commerce, Consumer Protection and Housing on Gov. Msg. No. 497

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF EXAMINERS IN NATUROPATHY

G.M. No. 497 LAURIE STEELSMITH, for a term to expire 06-30-2008

Testimony in support of the nomination was submitted by three individuals.

LAURIE STEELSMITH earned degrees in natural health sciences, acupuncture, and naturopathic medicine from Bastyr University. Dr. Steelsmith has practiced naturopathic medicine since 1993 and is currently in private practice at Kahala Natural Health Center.

Dr. Steelsmith is a member of the American Association of Naturopathic Physicians, Hawaii Society of Naturopathic Physicians, and Hawaii Acupuncture Association. Additionally, the nominee is a diplomate of the National Commission for the Certification of Acupuncturists.

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, 2 (Ige, Sakamoto).

SCRep. 1744 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 518, 519, 520 and 521

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF SPEECH PATHOLOGY AND AUDIOLOGY

G.M. No. 518 ANA A. GAMBLE, for a term to expire 06-30-2008;

G.M. No. 519 MONA S. TAKUMI, for a term to expire 06-30-2008;

G.M. No. 520 LENHANH P. TRAN, M.D., for a term to expire 06-30-2008; and

G.M. No. 521 MARGARET K. WADA, for a term to expire 06-30-2008

The Department of Commerce and Consumer Affairs testified in support of all the nominations. Additionally, the nominations of Mona S. Takumi and Ana A. Gamble were supported by the individual testimonies of two persons, and the nomination of Margaret K. Wada was supported by the testimony of one person.

ANA A. GAMBLE has been licensed as a speech pathologist since 1986 and holds a current license in good standing. Ms. Gamble is presently employed as a speech pathologist with the Department of Education. The nominee is a member of the American Speech Language Association and Hawaii Speech Language Hearing Association. Ms. Gamble currently serves as chairperson of the Board of Speech Pathology and Audiology (Board).

MONA S. TAKUMI has been licensed as an audiologist since 1976 and holds a current license in good standing. Since 2000, Ms. Takumi has been employed as an audiologist with Kaiser Permanente's Wailuku Clinic. Prior thereto, Ms. Takumi worked as an audiologist in the private and public sectors. The nominee also volunteers as a consulting audiologist with the Imua Family Service Newborn Hearing Screening Program. Ms. Takumi currently holds one of two audiologist positions on the Board.

LENHANH P. TRAN is a board-certified physician in otolaryngology/head and neck surgery with fellowship training in pediatric otolaryngology, and has been licensed to practice medicine in Hawaii since 2000. Dr. Tran practiced pediatric otolaryngology at the Children's Medical Center in Washington, D.C., and otolaryngology at Tripler Medical Center before entering into private practice. The nominee is a current member of the Board.

MARGARET K. WADA has been licensed as a speech pathologist since 1976 and holds a current license in good standing. Ms. Wada is employed as a speech language pathologist with the Department of Health where she directs the State's early childhood

services programs, in addition to practicing speech language therapy. The nominee's work with special needs children and their families earned her the Special Parents Information Network award. Ms. Wada currently holds one of two speech pathologist seats on 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, 4. Noes, none. Excused, 2 (Espero, Sakamoto).

SCRep. 1745 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 502, 503, 504, 505, 506, 507 and 508

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF NURSING

G.M. No. 502 KATHARYN FROST DAUB, Ph.D., R.N., for a term to expire 06-30-2007;

G.M. No. 503 DARRYL N. ING, for a term to expire 06-30-2007;

G.M. No. 504 JILLIAN INOUE, Ph.D., for a term to expire 06-30-2007;

G.M. No. 505 PATRICIA A. LANGE-OTSUKA, Ed.D, M.S.N. A.P.R.N. B.C., for a term to expire 06-30-2008;

G.M. No. 506 BENJAMIN MERCADO, for a term to expire 06-30-2009;

G.M. No. 507 MARY FRANCES ONEHA, Ph.D., for a term to expire 06-30-2008; and

G.M. No. 508 BARBARA ANN TANNER, R.N., for a term to expire 06-30-2008

The Department of Commerce and Consumer Affairs testified in support of the nominations of Katharyn Frost Daub, Darryl N. Ing, Jillian Inouye, Benjamin Mercado, Mary Frances Oneha, and Barbara Ann Tanner. The nominations of Katharyn Frost Daub, Jillian Inouye, and Patricia Lange-Otsuka each received support from an individual, four individuals testified in support of Mary Frances Oneha, and two individuals supported the nomination of Barbara Ann Tanner.

KATHARYN FROST DAUB is licensed in the State as a registered nurse. She holds a doctorate in education and is a tenured associate professor of nursing at the University of Hawaii at Hilo. Additionally, Dr. Daub works as a per diem intensive care unit nurse at Kona Community Hospital. The nominee is a member of the Transcultural Nursing Society, Hawaii Nurses Association, and Zeta Kappa Teacher's Honor Society, and has served on the Board of Nursing (Board) since July 2001.

DARRYL N. ING was employed as senior vice president and chief operating officer of Kuakini Health System for twenty-four years and is currently executive director of the Organ Donor Center of Hawaii. Mr. Ing has served on the Board since 2001 and is the current Board chairperson.

JILLIAN INOUE is licensed in the State as a registered nurse, advanced practice registered nurse, and psychologist. Dr. Inouye is currently employed as a professor of nursing and director of the Office of Nursing Research at the University of Hawaii School of Nursing. The nominee has served as one of four advanced practice registered nurse members of the Board since July 2001.

PATRICIA A. LANGE-OTSUKA holds undergraduate and graduate nursing degrees and a doctoral degree in education. Dr. Lange-Otsuka is licensed in Hawaii and Ohio as a registered nurse and advanced practice registered nurse, and is a certified clinical nurse specialist in community health. For the past fourteen years, the nominee worked as a nursing educator with Hawaii Pacific University (HPU) and currently serves as associate dean of nursing.

BENJAMIN MERCADO has held a license as a licensed practical nurse since 1974, and has been employed as a licensed practical nurse with the Department of Health since 1977. Mr. Mercado has served on the Board since July 2002. Additionally, the nominee has a history of community service with the Windward Unit of the American Cancer Society.

MARY FRANCES ONEHA holds multiple nursing degrees, including a doctoral degree in nursing from the University of Colorado Health Sciences Center. Dr. Oneha has been a registered nurse since 1982 and an advanced practice registered nurse since 2001. The nominee is employed as the director of case management/utilization at the Waianae Coast Comprehensive Health Center. Dr. Oneha has served on the Board since July 2002.

BARBARA ANN TANNER is a licensed registered nurse and advanced practice registered nurse who holds a bachelor of science degree in nursing, a master's of science degree in parent/child nursing, and a pediatric nursing certificate. Ms. Tanner has practiced nursing in Hawaii since 1965, having previously practiced in the State of California. The nominee is an assistant professor of clinical nursing at the University of Hawaii at Manoa and also teaches nursing on the Island of Maui. Ms. Tanner has served on the Board since July 2002.

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, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 1746 (Joint) Commerce, Consumer Protection and Housing and Intergovernmental Affairs on H.C.R. No. 170

The purpose of this measure is to request the counties to establish a system of tax increment financing to support the development of infrastructure for affordable housing projects.

Your Committees find that chapter 46, Hawaii Revised Statutes, authorizes the counties to provide for tax increment financing by establishing tax increment districts and issuing tax increment bonds. Bond proceeds may be used to finance the implementation of redevelopment or community development plans. This measure requests the counties to utilize tax increment financing to develop infrastructure for affordable housing projects.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 170, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 5 (English, Espero, Inouye, Nishihara, Sakamoto).

SCRep. 1747 Commerce, Consumer Protection and Housing on H.C.R. No. 4

The purpose of this measure is to request the Insurance Commissioner (Commissioner) to consider the advisability of entering into an interstate compact relating to property and casualty insurance for certain perils.

The Department of Commerce and Consumer Affairs and Hawaii Association of Realtors testified in support of this measure.

Your Committee finds that the formation of an interstate compact governing requirements for property and casualty insurance that protects against certain perils may alleviate the difficulties Hawaii consumers face in obtaining affordable insurance coverage. This measure requests the Commissioner to consider the possibility and advisability of forming such a compact with 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 concurs with the intent and purpose of H.C.R. No. 4, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Espero, Sakamoto).

SCRep. 1748 Water, Land, and Agriculture on Gov. Msg. Nos 201 and 202

Recommending that the Senate advise and consent to the nominations of the following:

LAND USE COMMISSION

G.M. No. 201 MICHAEL D. FORMBY, for a term to expire 06-30-2008; and

G.M. No. 202 LISA M. JUDGE, for a term to expire 06-30-2008

MICHAEL D. FORMBY is the Managing Partner of Frame Formby & O'Kane. Mr. Formby has worked as an attorney for approximately twenty-three years and has extensive experience in contract law and litigation. He holds a Bachelor of Science degree from Texas A&M University and a Doctor of Jurisprudence from the South Texas College of Law and is a member of the Hawaii State Bar Association, the Maritime Law Association of the United States, the Federal Bar Association, the Business Advisory Council, the American Society for the Prevention of Cruelty to Animals, the Hawaiian Humane Society, and the Southern Poverty Law Center. He is an interim appointee to the commission.

Testimony in support of Mr. Formby was submitted by the Land Use Commission.

LISA M. JUDGE is the owner of Paliku Realty, LLC, a company that advises and assists clients with land use issues and permitting requirements. She has also worked at the Kaanapali Beach Resort Association where she was the Director of Marketing and for the County of Maui where she was the Director and Deputy Director of Planning. Ms. Judge has been a member of the Wailea Community Association Long-Range Planning Task Force, the Nature Conservancy, the Maui County Arborist Committee, and the Hawaii Association of Realtors Convention Committee. She has also been the President of Palms at Wailea Phase 2 Association of Apartment Owners, a Director of the Maui Board of Realtors and the Maui Mental Health Association, and the Chairperson of the Public Relations Committee for the Maui Board of Realtors. She is an interim appointee to the commission.

Testimony in support of Ms. Judge was submitted by the Land Use Commission.

Your Committee finds that the nominees' background, experience, and commitment to public service make each an asset to the Land Use 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.
Ayes, 4. Noes, none. Excused, 1 (Hemmings).

SCRep. 1749 Water, Land, and Agriculture on Gov. Msg. No. 293

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON WATER RESOURCE MANAGEMENT

G.M. No. 293 LAWRENCE H. MIIKE MD, JD, for a term to expire 06-30-2008

LAWRENCE H. MIIKE has a long and distinguished background in health policies and public service. Last year, Dr. Miike published a book entitled, "Water and the Law in Hawaii," and from 1997 to 2001, Dr. Miike was a member of President Clinton's National Bioethics Advisory Commission, which provided advice and recommendations to the President on bioethical issues arising from research on the human biology and behavior and the applications of that research in health care.

Dr. Miike has also served as a member of Governor Benjamin Cayetano's Cabinet as Director of Health, and as such, served on the Commission in an ex-officio capacity; as Medical Director for the Hawaii Medicaid Program; and was the founding Executive Director for Papa Ola Lokahi, the umbrella organization for the Native Hawaiian health systems authorized and funded by the federal Native Hawaiian Health Care Act of 1988. He conducted national health policy studies in Washington, D.C. from 1972 to 1989, and is a graduate of Amherst College; the University of California, San Francisco School of Medicine; and the University of California, Los Angeles, School of Law. He presently serves on the Commission in an interim capacity.

Testimony in support of Dr. Miike was submitted by the Department of Land and Natural Resources; Alexander & Baldwin, Inc.; Hawaii Agriculture Research Center; and four individuals.

Your Committee finds that the nominee's experience, extensive knowledge, and strong commitment to public service makes him an invaluable asset to the Commission on Water Resource Management.

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 (Hemmings).

SCRep. 1750 Water, Land, and Agriculture on Gov. Msg. Nos. 386 and 387

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF AGRICULTURE

G.M. No. 386 ALAN H. GOTTLIEB, for a term to expire 06-30-2009; and

G.M. No. 387 CRAIG G. RASMUSSEN, for a term to expire 06-30-2009

ALAN H. GOTTLIEB has worked for and owned companies in the agricultural industry for twenty-five years, including the Kahua Beef Sales, Inc.; Kahua Meat Company, Ltd; Kahua Nurseries, Inc.; and the Ponoeholo Ranch; and Hawaii Earth Products, Ltd. He has chaired the Agricultural Leadership Foundation of Hawaii, received a Kapolei Outstanding Achievement (KOA) Award from the Estate of James Campbell, an Investing in the Environment Award from Hawaii Investor Magazine, and Cattleman of the Year Award from the Hawaii Cattlemen's Council.

Mr. Gottlieb is currently a board member of the Hawaii Cattlemen's Council and the Hawaii Beef Industry Council and is a member of Recycling Committee of the General Contractor's Association. He has also been a board member of the West Oahu Soil and Water Conservation District, the Agricultural Leadership Foundation of Hawaii, the Governor's Small Business Advisory Committee, the Meat and Poultry Association of Hawaii, and the Western States Meat Association.

Testimony in support of Mr. Gottlieb was submitted by the Department of Agriculture; the University of Hawaii College of Tropical Agriculture and Human Resources; the Hawaii Cattlemen's Council, Inc.; Hawaii Farm Bureau; Jane Yamashiro and Associates; Kahua Ranch, Ltd.; Maui Cattle Company, LLC; Maui County Farm Bureau; Tropical Hawaiian Products; and one individual.

CRAIG G. RASMUSSEN has a Bachelor's degree in Botany from the University of Idaho and has owned and operated a flower farm, Paradise Flower Farms, Inc., since 1976. Mr. Rasmussen was the former President of the Maui County Farm Bureau and has served on the Maui County Agriculture Park Commission. He has received the Outstanding Farm Bureau Member of the Year Award,

the Entrepreneurs of the Year Award from the Maui Chamber of Commerce and Island Business Magazine, the Small Business Person of the Year Award from the Maui County United States Small Business Administration, the Outstanding Cooperator of the Year Award from the United States Department of Agriculture Natural Resources Conservation Service, and the Outstanding Farm Family of the Year Award.

Testimony in support of Mr. Rasmussen was submitted by the Department of Agriculture, the Hawaii Farm Bureau, the Maui County Farm Bureau, and one individual.

Your Committee finds that the nominees' experience, coupled with a strong commitment to public service, make them each an asset to the Board of Agriculture.

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 (Hemmings).

SCRep. 1751 Water, Land, and Agriculture on Gov. Msg. No. 390

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII COMMUNITY DEVELOPMENT AUTHORITY (HCDA)

G.M. No. 390 MICHAEL N. GOSHI, for a term to expire 10-12-2007

MICHAEL N. GOSHI is a senior principal of Design Partners Incorporated. As an experienced registered architect in Hawaii, Mr. Goshi has a background in planning, architectural design, and production of large-scale buildings. He is a member of the American Institute of Architects and the National Council of Architectural Registration Boards and has also served on the Hawaii Community Development Authority since 1999 and is currently the Authority's vice chairman.

Testimony in support of Mr. Goshi was submitted by the Hawaii Community Development Authority, Castle & Cooke Hawaii, Child & Family Service, and two individuals.

Your Committee finds that the nominee's experience and expertise, coupled with a strong commitment to public service, make Mr. Goshi an asset to the Hawaii Community Development Authority.

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 (Hemmings).

SCRep. 1752 Education and Military Affairs on Gov. Msg. Nos. 291 and 292

Recommending that the Senate advise and consent to the nominations of the following:

ADVISORY BOARD ON VETERANS' SERVICES

G.M. No. 291 RONALD J. HAYS, USN (Ret.), for a term to expire 06-30-2008; and

G.M. No. 292 LLOYD K. SODETANI, for a term to expire 06-30-2008

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Advisory Board on Veterans' Services.

Testimony in support of RONALD J. HAYS, USN (Ret.), was submitted by the Department of Defense, Office of Veterans Services, Oahu Veterans Council, Disabled American Veterans, The Chamber of Commerce of Hawaii, and an individual. Mr. Hays has served thirty-eight years in the U.S. Navy, with the last three in Hawaii as Commander-in-Chief of the U.S. Pacific Forces. He has been a model citizen of Hawaii for the past twenty years by contributing his free time to civic and charitable boards with such organizations as the Honolulu Chamber of Commerce, Goodwill Industries of Hawaii, the Boy Scouts, and Friends of Hawaii Charities. As a veteran, his extensive knowledge of military services makes him an outstanding candidate for this advisory board.

Testimony in support of LLOYD K. SODETANI was submitted by the Department of Defense, the Oahu Veteran's Council, Disabled American Veterans, and an individual. Mr. Sodevani has served the military for more than thirty-one years with the Army, Army Reserves, and the Army National Guard and retired as a Colonel. As a resident of Maui, he successfully commanded the Hawaii Army National Guard's 1st Battalion, 299th Infantry, headquartered on Maui. He is a productive member of the community and volunteers his free time to many organizations including the Maui Chamber of Commerce, Maui County Council, National Eagle Scout Association, and Wailuku Hongwanji Mission.

Your Committee members diligently questioned the nominees regarding their vision and priorities regarding veterans' services. The nominees demonstrated a commitment to proactively improve the advisory board. 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 Education and Military 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, 4. Noes, none. Excused, 2 (Chun Oakland, Tsutsui).

SCRep. 1753 Education and Military Affairs on H.C.R. No. 188

The purpose of this measure is to request the Department of Education to provide a cost breakdown of their budget.

Testimony in support of the measure was submitted by the Department of Education and Hawaii State Teachers Association.

Your Committee finds that Act 51, Session Laws of Hawaii 2004, implemented a weighted student formula that allocates funds to schools based on the characteristics and needs of public school students. As the department continues to implement Act 51, greater transparency on the expenditures is needed for the Legislature and public to understand the financial status and responsibilities of the department. This measure requests a report on that information.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 188, H.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, 4. Noes, none. Excused, 2 (Chun Oakland, Tsutsui).

SCRep. 1754 Education and Military Affairs on H.C.R. No. 282

The purpose of this measure is to urge the Board of Education to create policies to grant school credit to the student member of the Board of Education.

Testimony in support of the measure was submitted by the Board of Education, Hawaii State Teachers Association, Laborers-Employers Cooperation and Education Trust, and an individual.

Your Committee recognizes the value of community service as an important part of a student's educational experience. Encouraging civic responsibility in youth is paramount to fostering an appreciation for civic awareness of social issues, and involvement in those issues can continue into adulthood. Board of Education members have attested to the dedication of the student board members. In addition to maintaining an academic workload, the student board member can participate in up to six standing committees and two general business meetings, as well as the regular committee meetings each month. Creating a policy to grant school credit for the student board member's participation would strengthen the community service component in public schools.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 282, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Tsutsui).

SCRep. 1755 Education and Military Affairs on H.C.R. No. 247

The purpose of this measure is to add performance based incentives in contracts with education service providers for school restructuring under the No Child Left Behind Act.

Testimony in support of the measure was submitted by the Department of Education, Hawaii State Teachers Association, and eight individuals.

Your Committee finds that the National Conference of State Legislatures conducted a study of the effects of the No Child Left Behind Act (Act) to formulate a comprehensive set of recommendations to improve the Act. The study indicated that the Act created large inequities, and Hawaii in particular suffers due to its unique cultural, social, and geographical characteristics, and the structure of the Department of Education. Thus, your Committee has amended this measure by removing its focus on education service providers and replacing it with language that requests the Hawaii Educational Policy Center to review the report published by the Education Commission of the States.

Accordingly, the following amendments were included:

- (1) Identifying the three states with the highest performing schools and comparing the programs and testing techniques with the criteria set forth by the Act; and
- (2) Requesting the Department of Education to provide \$20,000 for the Hawaii Educational Policy Center to conduct a study.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 247, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as H.C.R. No. 247, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Tsutsui).

SCRep. 1756 (Joint) Education and Military Affairs and Intergovernmental Affairs on H.C.R. No. 245

The purpose of this measure is to request amendments to the No Child Left Behind Act of 2001 as recommended by the National Conference of State Legislatures' task force.

Testimony in support of the measure was submitted by the Hawaii State Teachers Association, Waiau Elementary School, and sixteen individuals. The Department of Education submitted comments.

Your Committees find that although the goals of the No Child Left Behind Act are commendable, there is an over-emphasis on standardized testing, which leads to a narrowing of the curriculum. The sanctions imposed do not help schools, and the funding provided is inadequate. A more sensible approach is needed regarding testing, accountability, and closing the achievement gap. One specific problem is that testing is held to such high standards that the schools must focus on their preparation to meet adequate yearly progress. As a result, most elementary schools have reduced their physical education and art programs. The pressure on the teachers and students to meet benchmarks are unreasonable. This measure will add Hawaii's voice to the many other states that are urging necessary changes to the Act.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 245, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Chun Oakland, English, Inouye, Tsutsui).

SCRep. 1757 (Joint) Education and Military Affairs and Intergovernmental Affairs on H.C.R. No. 249

The purpose of this measure is to urge the appropriation of funds to allow all members of the armed forces reserve component to access the tricare program.

A proposed SD1 was circulated urging Congress to support the Filipino Veterans Equity Act of 2005. Testimony in support of amending the measure was submitted by the Filipino Coalition for Solidarity, Ilocos Surian Association of Hawaii, Congress of Visayan Organizations, National Federation of Filipino American Associations, WWII Fil-Am Veterans, and two individuals.

Your Committees find that Filipino soldiers fought bravely beside American troops in World War II to restore liberty and democracy to their homeland, which contributed to the Allied victory. Currently, there is pending federal legislation that would acknowledge full and equitable benefits for these Filipino veterans, particularly health benefits that have been withheld for them. Thus, your Committees have amended this measure by replacing it with language urging Congress to support legislation conferring veterans' benefits on Filipino World War II veterans. These veterans fought honorably for the United States in World War II and were initially promised the same benefits as American soldiers. They deserve this recognition for their loyalty and valor.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 249, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 249, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 8. Noes, none. Excused, 4 (Chun Oakland, English, Inouye, Tsutsui).

SCRep. 1758 (Joint) Education and Military Affairs and Intergovernmental Affairs on H.C.R. No. 246

The purpose of this measure is to request modifications and acknowledgments regarding the No Child Left Behind Act of 2001.

Testimony in support of the measure as received was submitted by the Department of Education and the Hawaii State Teachers Association. The Superintendent of the USS Arizona Memorial, the USS Missouri Memorial Association, the USS Bowfin Submarine Museum and Park, and the Pacific Aviation Museum submitted testimony on amendments regarding a stamp for the USS Arizona Memorial.

Your Committees find that December 7, 2006 will be the 65th anniversary of the surprise attack on the United State Pacific Fleet by the Japanese. This may be the last gathering for many Pearl Harbor survivors, and a final opportunity for many of them to attend the ceremony. A postal stamp would help preserve the memory of Pearl Harbor and perpetuate the importance of that day in world history. Issuing a stamp would honor those 2,390 individuals whose lives were taken that day.

Your Committees find that the nation should address the long-term consequences of that day by educating and reminding the public of its significance. Thus, your Committees have amended this measure by replacing its contents with language encouraging the United States Postmaster General to issue a USS Arizona Memorial stamp.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 246, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 246, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Chun Oakland, English, Inouye, Tsutsui).

SCRep. 1759 (Joint) Education and Military Affairs and Intergovernmental Affairs on H.C.R. No. 208

The purpose of this measure is to encourage the federal government to continue to fund the Even Start Family Literacy Program.

Testimony in support of the measure was submitted by the Hawaii State Teachers Association and seven individuals.

Your Committees find that literacy can be developed at an early age and the involvement of family encourages this valuable skill. The Even Start Family Literacy Program works with the family from early childhood on by using interactive literacy activities between parents and their children. This resolution urges the continuation of funding for a program that has shown significant accomplishments at Blanche Pope Elementary School.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 208, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Chun Oakland, English, Inouye, Tsutsui).

SCRep. 1760 Ways and Means on H.B. No. 555

The purpose of this measure is to provide an emergency appropriation of \$3,000,000 for fiscal year 2004-2005 to cover statewide budgetary shortfalls in electricity payments for facilities managed by the Department of Accounting and General Services.

Your Committee finds that the emergency appropriation is necessary due to the steady rise in world oil prices, resulting directly in a budgetary shortfall. Without the appropriation, the State will not be able to make timely payments to utility companies, thereby resulting in late payment fees that would force the State to incur addition 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 H.B. No. 555, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1761 Higher Education on Gov. Msg. No. 289

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

G.M. No. 289 RAMON S. de la PENA Ph.D., for a term to expire 06-30-2008

Your Committee has reviewed the general history, résumé, and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Board of Regents of the University of Hawaii.

Your Committee received testimony in support of RAMON S. de la PENA, Ph.D. from the University of Hawaii Board of Regents, Filipino Community Center, Inc., Wilcox Memorial Hospital, the Representative from the Fourteenth Representative District, University of the Philippines Alumni Association - Hawaii chapter, and eleven individuals. Those testifying were unanimous in their assessment of the nominee's integrity, independence, dedication, and knowledge of the University.

Dr. de la Pena has been active in community affairs on Kauai, including chair of the County of Kauai Planning Commission, Lihue Airport Gateway Project, County of Kauai Office of Elderly Affairs Policy Board and Wilcox Hospital. In addition, Dr. de la Pena is one of the recognized leaders of the Filipino community on Kauai. He has been active with the Kauai Filipino Chamber of Commerce, Kauai Pangasinan Association, Kauai Filipino Community Council, and the St. Catherine Filipino Catholic Club.

Dr. de la Pena is currently an emeritus professor and interim regent of the University of Hawaii. The nominee received a Bachelor of Science from the University of the Philippines and a Master of Science and Doctor of Philosophy from the University of Hawaii. The nominee recently retired as an Agronomist and full Professor of the College of Tropical Agriculture and Human Resources.

Although Dr. de la Pena was a Manoa faculty researcher for over thirty years, he was primarily assigned to the island of Kauai. Dr. de la Pena is an internationally recognized expert on tropical crops, with emphasis on improvement of wetland and dry-land taro through selection and breeding. He has also conducted research on macadamia, coffee, rice and corn.

Each nominee was asked to submit a resume, respond to a questionnaire, and submit a statement. Dr. de la Pena has been an interim regent for seven months and provided the Committee with responses that demonstrated his familiarity with the mission, organization, budget, and current issues facing the Board and the State. Your Committee was impressed with Dr. de la Pena's strong interest in increasing access for Hawaii residents, particularly for those who reside on the neighbor islands. He is aware of fiscal constraints but at the same time understands the need to expand educational opportunities in West O'ahu as well as the need to increase infrastructure support for the various campuses.

During the Committee hearings, Dr. de la Pena provided thoughtful and candid responses to difficult policy questions that the Board of Regents must address. Dr. de la Pena expressed concern about classified research that the University currently undertakes and is eager to review the current policy to ensure that the people and environment of Hawaii are not harmed by classified research. Dr. de la Pena's experience as an emeritus faculty member will no doubt contribute to lively discussion and responsible decision making by the Board as evidenced by several of his responses to difficult academic questions. For example, Dr. de la Pena clearly stated that although his professional position is against genetic engineering of taro, he fully supports the freedom of faculty to decide on their research.

The Committee questioned Dr. de la Pena about his support at a previous Board meeting for the Maui Oral Health Initiative. At that Board meeting, the Committee noted that another regent questioned whether Maui Community College had veered from its mission of education and training by becoming a direct service provider of dental services. Dr. de la Pena clearly explained that his support was based on the fact that the program's goal was to provide appropriate on-the-job training through services.

The Committee further believes that Dr. de la Pena will be an independent regent looking out for the best interests of the students, faculty, and taxpayers. For example, in contrast to another nominee, Dr. de la Pena articulated his understanding of the nature of sabbatical leaves for faculty and administrators. He objected to the abuse by the University to allow faculty and administrators to take fully compensated leaves of as long as three years and then retiring from the University at the completion of the sabbatical leave. He noted that this was an abuse and wants the Board to strictly enforce the policy requiring the faculty or administrator to return to the University after a sabbatical so that the University benefits from the employee's professional development or knowledge gained.

Dr. de la Pena stated that he supported increasing resources and staff in University programs that address state workforce shortages in education and nursing. He also identified the special role of community colleges in providing access to vocational and liberal education as well as their capability to provide distance education for undergraduate and graduate degrees. He is optimistic in the future expansion of Maui and Kauai to offer four-year degrees.

Your Committee was impressed with the sincerity of Dr. de la Pena's commitment to access as well as research. He sees the University as having a special role in the economic development of the State. Dr. de la Pena's experience as an immigrant from the Philippines, University of Hawaii faculty member, scientist, and neighbor island community leader provides an important and unique perspective that adds value and diversity to the Board. He understands that being a regent takes a significant amount of time and he is willing to work long hours as a regent.

Your Committee has reviewed the nominee's resume, the verbal and written statements and responses at the Committee hearing, and finds the nominee to have the necessary qualifications and dedication to be appointed to the Board of Regents.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1762 (Majority) Higher Education on Gov. Msg. No. 290

Recommending that the Senate not advise and consent to the nomination of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

G.M. No. 290 JOHN K. KAI, for a term to expire 06-30-2007

Your Committee has reviewed the general history, résumé, and statement submitted by the nominee, and finds that the nominee does not have the necessary qualifications to be appointed to the Board of Regents of the University of Hawaii (UH).

Your Committee received testimony in support of the nominee from Hawaii Island Contractors' Association, Hawaii Island Portuguese Chamber of Commerce, KTA Super Stores, Mauna Kea Astronomy Education Center, ML Macadamia Orchards, L.P., Questor Associates, Willocks Construction Corporation, and thirty-two individuals. The nominee is the President of Pinnacle Investment Group, LLC. The nominee received an Associate of Arts degree from Sacramento City College. The nominee has a background in financial investments and has held various positions in finance and investments in the last fourteen years in Hawaii.

The nominee has served on the Board of Regents for ten months as an interim regent. His areas of expected expertise are the community colleges and the Island of Hawaii. He also claimed expertise in the business area.

The University of Hawaii system is a \$1,000,000,000 institution. It serves nearly eighty thousand students statewide, consists of ten major campuses statewide with differentiated missions and generates \$300,000,000 from federal, state, and private research and training grants. The UH is in the top one-third of the world's top five hundred research universities.

It is imperative to the future of our State that the Senate confirm individuals to the Board of Regents who: (1) understand their role; (2) are able and willing to challenge conventional thought; and (3) question recommendations or actions that may not be in the best interest of the people of Hawaii.

Your Committee has concerns with the nomination of Mr. Kai to the Board of Regents, which compels your Committee regretfully to reject the nomination. Your Committee bases its decision on the constitutional responsibility of the Board of Regents, the Board of Regents' own rules (BOR Rules), as well as the candidate's testimony before your Committee at two confirmation hearings.

Article X, Section 6 of the State Constitution states in part: "The board shall also have exclusive jurisdiction over the internal structure, management, and operation of the university."

Section 1-2, BOR Rules, provides for the relationship of the Board to the Administration and the UH and requires a working knowledge of university operations, procedures, and development goals. As stated in section 102a(1)(a), BOR Rules, "It is recognized that the Board has been granted full legal power and authority to manage and control the affairs of the University, and the responsibility for the successful operation of the University and the achievement of the purposes as prescribed in the statutes rests exclusively with the Board." In addition, section 102a(1)(e), BOR Rules, states: "The primary duty of the Board is first to determine and set forth the objectives of the University, and second, to provide the means, in the form of adequate budget, personnel and material, to achieve those objectives."

Based upon the foregoing requirements, pursuant to the State Constitution and the University's own duly adopted rules, your Committee is not satisfied that the nominee would fulfill the obligations of a member of the Board of Regents.

First, Mr. Kai failed to articulate a positive, proactive position pertaining to critical issues of the UH, particularly regarding the following issues: (1) the determination of administrative salaries; (2) the role of the community colleges; (3) the approval of stem cell research; (4) the approval of taro genetic engineering; (5) the approval of the University Affiliated Research Center; (6) the risks and benefits of classified research; (7) UH-Manoa vs. UH-Hilo as a research engine for the UH system; (8) the policy of a separate chancellor for all community colleges; (9) UH's sabbatical leave policy; (10) the policy of reviewing and eliminating established programs not providing revenue to the UH; and (11) the seven hundred vacant positions in the UH system due to funding being used to supplement other salaries.

Second, Mr. Kai failed to convince the Committee that he possesses the management experience and ability to contribute to a more accountable University system.

Because of the amount of service on the Board, Mr. Kai was expected to have a greater understanding of the workings of the University of Hawaii than a nominee without regent experience. During his tenure as an interim, the Board dealt with a number of important issues including contracting with the U.S. Navy to conduct classified research and the establishment of a University Affiliated Research Center, the establishment of the Hawaiian Language Ph.D. program at UH-Hilo, Mauna Kea Science Reserve Master Plan, the John A. Burns School of Medicine shortfall, the reorganization of the Manoa administration, and tuition increases.

Your Committee was not convinced that Mr. Kai had any substantive understanding of the community college system other than the need for new buildings. Your Committee was especially disappointed in the lack of comment regarding the unique specializations of the individual community colleges. On Maui and Kauai in particular, the community colleges are the primary sources of higher education and are offering the baccalaureate degree as well as graduate degrees through distance education. The lack of understanding of their programs at the board level could be a disaster for these neighbor island communities.

In spite of being the regent from the Island of Hawaii and in spite of having the chance to present his vision for the University of Hawaii at Hilo and Hawaii Community College twice before the Committee, Mr. Kai could not demonstrate any particular understanding of the needs of those campuses. Mr. Kai's primary point regarding UH-Hilo was that its administrators were "effective in the Legislature." The fact that the administration of UH-Hilo feels a need to approach the Legislature for support is evidence of the need for stronger representation for that island on the Board of Regents.

Of further concern was that Mr. Kai had repeatedly made a remark at both hearings to the effect that "Hilo is fine." Your Committee gave Mr. Kai several opportunities to clarify his remarks during the second hearing. At that time, Mr. Kai noted that the operational budget of UH-Hilo did need additional support, but that the Capital Improvement Project program "was fine." After being reminded by the Committee of the extent of disrepair in the UH-Hilo Science and Chemistry Building, Mr. Kai asked to retract his statement and acknowledged that much also needs to be done in the area of CIP. Of final note on this issue is that at no time did Mr. Kai raise the need for funds to remedy the deplorable conditions under which Hawaii Community College students engage in their education.

Mr. Kai displayed no evidence that he understood the relationship between research and doctoral programs, which is something your Committee believes an interim regent of ten months should minimally be able to do. He stated that UH-Manoa should be the research engine and that any campus should be able to establish doctoral programs where "strength is evident" and the demand exists. His statement was not only contradictory in and of itself, but is contrary to Board of Regents policy that states, "the University of Hawaii at Manoa will remain the only public research university campus in the state." When further asked why UH-Hilo was allowed to establish doctoral programs in Hawaiian Language and Pharmacology, Mr. Kai was unable to articulate to the Committee the unique strengths of the Hilo campus relative to Hawaiian language and science that may justify the Board's deviation from its own policy.

When further questioned as to how the Board would fund the doctoral programs that would be established using his logic, Mr. Kai again failed to provide a definitive and practical response. In fact, he stated that in time, programs should be

self-sufficient. This response came as a surprise. Your Committee was concerned that a ten month interim regent was not aware that doctoral programs rarely, if ever, become self-sufficient.

Your Committee believes that the budget and finances of a large government operation such as the University of Hawaii system is beyond Mr. Kai's small business experience. His claim that he was specially qualified to deal with the University's budget was disconcerting. Of concern was that Mr. Kai did not provide evidence that he had seriously considered how to fund the multi-million dollar shortfall in the Medical School. He seriously suggested that increased focus on University of Hawaii branding items associated with athletics could bring in considerable income. This suggested that Mr. Kai had not familiarized himself with the one million dollar shortfall in athletics and the controversy regarding the monies wasted on branding during the previous administration. When asked for insight into how to increase funding for the University, Mr. Kai discussed tuition hikes without any reference as to how such increases could be accomplished while still addressing the needs of students from lower economic brackets, a population found especially in the community colleges and the neighbor islands.

Most worrisome was Mr. Kai's weakness in taking a stand on issues that demand critical thinking towards policy decisions by the Board. When presented evidence of past abuse of legislative funding of faculty positions to enhance administrative salaries, Mr. Kai evaded the issue by placing responsibility on a previous administration. However, Mr. Kai did not understand that the Committee merely wanted him to articulate a position on establishing a Board policy preventing future abuse. In discussing the controversial University Affiliated Research Center (UARC) and classified research, Mr. Kai had difficulty in articulating the pros and cons of such research. He stated that a danger of UARC might be "an arbitrary telephone call from a captain in the Navy asking the University to do research." When asked about abuse of sabbatical leaves, Mr. Kai again evaded the question.

Finally, Mr. Kai's subsequent comments as quoted in the media regarding the Committee's "loaded questions" and his comments about establishing doctoral programs on Maui and Kauai showed a complete ignorance of Board policy, fiscal responsibility, and practicality. Above all, his post-hearing behavior displayed inappropriate temperament for the position of a regent.

Your Committee believes that Mr. Kai's inability to provide relevant responses to questions of your Committee members, as well as his inability to articulate independent opinions and a coherent vision, is demonstrative of his unsuitability to be appointed to the Board of Regents.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee not to be qualified for the position to which nominated and recommends that the Senate not advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 2 (Chun Oakland, Trimble). Excused, 1 (Inouye).

SCRep. 1763 Business and Economic Development on Gov. Msg. No. 564

Recommending that the Senate advise and consent to the nomination of the following:

COMMUNITY-BASED ECONOMIC DEVELOPMENT ADVISORY COUNCIL

G.M. No. 564 DAVID FUERTES, for a term to expire 06-30-2009

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Community-Based Economic Development Advisory Council.

Your Committee received testimony in support of the reappointment of DAVID FUERTES from the Department of Business, Economic Development, and Tourism and the Hawaii Alliance for Community-Based Economic Development. Mr. Fuertes earned an associate's degree in general agriculture from Shasta College, as well as a bachelor's degree in tropical agriculture and a professional diploma in education from the University of Hawaii. He is a department head at Kohala High School, where he also serves as the FFA advisor. Mr. Fuertes has extensive experience coordinating community efforts to maintain a diverse and sustainable local economy in Hawaii. He has been a consultant for strategic planning, quality management and improvement, services, training, and technical assistance for over twenty years. Mr. Fuertes has served on the Community-Based Economic Development Advisory Council since September 2000, and as chairperson of the council since July 2003.

In response to questions posed by your Committee regarding the challenges faced by the council, Mr. Fuertes testified that community-based economic development initiatives require more time to build community through citizen involvement than other types of economic development programs. He intends to continue to promote efforts to teach financial literacy, technical, and business planning skills, and encourage the development of local talents into sustainable businesses.

As affirmed by the record of votes of the members of your Committee on Business and 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, 2 (Fukunaga, Sakamoto).

SCRep. 1764 Business and Economic Development on Gov. Msg. Nos. 656 and 657

Recommending that the Senate advise and consent to the nominations of the following:

SMALL BUSINESS REGULATORY REVIEW BOARD

G.M. No. 656 SHARON L. PANG, for a term to expire 06-30-2005; and

G.M. No. 657 SHARON L. PANG, for a term to expire 06-30-2009

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Small Business Regulatory Review Board.

Your Committee received testimony in support of the appointment of SHARON L. PANG to the Small Business Regulatory Review Board from the Department of Business, Economic Development, and Tourism; the Small Business Regulatory Review Board; and nineteen individuals. Ms. Pang has been appointed to fill a vacancy on the Small Business Regulatory Review Board through June 30, 2005, and also seeks reappointment. Ms. Pang graduated from Punahou School, earned a bachelor's degree from the University of Hawaii, and completed graduate work in education at California State University. She has extensive experience owning and operating small businesses in Hawaii, and has been involved in education, educational consulting, real estate sales, property management, sales and marketing, and health consulting for Hawaii's elderly population. Your Committee believes that Ms. Pang's experience in a variety of fields will enhance her contributions to the board.

As affirmed by the record of votes of the members of your Committee on Business and 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, 2 (Fukunaga, Sakamoto).

SCRep. 1765 Education and Military Affairs on Gov. Msg. Nos. 280, 281 and 282

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII TEACHER STANDARDS BOARD

G.M. No. 280 JONATHAN GILLENLINE, for a term to expire 06-30-2007;

G.M. No. 281 CAROL SEIELSTAD, for a term to expire 06-30-2007; and

G.M. No. 282 JULIE K. TOMOMITSU, for a term to expire 06-30-2007

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Hawaii Teacher Standards Board.

Testimony in support of JONATHAN GILLENLINE was submitted by the Hawaii Teacher Standards Board, Hawaii State Teachers Association and three individuals. Mr. Gillentine is an active member of the Hawaii State Teachers Association, Windward Chapter. He has obtained an Early Childhood-Generalist Certification from the National Board for Professional Teaching Standards, and has recently successfully defended his dissertation for his doctoral degree in Curriculum Studies at the University of Hawaii. His strong foundation in professional development will be an asset to the board.

Testimony in support of CAROL SEIELSTAD was submitted by the Hawaii Teacher Standards Board, Hawaii State Teachers Association, and four individuals. Ms. Seielstad has a unique perspective in education, having taught in Turkey, Saudi Arabia, Canada, Maryland, California, and Kauai. She obtained her National Board Certification in 2003 and is licensed in two critical areas, reading and special education. Her expertise, enthusiasm, and dedication to teaching have served Hanalei School well since 1990, and your Committee is certain that she will bring the same level of professionalism to the board.

Testimony in support of JULIE K. TOMOMITSU was submitted by the Hawaii Teacher Standards Board, Hawaii State Teachers Association, Maemae School, Wells Fargo Home Mortgage of Hawaii, and eight individuals. Ms. Tomomitsu's strong foundation in education is evident through her education degrees and certificates, including a Master's degree in Secondary Art Education and Master's degree in Library Studies. She has been employed by the Department of Education for more than twenty years and is presently the librarian at Maemae Elementary School. Her accomplishments include National Board Certification, the Golden Key Award, and the State Foundation on Culture and the Arts Acquisition Award. Ms. Tomomitsu's dedication to her profession and knowledge of teaching will contribute to the work of the board.

Your Committee members diligently questioned the nominees regarding their vision and priorities regarding the standard of teachers in the State's public schools. The nominees demonstrated a commitment to proactively protect and improve the integrity of the Hawaii Teacher Standards Board. 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 Education and Military 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, 4. Noes, none. Excused, 2 (Nishihara, Hogue).

SCRep. 1766 (Joint) Education and Military Affairs and Intergovernmental Affairs on S.R. No. 33

The purpose of this measure is to encourage the reevaluation of enlistment policies for homeschooled students.

Although no formal testimony was received on this measure, your Committees received comments on this issue from The Chamber of Commerce of Hawaii.

Your Committees find that reports suggest that while the Armed Services in the past allowed enlistment of tier one homeschooled candidates with a score of fifty and above, at present they no longer enlist homeschoolers either above or below the score of fifty. As research demonstrates that homeschoolers achieve higher scores compared to public school graduates on a variety of tests, your Committees believe that homeschool graduates have qualities that could contribute to the military service, specifically in light of the current need for military recruitment.

Upon further consideration, your Committees have amended this measure by including language indicating the criteria for homeschoolers eligible for enlistment as tier one candidates.

As affirmed by the records of votes of the members of your Committees on Education and Military Affairs and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 33, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 33, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Baker, English, Hooser, Kim, Tsutsui).

SCRep. 1767 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 574 and 575

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF ELECTRICIANS AND PLUMBERS

G.M. No. 574 DEAN D. CHOY, for a term to expire 06-30-2009; and

G.M. No. 575 MAURICE F. TORIGOE, for a term to expire 06-30-2009

The International Brotherhood of Electrical Workers, Local Union No. 1186, testified in support of Nominee Dean D. Choy. P.A. Harris Electric, QN Electric, Inc., Construction Associates, Inc., Aylward Enterprises, Incorporated, and Associated Builders and Contractors, Inc.-Hawaii Chapter supported the nomination of Maurice F. Torigoe.

DEAN D. CHOY, nominated as a public member, is an attorney at law with experience in construction litigation, general contractor licensing approval, and labor union representation. Additionally, Mr. Choy has a history of volunteerism and participation in community affairs, and has been involved with governance activities involving educational and religious institutions and homeowners associations.

MAURICE F. TORIGOE has thirty-six years of experience in the plumbing trade and is the founder of M. Torigoe Plumbing, Inc. Since 2001, Mr. Torigoe has served on the board of directors of the Associated Builders and Contractors, Inc.-Hawaii Chapter, is the board's current chairperson, and has also chaired the organization's training committee.

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, 1 (Ige).

SCRep. 1768 Commerce, Consumer Protection and Housing on Gov. Msg. No. 565

Recommending that the Senate advise and consent to the nomination of the following:

CREDIT UNION ADVISORY BOARD

G.M. No. 565 GARY S. FUKUROKU, for a term to expire 06-30-2009

The Hawaii Credit Union League (HCUL) and an individual testified in support of the nomination.

GARY S. FUKUROKU has been employed since 1991 as manager and chief executive officer of the Maui County Employees Federal Credit Union, the Valley Isle's largest credit union, with \$138,500,000 in assets and over 10,000 members. For the past four years, Mr. Fukuroku has served as president of the Valley Isle Credit Union Executives Association.

Additionally, the nominee is a member of the HCUL Family Involvement Committee, a former member of the Consumer Credit Counseling Services Board of Directors, and a graduate of the Western Credit Union National Association Management School. Mr. Fukuroku currently serves on 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, 5. Noes, none. Excused, 1 (Ige).

SCRep. 1769 Commerce, Consumer Protection and Housing on Gov. Msg. No. 561

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF CHIROPRACTIC EXAMINERS

G.M. No. 561 NARIYOSHI HIRAOKA, for a term to expire 06-30-2009

NARIYOSHI HIRAOKA, nominated as a public member, is retired from a management position in the private sector. Mr. Hiraoka has a history of community and civic involvement with numerous organizations, including Kids Voting Hawaii, Aloha United Way, Hawaii International Film Festival, Navy League, Association of the United States Army, and The Chamber of Commerce. Additionally, the nominee is in his second term of service as a member of the Board of Veterinary Examiners.

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, 2 (Ige, Hogue).

SCRep. 1770 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 569, 570 and 571

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DENTAL EXAMINERS

G.M. No. 569 DANIEL F. FUJII, D.D.S., M.P.H., for a term to expire 06-30-2009;

G.M. No. 570 MARIAN J. GREY, for a term to expire 06-30-2009; and

G.M. No. 571 CHERYL M. NAKAGAWA, for a term to expire 06-30-2009

The Hawaii Primary Care Association, Hawaii Dental Hygienists' Association, Waianae Coast Comprehensive Health Center, Kokua Kalihi Valley Dental Clinic, and two individuals testified in support of nominee Daniel F. Fujii. Three individuals testified in support of nominee Marian J. Grey. The Representative for the Twenty-Seventh District of the House of Representatives and an individual supported the nomination of Cheryl M. Nakagawa.

DANIEL F. FUJII, D.D.S., M.P.H., is a graduate of the University of Iowa College of Dentistry and is licensed to practice dentistry in the states of Hawaii and Texas. Dr. Fujii has practiced dentistry in both the private and public sectors, and is currently Dental Director for the Waianae Coast Comprehensive Health Center. Additionally, Dr. Fujii serves in the Navy Reserves as Assistant Officer in Charge of a medical detachment unit. The nominee is a member of the American Academy of General Dentistry and American Dental Association.

MARIAN J. GREY, nominated as a public member, has over twenty-two years of experience in the field of dentistry as a registered dental assistant in the State of California. Additionally, Ms. Grey has a history of volunteerism and civic involvement, and is active with numerous organizations in her community.

CHERYL M. NAKAGAWA is a dental hygienist employed in the private sector. Since 2001, Ms. Nakagawa has served as an examiner for the Board of Dental Examiner's dental hygiene examination. Additionally, the nominee is a member of the American Dental Hygiene Association and Hawaii Dental Hygiene Association.

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, 1 (Ige).

SCRep. 1771 Commerce, Consumer Protection and Housing on Gov. Msg. No. 583

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII (HCDCH)

G.M. No. 583 CHARLES A. STED, for a term to expire 06-30-2009

The Department of Human Services, Housing and Community Development Corporation of Hawaii (HCDCH), Hawaii Housing Development Corporation, and Pacific Housing Assistance Corporation testified in support of the nomination.

CHARLES A. STED is president and chief executive officer of Hawaii Pacific Health, with extensive experience in business, finance, and accounting. As a partner at Ernst and Young, Mr. Sted conducted audits of HCDCH and its predecessor agency. Further, the nominee is familiar with the State's mortgage lending programs and tax exempt bond financing, and has experience in establishing compliance programs. Mr. Sted has long been active in civic and community affairs, volunteering his time and sharing his expertise with organizations such as the Board of Water Supply, Hawaii Pacific University, Bishop Museum, and Boy Scouts of America.

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, 1 (Ige).

SCRep. 1772 Commerce, Consumer Protection and Housing on H.C.R. No. 113

The purpose of this measure is to request reports regarding the effectiveness of the Hawaii Insurance Bureau's fire rating program.

The Department of Commerce and Consumer Affairs testified in support of this measure. The Hawaii Insurance Bureau, Inc., (Bureau) presented comments.

Your Committee finds that, following fires in major American cities in the early 1990s that resulted in billions of dollars in property losses, insurance companies realized the need for information on the fire-loss characteristics of individual communities. As a result, the Bureau's Public Protection Classification (PPC) Program was created to provide insurers with data that would facilitate the establishment of premium rates that fairly reflected the risk of loss in a particular community.

Your Committee finds that insurers are not required to use the Bureau's fire classifications in establishing premium rates, which raises questions as to the effectiveness of the PPC program and its impact on insurance rates. Therefore, this measure requests the Insurance Commissioner, the Hawaii Insurers Council, and the Bureau to provide information to the Legislature relating to the effectiveness of the PPC Program.

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. 113, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Ige).

SCRep. 1773 Education and Military Affairs on H.C.R. No. 273

The purpose of this measure is to request the establishment of a volunteer recognition program for volunteers in each school district.

Testimony in support of the measure was submitted by the Department of Education and Hawaii State Teachers Association.

Your Committee values the strong support which community volunteers provide to public schools. These volunteers contribute their time to students by participating with them in extracurricular activities. It is important to award their efforts and cultivate this valuable resource through activities in each school district to recognize the volunteers across the State for the work that they do. This measure will assist in increasing participation of volunteers and ultimately benefit the students.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 273, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 1774 Transportation and Government Operations on Gov. Msg. No. 582

Recommending that the Senate advise and consent to the nomination of the following:

STATE HIGHWAY SAFETY COUNCIL

G.M. No. 582 RICHARD M. MERSCHDORF, for a term to expire 06-30-2009

Your Committee received testimony in support of RICHARD M. MERSCHDORF from the Department of Transportation, Kona-Kohala Chamber of Commerce, and four individuals. Mr. Merschorf is currently the Financial Advisor and Branch Manager of Aloha Financial Services in Kailua-Kona. He received a Bachelor of Science degree in Anthropology and Economics and a Master of Science degree in Education from the University of Oregon. Mr. Merschorf brings years of experience from working with voluntary boards and commissions that are dedicated to community service. He has been an advocate for safer roads for cyclists, motorists, and pedestrians for years. Mr. Merschorf is also an active member in PATH (Peoples Advocacy for Trail Hawaii), which is a bike and pedestrian advocacy organization dedicated to the safety of the community.

Your Committee notes the dedication Mr. Merschorf brings to providing solutions to the many problems facing the communities statewide with regard to both traffic and safety. Mr. Merschorf's years of experience will make him a valuable addition to the council. Your Committee further notes from his oral testimony that he would like to segregate the bicyclists and joggers in Kona from the vehicular traffic, which is a major traffic safety issue in Kona.

As affirmed by the record of votes of the members of your Committee on Transportation 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, Menor).

SCRep. 1775 Media, Arts, Science and Technology on Gov. Msg. No. 476

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII HISTORIC PLACES REVIEW BOARD

G.M. No. 476 JAMES S. GUEQUIERRE, for a term to expire 06-30-2009

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Hawaii Historic Places Review Board.

Your Committee received testimony on behalf of JAMES S. GUEQUIERRE from the Department of Land and Natural Resources and four individuals. Mr. Guequierre earned a Bachelor's degree from the University of Illinois in architecture. He has more than twenty years of experience in interior architecture, design, and planning. In addition, Mr. Guequierre is a guest lecturer at the University of Hawaii School of Architecture and the Rhode Island School of Design. He is a member of the Native Hawaiian Chamber of Commerce and the Native Hawaiian Hospitality Association, as well as other professional organizations. He has experience with the National Trust for Historic Places Register, where he documented buildings in a previously unrecognized antebellum district in Kentucky. Mr. Guequierre has received numerous awards for architecture and visual arts for his work. He attested to his commitment to recognizing and preserving the historic architecture created by the various cultures of Hawaii. Your Committee believes Mr. Guequierre will bring both architectural expertise and cultural sensitivity to the Hawaii Historic Places Review Board.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, 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 (Fukunaga, Ihara).

SCRep. 1776 Media, Arts, Science and Technology on Gov. Msg. Nos. 391 and 447

Recommending that the Senate advise and consent to the nominations of the following:

STATE FOUNDATION ON CULTURE AND THE ARTS COMMISSION

G.M. No. 391 SANDRA ALBANO, for a term to expire 06-30-2008; and

G.M. No. 447 BINA MOSSMAN CHUN, for a term to expire 06-30-2009

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the State Foundation on Culture and the Arts Commission.

Your Committee received testimony in support of the appointment of SANDRA ALBANO from six individuals. After her retirement from ITT Sheraton Hotels Hawaii in 1996, with over thirty years with the company, Ms. Albano began a second career as the vice president of sales and marketing for Travel Planners, Inc., Hawaii, a meetings and events planning and coordinating company. In addition, Ms. Albano teaches courses at the University of Hawaii Travel Industry Management School, is a member of several trade organizations, and serves on the Hawaii Theatre Center board of directors. In response to questions posed by your Committee, Ms. Albano declared her dedication to making culture and the arts available to Hawaii's children, particularly those with limited access for

social and economic reasons. She also spoke of her understanding of the budgetary challenges the commission faces, and her intention to promote alternative funding sources.

Your Committee received testimony in support of the appointment of BINA MOSSMAN CHUN from five individuals. Ms. Chun earned a bachelor's degree in education from the University of Hawaii and a master's degree in political science from the University of Kansas. She has had extensive experience in the fields of governmental affairs, land development, planning, and publishing in the past twenty years. She formerly owned and operated an art gallery in Honolulu that showcased the products of local artists. Ms. Chun has had a lifetime interest in the preservation and perpetuation of Hawaii's history, arts, and culture. In response to questions posed by your Committee, Ms. Chun expressed her conviction that the arts enhance the quality of life for Hawaii's residents and visitors alike. She also attested that her knowledge of additional sources of funding from both federal and private sector sources will be an important asset to the commission.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, 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 (Fukunaga, Ihara).

SCRep. 1777 Water, Land, and Agriculture on Gov. Msg. No. 138

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII COMMUNITY DEVELOPMENT AUTHORITY (HCDA)

G.M. No. 138 JONATHAN WAI YUN LAI, for a term to expire 06-30-2008

JONATHAN WAI YUN LAI is a junior partner at the law firm of Watanabe, Ing, Kawashima & Komeiji. Mr. Lai holds Bachelor's degrees in Economics and Government from Claremont McKenna College, and a Master's degree in Business Administration and a Juris Doctorate from the University of Southern California. He has practiced law since 1995 in the areas of real property, collections, banking, and bankruptcy law and is a member of the Hawaii State Bar Association (HSBA), the American Bar Association, the American Bankruptcy Institute, and the HSBA Collection Section. Mr. Lai was selected by the Governor from a list of four nominees submitted by the Honolulu City Council to represent the City and County of Honolulu on HCDA.

Testimony in support of Mr. Lai was submitted by HCDA; Goodwill Industries of Hawaii; Hope Chapel Kaneohe Bay; Olomana Marketing, LLC; and Watanabe, Ing, Kawashima & Komeiji.

Based on Mr. Lai's background and experience in business law, your Committee finds that he is a qualified candidate and would be an asset to HCDA.

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 (Hemmings).

SCRep. 1778 Water, Land, and Agriculture on Gov. Msg. Nos. 555, 556, 557, 558, 559 and 560

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE AGRIBUSINESS DEVELOPMENT CORPORATION

G.M. No. 555 YUKIO KITAGAWA, for a term to expire 06-30-2006;

G.M. No. 556 WAYNE K. KATAYAMA, for a term to expire 06-30-2009;

G.M. No. 557 ROBERT V. OSGOOD, for a term to expire 06-30-2008;

G.M. No. 558 TEENA M. RASMUSSEN, for a term to expire 06-30-2007;

G.M. No. 559 ROBERT S. SUTHERLAND, for a term to expire 06-30-2009; and

G.M. No. 560 ERIC D. WEINERT, for a term to expire 06-30-2006

YUKIO KITAGAWA is currently a board member and the chair of the Agribusiness Development Corporation. He holds a Bachelor's degree in Agriculture from the University of Hawaii and a Master's degree in Agriculture from Oregon State University. Mr. Kitagawa was the former chairperson and deputy chairperson of the Board of Agriculture and an assistant director of the Cooperative Extension Service for the College of Tropical Agriculture and Human Services at the University of Hawaii. He was the president of the Hawaii Association of the National Association of County Agricultural Agents and the Western Association of State

Departments of Agriculture. Mr. Kitagawa was a member of the City and County of Honolulu Planning Commission and is currently a board member of the Hawaii Marketing Alliance and the Wahiawa Hongwanji.

Testimony in support of Mr. Kitagawa was submitted by the Agribusiness Development Corporation, the University of Hawaii College of Tropical Agriculture and Human Resources, the Hawaii Agriculture Research Center, the Hawaii Farm Bureau Federation, the Kauai County Farm Bureau, and Meadow Gold Dairies.

WAYNE K. KATAYAMA is currently a board member of the Agribusiness Development Corporation. He holds a Bachelor's and a Master's degree in Business Administration from the University of Hawaii. Mr. Katayama is the president of Kilauea Agronomics, LLC and has also served as the president for Kilauea Agronomics, Inc. and Hawaiian Fruit Specialists, Ltd. He was also a vice president at Kilauea Agronomics, Ltd.; a senior financial analyst at C. Brewer and Company, Ltd.; and an industrial engineer at the Olokele Sugar Company.

Mr. Katayama is also a board member with the Hawaii Employers Council, the University of Hawaii College of Tropical Agriculture and Human Resources, the Hawaii Chapter of the American Red Cross, and Hawaii Marketing Alliance.

Testimony in support of Mr. Katayama was submitted by the Agribusiness Development Corporation, the University of Hawaii College of Tropical Agriculture and Human Resources, the County of Kauai Office of Economic Development, the Hawaii Agriculture Research Center, the Hawaii Farm Bureau Federation, the Kauai County Farm Bureau, and Meadow Gold Dairies.

ROBERT V. OSGOOD holds a Bachelor's degree in Biology from the University of Miami and a Master's degree and a Doctorate in Horticulture from the University of Hawaii. He is retired from the Hawaii Agriculture Research Center where he was the vice president and assistant director and is currently a private agricultural consultant.

Dr. Osgood is an affiliate faculty member for the Horticulture Department at the University of Hawaii, a program chairperson for the Agriculture Section of the Hawaiian Sugar Technologists, a member of the Weed Science Committee for the International Society of Sugarcane Technologists, a director of the Hawaii Forest Industry Association, a former president of the Hawaii Crop Improvement Association, a member of the Hawaii Coffee Growers' Association, and a former president of the Plant Growth Regulator Society of America. Dr. Osgood has also authored numerous publications and has participated in a number of presentations internationally in the agricultural field.

Testimony in support of Dr. Osgood was submitted by the Agribusiness Development Corporation; the University of Hawaii College of Tropical Agriculture and Human Resources; Alluvion, Inc.; the Hawaii Agriculture Research Center; the Hawaii Crop Improvement Association; and the Hawaii Farm Bureau Federation.

TEENA M. RASMUSSEN is the co-owner of Paradise Flower Farms, Inc. on the island of Maui. Paradise Flower Farms, Inc. began in 1980, and today it has thirty-two employees and approximately fifty acres of farmlands.

Ms. Rasmussen is currently the vice chair of the Agribusiness Development Corporation and is a member and former board member and chairperson of the Maui Chamber of Commerce, a member of the Maui County Farm Bureau, a former board member of the Maui Economic Development Board, a member and former president of the Maui Business and Professional Women's Club, and a member of the Maui Flower Growers and Shippers Association, Made in Maui Trade Council, NFIB Hawaii Guardian Advisory Council, Tax Foundation of Hawaii, Maui Hotel Association, and Wholesale Florists' and Shippers' Association of America. She has also received the 2000 Entrepreneur of the Year Award from the Maui Chamber of Commerce and Island Business Magazine and the 2001 Small Business Person of the Year Award for Maui County from the Small Business Administration.

Testimony in support of Ms. Rasmussen was submitted by the Agribusiness Development Corporation, the University of Hawaii College of Tropical Agriculture and Human Resources, the Hawaii Agriculture Research Center, the Hawaii Crop Improvement Association, and the Hawaii Farm Bureau Federation.

ROBERT S. SUTHERLAND is a former chairperson and board member of the Agribusiness Development Corporation. He holds a Bachelor's degree in Business Administration from Colorado State University and attended the Hawaiian Sugar Planters Association training program. Mr. Sutherland began his extensive career in agriculture at McBryde Sugar Company. He has also worked for Alexander & Baldwin as a schedule coordinator, Princess Orchards Papaya as a vice president of operations, and Kaupo Ranch as an assistant manager. Currently, Mr. Sutherland is the trustee in charge of a ranch owned by the John T. Waterhouse Trust and a co-owner of another ranch on Kauai.

Testimony in support of Mr. Sutherland was submitted by the Agribusiness Development Corporation, the University of Hawaii College of Tropical Agriculture and Human Resources, the Hawaii Agriculture Research Center, and the Hawaii Farm Bureau Federation.

ERIC D. WEINERT is the owner of Hawaii Pride, LLC, the first all electric irradiator in the world, which removes fruit flies and insects from local fruits. He is also the co-owner of Plant It Hawaii, Inc. and Hula Brothers, Inc. He holds a Bachelor's degree in Business Administration from the University of Wisconsin and is a Certified Public Accountant. Mr. Weinert is also the founding member of the Hawaii Tropical Fruit Growers and the Hawaii Tropical Fruit Cooperative.

Testimony in support of Mr. Weinert was submitted by the Agribusiness Development Corporation, the University of Hawaii College of Tropical Agriculture and Human Resources, the Hawaii Agriculture Research Center, and the Hawaii Farm Bureau Federation.

Your Committee finds that the nominees' background, experience, and expertise in the business of agriculture make them each an asset to the Board of Directors of the Agribusiness Development Corporation.

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 (Fukunaga, Hemmings).

SCRep. 1779 Water, Land, and Agriculture on Gov. Msg. No. 649

Recommending that the Senate advise and consent to the nomination of the following:

ADVISORY COMMITTEE ON PESTICIDES

G.M. No. 649 ROBERT D. HAUFF, for a term to expire 06-30-2009

ROBERT D. HAUFF is a forest health coordinator for the Department of Land and Natural Resources Division of Forestry and Wildlife. Mr. Hauff has also worked as an ecologist with the United States Department of Agriculture Forest Service's Institute of Pacific Islands Forestry. He holds a Bachelor's degree in International Studies from the University of Washington and a Master's degree in Forestry from Yale University.

Testimony in support of Mr. Hauff was submitted by the Department of Agriculture.

Your Committee finds that the nominee's background and experience makes him an asset to the Advisory Committee on Pesticides.

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 (Fukunaga, Hemmings).

SCRep. 1780 Water, Land, and Agriculture on H.C.R. No. 88

The purpose of this measure is to request the Department of Land and Natural Resources (DLNR) to consider imposing restrictions on public access to the Ahihi-Kinau natural area reserve.

Testimony in support of this measure was submitted by DLNR and the Office of Hawaiian Affairs.

The Ahihi-Kinau natural area reserve contains numerous ancient Hawaiian archeological and cultural sites, anchialine ponds, and isolated coves. These resources have made the area a very popular attraction both with residents and tourists. However, the ponds, the coves, and the marine life there are being threatened with too much human activity. Thus, this measure requests the DLNR to perform an expedited review of the Ahihi-Kinau natural area reserve.

Your Committee has amended this measure by:

- (1) Deleting the provision that suggests DLNR consider the privatization of the management and protection of the Ahihi-Kinau natural area reserve;
- (2) Requiring the DLNR's Advisory Council to submit a report of the review;
- (3) Providing that not all of the trails should be rerouted, as some trails are ancient Hawaiian pathways;
- (4) Limiting or prohibiting access to the anchialine ponds and allowing access only by permitted persons possibly through the use of signs or other means but without the use of fencing, as it may be unsightly;
- (5) Clarifying that restrictions on commercial or private kayak and canoe uses should not include traditional canoe uses; and
- (6) Making technical, nonsubstantive changes for style, consistency, and clarity.

Your Committee also recognizes that for many years, the Lu'uwai family, who has a traditional fishing permit to the area and ancestral links to the area for over a century, has worked diligently and endlessly to protect and preserve the aquatic resources in the area. As such, your Committee appreciates the efforts that the Lu'uwai family provides to the stewardship of the marine resources in the Ahihi-Kinau natural area reserve.

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. 88, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 88, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 1781 Water, Land, and Agriculture on H.C.R. No. 267

The purpose of this measure is to request the appropriate House and the Senate committees, together with the Department of Land and Natural Resources (DLNR), to conduct community meetings throughout the State to seek public participation towards ensuring the viability of Hawaii's marine resources.

The DLNR, the Nature Conservancy, and one individual submitted testimony in support of this measure.

Over the years, members of Hawaii's fishing communities and marine specialists have observed and documented dramatic declines in the size, number, distribution, and quality of a wide variety of important and desirable native marine species and habitats. Your Committee finds that one way to address this problem is to resurrect traditional Hawaiian stewardship practices that carefully manage near-shore resources by imposing limitations on harvest.

This type of management strategy may lead to resource replenishment within and outside of the managed areas. However, the public, especially certain members of the fishing community, must be educated on Hawaii's marine resource depletion problem and the urgent need to better manage this precious resource for future generations. This measure requests the House Committee on Water, Land, and Ocean Resources and the Senate Committee on Water, Land, and Agriculture, together with the DLNR, to conduct community meetings throughout the State to seek public participation towards ensuring the viability of Hawaii's marine resources.

Your Committee recommends that the Vice-Chair, Senator Gary Hooser, will be the Senate Committee on Water, Land, and Agriculture representative at community meetings throughout 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 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, 3. Noes, none. Excused, 2 (Fukunaga, Hooser).

SCRep. 1782 Health on H.C.R. No. 10

The purpose of this measure is to create a temporary interdepartmental working group within the Department of Health to develop a means for statewide dissemination of information on emergency contraception information.

The Department of Health and the Judiciary submitted comments.

The Department of Health testified regarding the existence of an Emergency Contraception Interagency Work Group comprised of members of the public and private sector that has already outlined priorities to promote emergency contraception awareness, increase utilization of emergency contraception, and monitor the impact of the emergency contraception program. Your Committee finds that information about the availability of emergency contraception and where to get it must be disseminated to the public in order for the initiative to be successful.

Your Committee has amended this measure by conforming all of its provisions to the language in S.C.R. No. 111, S.D. 1. The amendment does not include any reference to the convening of a temporary interdepartmental emergency contraception information working group. Instead, it tasks the existing work group to develop a mechanism to disseminate information on the availability of over-the-counter emergency contraception in the State. The Judiciary, at its request, the Hawaii Pharmacists Association, and the American Academy of Obstetricians and Gynecologists are not included in the work group.

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. 10, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 10, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Whalen).

SCRep. 1783 Health on H.C.R. No. 67

The purpose of this measure is to request that the Auditor conduct a sunrise review regarding the regulation of certified athletic trainers.

The Chair of the Hawaii Athletic Trainers' Association submitted testimony in support of this measure. The Department of Education submitted comments.

The Department of Education testified that the appropriate term is "athletic health care trainer" and not "certified athletic trainer". Your Committee finds that athletic health care trainers are health care professionals who specialize in the prevention, assessment, treatment, and rehabilitation of injuries to athletes and others engaged in physical activities. There is confusion among the public between athletic health care trainers, personal trainers, and boxing trainers. Adding to the risk of confusion and misrepresentation is the fact that at present there is no agency monitoring whether athletic health care trainers are in good standing and are maintaining their accreditation.

Your Committee has amended this measure by changing the term certified athletic trainer to athletic health care trainer as recommended by the Department of Education.

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. 67, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 67, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Whalen).

SCRep. 1784 (Joint) Health and Media, Arts, Science and Technology on H.C.R. No. 100

The purpose of this measure is to request the University of Hawaii to establish and head a task group to conduct a feasibility study, host public forums, and propose recommendations on stem cell research.

The Acting Dean of the University of Hawaii John A. Burns School of Medicine, the Hawaii Institute for Public Affairs, and one individual submitted testimony in support of this measure.

Publicly funded stem cell research, conducted under established standards of open scientific exchange, peer review, and public oversight, offers the most efficient and responsible means of fulfilling the promise of the use of stem cells in providing regenerative medical therapies.

However, because stem cell research, including the use of embryonic stem cells for medical research, raises significant ethical and policy concerns, public policy on stem cell research must balance ethical and medical considerations. Any stem cell research policy adopted by Hawaii should be based on an understanding of the science associated with stem cell research, grounded on a thorough consideration of the ethical concerns regarding that research, and crafted in a way that researchers will have the scientific and ethical tools necessary to fulfill the promise of stem cell research.

In order to ameliorate any appearance of a conflict of interest, the University of Hawaii, a potential participant in such stem cell research, should not be the agency responsible for the study.

Your Committees have amended the measure by conforming all of its provisions to the language in S.C.R. No. 200, S.D. 1. The amendment:

- (1) Removes the University of Hawaii as the agency charged with the responsibility of conducting the study and inserts it its place the Legislative Reference Bureau;
- (2) Deletes any reference to hosting a series of public forums relating to stem cell research;
- (3) Requests the Bureau to consult with representatives of various disciplines, including but not limited to the appropriate medical and scientific professions, as well as the fields of law, ethics, and religious leaders; and
- (4) Amends the title of the measure to reflect all amendments.

As affirmed by the records of votes of the members of your Committees on Health and Media, Arts, Science, and Technology that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 100, H.D. 1, as amended herein, recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs, in the form attached hereto as H.C.R. No. 100, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Ihara, Tsutsui, Hogue, Whalen).

SCRep. 1785 Health on H.C.R. No. 109

The purpose of this measure is to urge the Department of Health to reopen the Molokini mental health unit of Maui Memorial Medical Center.

The Hawaii Disability Rights Center, the Hawai'i Psychological Association, and the National Alliance for the Mentally Ill O'ahu submitted testimony in support of this measure. The Department of Health, the President and Chief Executive Officer of the Hawaii Health Systems Corporation, and the Regional Chief Executive Officer of the Maui Memorial Medical Center submitted comments.

Your Committee finds that there is an urgent need in Maui for a system of psychiatric care for children and adolescents. Since the Molokini unit of the Maui Memorial Medical Center closed in 2004, Maui families and their children in crisis are forced to seek help on Oahu. This delay in treatment and the lack of available on-call psychiatrists specializing in child and adolescent care exacerbate the crisis.

Following the close of the Molokini Unit, the Department of Health and the Hawaii Health Systems Corporation started working closely to reestablish child and adolescent psychiatry services on Maui. A crisis stabilization model is being proposed as a means of meeting urgent child and adolescent psychiatric health care needs without incurring the ongoing high costs of a full acute inpatient

unit. Proponents envision crisis stabilization units in central Maui and Hilo that would focus on stabilizing the urgent medical crisis through intensive family treatment and psychiatric consultation.

Your Committee has amended this measure by conforming all of its provisions to the language in S.C.R. No. 93, S.D. 2. The amendment urges the Department of Health to assist in reopening the Molokini unit and to facilitate a stakeholder group, in cooperation with Hawaii Health Systems Corporation, to develop and implement crisis stabilization services at the Maui Memorial Medical Center.

The amendment specifies five integral elements for the stakeholder group to focus on during the development process of the crisis stabilization services, including exploring a partnership with Tripler Army Hospital's Psychiatry Department. The amendment also requests the Department of Health and Hawaii Health Systems Corporation to submit a report of the stakeholder group's activities, including any findings and recommendations, 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 concurs with the intent and purpose of H.C.R. No. 109, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 109, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Whalen).

SCRep. 1786 Health on H.C.R. No. 222

The purpose of this measure is to request that the Department of Health review and strengthen its water quality standards and practices.

The Department of Health and the Maui Department of Water Supply submitted testimony in opposition to this measure.

It is necessary to ensure that residents have access to a safe supply of drinking water. Upcountry Maui is an example of one area where the quality of the drinking water has deteriorated and has become a major cause of concern to residents of that area. One area of concern is adherence to Environmental Protection Agency lead and copper rules. There is a definite need for improvements in the operation, understanding, and handling of the situation. The Department testified that it has been and will continue to actively work with the Maui Department of Water Supply and the residents of upcountry Maui to address concerns regarding the water quality.

Your Committee has amended this measure by:

- (1) Deleting reference to strengthening the Department's water quality standards and practices and instead, requesting the Department to actively work with the residents in upcountry Maui to address their concerns;
- (2) Requesting the Department to review its water quality standards and practices in light of continuing concerns regarding deteriorating water quality in upcountry Maui;
- (3) Requesting the Department to petition the federal Environmental Protection Agency (EPA) to review adherence to EPA lead and copper rules; and
- (4) Requesting that certified copies of this measure be transmitted to the Director of the Maui County Department of Water Supply, and the President of the Kula Association, as a representative of upcountry Maui.

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. 222, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 222, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Whalen).

SCRep. 1787 Health on H.C.R. No. 229

The purpose of this measure is to request the Department of Health to study the impact of the physician "on-call" crisis on the ability of The Queen's Medical Center Trauma Center to provide emergency medical services in Hawaii and to recommend appropriate public and private responses to the crisis.

The Healthcare Association of Hawaii, the President and Chief Executive Officer of Hawaii Health Systems Corporation, Kaiser Permanente, the Program Director of the University of Hawaii Surgical Residency Program, and the Vice-President of Surgical Services at The Queen's Medical Center submitted testimony in support of this measure. The Department of Health and the Vice President of Medical Affairs at The Queen's Medical Center submitted testimony in support with amendments. The Hawaii Independent Physicians Association submitted testimony in support of the intent with recommendations and offered its assistance to the Legislative Reference Bureau with information to complete the study of the requirements for mandating physicians on-call.

Your Committee finds that it is more appropriate for the Department of Health to report on the factual issues surrounding the on-call problem and its impact on health care facilities in the State, and for the Legislative Reference Bureau to focus on policy-oriented issues.

Your Committee has amended this measure by conforming all of its provisions to the language in S.C.R. No. 199, S.D. 2. The Department of Health is requested to conduct an analysis of the on-call crisis including:

- (1) A description of the on-call issue and its impact on the Level II Trauma Center;
- (2) Identification of the factors that have contributed to the on-call issue becoming a crisis;
- (3) The response of The Queen's Medical Center to address this crisis and keep the Trauma Center operational;
- (4) The role of the Trauma Center in the state comprehensive emergency medical services system;
- (5) A description of the impact, if any, of the on-call crisis on the delivery of non-trauma emergency medical services at select hospitals across the State including neighbor island hospitals; and
- (6) An analysis of how the decision to transfer patients is made, including a description of the transfer process, and recommendations to improve this process, if any, to enhance patient outcomes.

The Legislative Reference Bureau is requested to identify and analyze any appropriate government response to the on-call crisis including:

- (1) The experience and response of other states and cities facing a similar on-call crisis;
- (2) Options to address trauma/emergency department medical services that go uncompensated;
- (3) Options to address liability concerns faced by on-call physicians; and
- (4) An analysis that looks at the pros and cons of mandating that physicians "take call" in order to:
 - (A) Obtain or maintain a license to practice medicine in the State of Hawaii; or
 - (B) Receive privileges to admit patients to a hospital located in the State 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 concurs with the intent and purpose of H.C.R. No. 229, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 229, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Whalen).

SCRep. 1788 Judiciary and Hawaiian Affairs on Gov. Msg. No. 433

Recommending that the Senate advise and consent to the nomination of the following:

CIVIL RIGHTS COMMISSION

G.M. No. 433 SARA BANKS, for a term to expire 06-30-2008

SARA BANKS earned a Bachelor of Arts degree from San Francisco State University and a Master's degree from the University of California at Los Angeles. Currently, Ms. Banks is a Specialist at the Center on Disability Studies at the University of Hawaii at Manoa where she develops training programs, including a statewide sixth grade science program that integrates Native Hawaiian culture, values, and accomplishments into a standards-based science curriculum.

Testimony in support of Ms. Banks was submitted by the Hawaii Civil Rights Commission, the Interim Director of the Center on Disabilities Studies at the University of Hawaii at Manoa, the Center, Life Foundation, and one individual.

Your Committee notes that Ms. Banks has been serving on the Hawaii Civil Rights Commission since 2004 as an interim appointee. In that brief period of time, Ms. Banks has made important contributions in the work of the Commission. Further, your Committee also notes Ms. Banks' dedication to promoting civil rights in the community as evidenced by her active involvement in the passage of the Equal Rights Amendment in Hawaii and creating employment opportunities for women in the construction industry.

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, 2 (Ihara, Whalen).

SCRep. 1789 (Joint) Judiciary and Hawaiian Affairs and Water, Land, and Agriculture on Gov. Msg. Nos. 478, 479 and 480

Recommending that the Senate advise and consent to the nominations of the following:

KAHO'OLAWA ISLAND RESERVE COMMISSION

G.M. No. 478 NOA EMMETT ALULI, for a term to expire 06-30-2009;

G.M. No. 479 MILTON M. ARAKAWA, for a term to expire 06-30-2007; and

G.M. No. 480 JOHN D. WAIHEE IV, For a term to expire 06-30-2009

NOA EMMETT ALULI earned Bachelor of Science degrees from Marquette University and a medical degree from the University of Hawaii at Manoa. Dr. Aluli works at Molokai General Hospital, the Molokai Family Health Center, and is an Assistant Clinical Professor at the University of Hawaii in the Department of Native Hawaiian Health. Dr. Aluli has served as Chairman of the Kaho'olawe Island Reserve Commission since 2002 and was also the Vice Chair of the Kaho'olawe Island Conveyance Commission from 1991-1993 which was charged by Congress to report on the conditions for the return of Kaho'olawe to the State of Hawaii. In addition, Dr. Aluli is a founding member of the Protect Kaho'olawe Ohana and the Protect Kaho'olawe Fund and has actively supervised and monitored important archaeological, hydrological, biological, marine, and ordinance clearance sites on Kaho'olawe.

Testimony in support of Dr. Aluli was submitted by the Protect Kaho'olawe Ohana, the Kaho'olawe Island Reserve Commission, and two individuals.

Your Committees find that Dr. Aluli's extensive experience, knowledge, and familiarity with Kaho'olawe, which stretches back twenty-five years, makes him qualified to serve on this Commission.

MILTON M. ARAKAWA earned bachelor's and masters' degrees from the University of Hawaii at Manoa. Since 2001, Mr. Arakawa has served first as the Deputy Director and now the Director of the Department of Public Works and Environmental Management for the County of Maui.

Testimony in support of Mr. Arakawa was submitted by the Kaho'olawe Island Reserve Commission, the Director of Council Services for the County of Maui, and two individuals.

Your Committees find that Mr. Arakawa's extensive background and experience as a planner both at the county and state levels, including early consulting work for Maui County in developing a Kaho'olawe community plan, makes him qualified to serve on this Commission.

JOHN D. WAIHEE IV currently serves as the Vice-Chairman of the Board of Trustees of the Office of Hawaiian Affairs (OHA). Mr. Waihee has been an OHA Trustee since 2001 and has chaired the Committees on Policy and Planning as well as Program Management.

Testimony in support of Mr. Waihee was submitted by the Kaho'olawe Island Reserve Commission, the Office of Hawaiian Affairs, and the Protect Kaho'olawe Ohana.

Your Committees find that Mr. Waihee's active involvement and interest in Native Hawaiian issues makes him qualified to serve on this Commission in the position designated for a representative of OHA.

As affirmed by the records of votes of the members of your Committees on Committees on Judiciary and Hawaiian Affairs and Water, Land, and Agriculture that are attached to this report, your Committees, 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 recommend that the Senate advise and consent to the nominations.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (English, Fukunaga, Ihara).

SCRep. 1790 Judiciary and Hawaiian Affairs on Gov. Msg. No. 522

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION TO PROMOTE UNIFORM LEGISLATION

G.M. No. 522 LANI LIU EWART, for a term to expire 06-30-2009

LANI LIU EWART earned a Bachelor of Arts degree from the University of Hawaii at Manoa and a law degree from the University of California at Berkeley. Ms. Ewart is a partner in the law firm of Goodsill Anderson Quinn and Stifel practicing in the areas of real estate and financing.

Testimony in support of Ms. Ewart was submitted by the Attorney General.

Your Committee notes that Ms. Ewart has served on the Commission to Promote Uniform Legislation continuously since 1977 and currently is the Vice Chair of the Commission. Further, Ms. Ewart has attended on various occasions the annual meeting of the National Conference of Commissioners on Uniform State Laws and contributing her time and energy in reviewing proposed state legislation.

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, 2 (Ihara, Whalen).

SCRep. 1791 Judiciary and Hawaiian Affairs on Gov. Msg. Nos. 523 and 524

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION TO PROMOTE UNIFORM LEGISLATION

G.M. No. 523 PETER J. HAMASAKI, for a term to expire 06-30-2008; and

G.M. No. 524 KEVIN P.H. SUMIDA, for a term to expire 06-30-2008

PETER J. HAMASAKI earned a bachelor's degree from the University of California at Berkeley and a law degree from Stanford University. Mr. Hamasaki is a partner in the law firm of McCorriston Miller Mukai MacKinnon, where he practices in the fields of commercial litigation, real estate, and governmental relations.

Testimony in support of Mr. Hamasaki was submitted by the Attorney General, a member of the Honolulu City Council, and thirteen individuals.

Your Committee finds that Mr. Hamasaki's legal training and background makes him qualified to serve on this Commission.

KEVIN P.H. SUMIDA earned a bachelor's degree from Case Western Reserve University and a law degree from the University of Pennsylvania. Mr. Sumida is a senior partner and founder of the law firm of Matsui Chung Sumida and Tsuchiyama where he practices in the fields of insurance defense, personal injury, construction, products liability, and antitrust related litigation. Additionally, Mr. Sumida served as a law clerk for a federal district court judge and as a legal researcher for the 1978 Hawaii State Constitutional Convention.

Testimony in support of Mr. Sumida was submitted by the Attorney General and four individuals.

Your Committee finds that Mr. Sumida's background and experience in various fields of law makes him qualified to serve on this 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, 4. Noes, none. Excused, 2 (English, Ihara).

SCRep. 1792 Judiciary and Hawaiian Affairs on Gov. Msg. Nos. 531 and 532

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON THE STATUS OF WOMEN

G.M. No. 531 MONA M. CHANG VIERRA, Ed.D., for a term to expire 06-30-2009; and

G.M. No. 532 CAROL ANN PHILIPS, for a term to expire 06-30-2009

MONA M. CHANG VIERRA earned bachelor's and master's degrees from the University of Hawaii at Manoa as well as a doctorate in education from the University of Southern California. Since 1966 Dr. Chang Vierra has served as an elementary and secondary school teacher in English, Speech, and Creative Writing. In addition, Dr. Chang Vierra has served as an Education Specialist with the Department of Education. Dr. Chang Vierra is also active in the community and serves on the Board of Directors of the YWCA as well as other community organizations.

Testimony in support of Dr. Chang Vierra was submitted by a State Representative, the Director of St. Clements School, the Community Entrepreneurs Foundation, and one individual.

Your Committee finds that Dr. Chang Vierra possesses the experience, knowledge, and familiarity with the various issues confronting women in Hawaii as well as the important mission and role of this Commission.

CAROL ANN PHILIPS earned a Bachelor of Arts degree in business from the University of Hawaii-West Oahu. Ms. Philips founded and serves as the Executive Producer of the World Championship of Women's Bodyboarding competition that attracts female bodyboarders from around the world. In addition, Ms. Philips is the Executive Secretary for the Association of Women Bodyboarders, an organization that introduces women to the sport of bodyboarding and promotes fair competition.

Testimony in support of Ms. Philips was submitted by the Association of Women Bodyboarders, the Hawaii Women's Law Center, and four individuals.

Your Committee finds that Ms. Philips' extensive background and leadership role in female sports as well as familiarity with important women's issues in the community not only brings a unique perspective to the work of the Commission, but also makes her qualified to serve on this 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, 4. Noes, none. Excused, 2 (English, Ihara).

SCRep. 1793 Judiciary and Hawaiian Affairs on Gov. Msg. Nos. 566 and 567

Recommending that the Senate advise and consent to the nominations of the following:

CRIME VICTIM COMPENSATION COMMISSION

G.M. No. 566 JANET K. KUWAHARA, for a term to expire 06-30-2006; and

G.M. No. 567 REBECCA S. WARD, for a term to expire 06-30-2009

JANET K. KUWAHARA is a veteran of Hawaii's visitor and tourism industry and currently works at the Maui Visitors Bureau in charge of the Visitor Aloha Society Hawaii program for the county of Maui, which assists visitors to Maui in their time of need.

Testimony in support of Ms. Kuwahara was submitted by the Crime Victim Compensation Commission, a State Senator, the Maui Hotel Association, the President of Condominium Rentals Hawaii, the President of the Ocean Tourism Coalition, and two individuals.

Your Committee finds that Ms. Kuwahara's extensive experience in working with various law enforcement agencies and assisting visitors who have become victims of crime during their stays in Hawaii makes her qualified to serve on this Commission.

REBECCA S. WARD is a successful businesswoman who owns and manages her own private market research company, Ward Research. Ms. Ward is also actively involved in a number of community organizations such as the Chamber of Commerce of Hawaii and Girl Scouts of America, Hawaii Chapter.

Testimony in support of Ms. Ward was submitted by the Crime Victim Compensation Commission.

Your Committee notes that Ms. Ward has been serving on the Crime Victim Compensation Commission since 2003 and understands both the mission and role of this Commission. Ms. Ward's business and management background makes her qualified for reappointment to this important 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, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 1794 Judiciary and Hawaiian Affairs on Gov. Msg. No. 576

Recommending that the Senate advise and consent to the nomination of the following:

HAWAIIAN HOMES COMMISSION

G.M. No. 576 STUART K. HANCHETT, for a term to expire 06-30-2009

STUART K. HANCHETT worked in the airline industry for nearly twenty years before opening a courier service on Kauai that serves state agencies and private companies.

Testimony in support of Mr. Hanchett was submitted by the Department of Hawaiian Home Lands and one individual.

Your Committee notes that Mr. Hanchett is a beneficiary of the Hawaiian home lands trust and is also an applicant on the waiting list. Further, as a small business owner Mr. Hanchett will bring a strong management background to the workings of the 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, 2 (Ihara, Whalen).

SCRep. 1795 Transportation and Government Operations on Gov. Msg. No. 669

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON TRANSPORTATION

G.M. No. 669 DAVID R. MARSHALL, for a term to expire 06-30-2006

Your Committee received testimony in support of DAVID R. MARSHALL from the Department of Transportation, the Director of County Airports for Santa Clara County, and one individual. Mr. Marshall received a B.S. degree in Aeronautical Operations from San Jose State University. Mr. Marshall has focused his career on being a “technical translator”—he can explain the concerns of the untrained person to engineers, and the requirements and limitations of projects to the public. He also takes great satisfaction in helping disparate groups reach an agreement. His experience as a technical translator will make him a vital member of the Commission. His services on the San Jose Airport Commission have given him a valuable perspective that will allow him to contribute ideas and solutions to the council. Mr. Marshall is a dedicated member of the community and will be an integral and indispensable part the council. Your Committee notes his oral testimony that he feels there is a need for rail transportation to move a volume of people.

As affirmed by the record of votes of the members of your Committee on Transportation 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, Menor).

SCRep. 1796 Judiciary and Hawaiian Affairs on Gov. Msg. Nos. 612, 613, 614, 615, 616 and 617

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLANDS OF KAUAI AND NIIHAU

G.M. No. 612 MARK S. HUBBARD, S.P.H.R., for a term to expire 06-30-2008;

G.M. No. 613 D. La FRANCE KAPAKA-ARBOLEDA, for a term to expire 06-30-2008;

G.M. No. 614 JOHN A.P. KRUSE, for a term to expire 06-30-2008;

G.M. No. 615 SANDRA P. QUINSAAT, for a term to expire 06-30-2008;

G.M. No. 616 LEIANA P. ROBINSON, for a term to expire 06-30-2007; and

G.M. No. 617 PRESLEY V. WANN, for a term to expire 06-30-2009

MARK S. HUBBARD, S.P.H.R. has worked for landowners and developers for thirty-one years and is currently associated with Grove Farm Company, Inc. on Kauai. Mr. Hubbard is also actively involved in a number of community organizations, including the Rotary Club of Kauai, Hale 'Opio, and the Kauai Planning and Action Alliance. In addition, Mr. Hubbard has served on the Island Burial Council for the Islands of Kauai and Niihau since 2004 as an interim appointee.

Testimony in support of Mr. Hubbard was submitted by the Department of Land and Natural Resources.

D. La FRANCE KAPAKA-ARBOLEDA works as the Community Resource Coordinator for the Island of Kauai for the Office of Hawaiian Affairs. In addition, Ms. Kapaka-Arboleda is active in a number of community organizations, including Ka Hale Pono, a Family Education Center, where she serves as an advisor. Additionally, Ms. Kapaka-Arboleda has been serving on the Island Burial Council for the Islands of Kauai and Niihau as an interim appointee since 2004.

Testimony in support of Ms. Kapaka-Arboleda was submitted by the Department of Land and Natural Resources, a State Representative, and one individual.

JOHN A.P. KRUSE is a graduate of the University of Hawaii and is currently employed with the County of Kauai's Real Property Division as an Appraiser. Mr. Kruse is actively involved in a number of community organizations, including Kalai Wa'a O Kaua'i, a Polynesian voyaging society. In addition, Mr. Kruse has been serving on the Island Burial Council for the Islands of Kauai and Niihau since 2004 as an interim appointee.

Testimony in support of Mr. Kruse was submitted by the Department of Land and Natural Resources and one individual.

SANDRA P. QUINSAAT lives in the Koloa region of Kauai and works at the Hyatt Regency Kauai Resort and Spa in the Engineering Division. Ms. Quinsaas is also actively involved in a hula halau and is a member of Na Kalai Wa'a O Kaua'i, a Polynesian voyaging society. In addition, Ms. Quinsaas has been serving on the Island Burial Council for the Islands of Kauai and Niihau as an interim appointee since 2004.

Testimony in support of Ms. Quinsaas was submitted by the Department of Land and Natural Resources.

LEIANA P. ROBINSON lives on the island of Niihau and is fluent in Native Hawaiian. Ms. Robinson's father is a minister for the only church on Niihau where all current burial ceremonies are held and thus Ms. Robinson is intimately familiar with Native Hawaiian culture and traditions. In addition, Ms. Robinson has been serving as an interim appointee on the Island Burial Council for the Islands of Kauai and Niihau since 2004.

Testimony in support of Ms. Robinson was submitted by the Department of Land and Natural Resources.

PRESLEY V. WANN has worked for Koga Engineering and Construction on the Island of Kauai for the past twenty-three years. Mr. Wann has also served as an interim appointee to the Island Burial Council for the Islands of Kauai and Niihau since 2004.

Testimony in support of Mr. Wann was submitted by the Department of Land and Natural Resources and the Office of Hawaiian Affairs.

Your Committee finds that based upon the experience, knowledge, and level of dedication to Native Hawaiian issues exhibited, each nominee would be an asset to the Island Burial Council for the Islands of Kauai and Niihau.

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, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 1797 Judiciary and Hawaiian Affairs on Gov. Msg. Nos. 618, 619, 620, 621, 622, 623, 624 and 625

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLANDS OF MAUI AND LANAI

G.M. No. 618 SCOTT FISHER, for a term to expire 06-30-2009;

G.M. No. 619 WILLIAM C. FRAMPTON, for a term to expire 06-30-2008;

G.M. No. 620 DANA MOMILANI NAONE HALL, for a term to expire 06-30-2007;

G.M. No. 621 EDWARD HOAPILII KAAHUI, for a term to expire 06-30-2009;

G.M. No. 622 KEMA L. KANAKAOLE, for a term to expire 06-30-2009;

G.M. No. 623 J. KE'EAUMOKU KAPU, for a term to expire 06-30-2009;

G.M. No. 624 LESLIE A. KULOLOIO, for a term to expire 06-30-2009; and

G.M. No. 625 CLOTHILDA PUALANI PAOA, for a term to expire 06-30-2007

SCOTT FISHER works as a project manager for Maui Coastal Land Trust where he oversees restoration work at the two hundred seventy-seven acre Waihe'e Preserve on Maui. As project manager, Dr. Fisher has worked with the State Historic Preservation Division as well as the Maui and Lanai Island Burial Council in the proper handling of Native Hawaiian burial sites located on this property.

Testimony in support of Dr. Fisher was submitted by the Department of Land and Natural Resources and two individuals.

WILLIAM C. FRAMPTON earned a Bachelor of Arts degree in Geography from Humboldt State University and currently works as the Managing Member of Frampton and Ward, a real estate consulting, development, and project management firm in Kihei, Maui. Mr. Frampton has been serving on the Island Burial Council for the Islands of Maui and Lanai since 2004 as an interim appointee.

Testimony in support of Mr. Frampton was submitted by the Department of Land and Natural Resources.

DANA MOMILANI NAONE HALL has been actively involved in the protection and proper treatment of Native Hawaiian burial sites since 1987 and was a charter member of the Island Burial Council for the Islands of Maui and Lanai in 1991. Since 2004, Ms. Naone Hall has served as an interim appointee to the Island Burial Council for the Islands of Maui and Lanai where she is the Vice Chair of this Council.

Testimony in support of Ms. Naone Hall was submitted by the Department of Land and Natural Resources, the Office of Hawaiian Affairs, Hui Malama I Na Kupuna O Hawai'i Nei, the Chair of the Island Burial Council for the Islands of Maui and Lanai, and five individuals.

EDWARD HOAPILII KAAHUI previously served the County of Maui for over thirty years as a police officer, the County Historical and Cultural Coordinator, and a member of the County Planning and Parks Departments. Currently Mr. Kaahui is self-employed and active in a number of community organizations, including the Kamehameha Alumni Association, Na Mele O Maui, and the Napili Canoe Club.

Testimony in support of Mr. Kaahui was submitted by the Department of Land and Natural Resources and four individuals.

KEMA L. KANAKAOLE is a lifetime resident of Hana and is a fisherman, carpenter, and builder. In addition, Mr. Kanakaole has worked for the National Park Service as a cultural interpreter. Mr. Kanakaole's strong family ties and upbringing is evident in his extensive knowledge of Native Hawaiian history, culture, and the arts.

Testimony in support of Mr. Kanakaole was submitted by the Department of Land and Natural Resources and one individual.

J. KE'EAUMOKU KAPU is a resident of Lahaina and has demonstrated an abiding love and respect for the cultural and historical resources of Maui. Presently, Mr. Kapu sits as the Vice Chair of the Cultural Resources Commission for the County of Maui. In addition, Mr. Kapu is a member of the Na Papa Kanaka O Pu'u Kohola heiau.

Testimony in support of Mr. Kapu was submitted by the Department of Land and Natural Resources, the Executive Director of the Lahaina Restoration Foundation, the West Maui Taxpayers Association, and four individuals.

LESLIE A. KULOLOIO is a lifetime resident of Maui and an experienced fisherman and master stone wall builder. Mr. Kuloloio served as an original board member of Alu Like and presently serves as a member of the Island Burial Council for the Islands of Maui and Lanai.

Testimony in support of Mr. Kuloloio was submitted by the Department of Land and Natural Resources and one individual.

CLOTHILDA PUALANI PAOA is a resident of Lanai and has taught Hawaiian Studies at Lanai High and Elementary School for the past five years. Ms. Paoa is also a member of Hui Malama Pono, an environmental group that oversees architectural sites and the preservation of indigenous flora and fauna.

Testimony in support of Ms. Paoa was submitted by the Department of Land and Natural Resources, the Vice Principal of Lanai High and Elementary School, and the Cultural Resource Manager for Castle and Cooke Resorts.

Your Committee finds that based upon the experience, knowledge, and level of dedication to Native Hawaiian issues exhibited, each nominee would be an asset to the Island Burial Council for the Islands of Maui and Lanai.

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, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 1798 Tourism on Gov. Msg. No. 550

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII TOURISM AUTHORITY

G.M. No. 550 LEON D. YOSHIDA, for a term to expire 06-30-2008

Your Committee received testimony in support of the nominee from the Hawaii Tourism Authority (HTA); Department of Business, Economic Development, and Tourism; Japan Airlines; JTB Hawaii, Inc.; JALPAK International Hawaii, Inc.; Pleasant Holidays; Aston Hotels & Resorts; The Ritz-Carlton Hotel Company, L.L.C.; Hyatt Resorts; Outrigger Hotels & Resorts; Ala Moana Hotel; Hospitality Solutions; Japan-America Society of Hawaii; Kobayashi Travel Service and Polynesian Hospitality; 21st Century Group, Inc.; JTB Hawaii, Inc.; and Ko Olina Resort & Marina.

LEON D. YOSHIDA is President of Sawayaka Hawaii, Inc., a Japanese in-bound travel company located in Waikiki. He is also currently the Executive Director of the Honolulu Festival Foundation and President of Kagari Inc. Mr. Yoshida is founder of Hospitality Solutions, L.L.C., which provides an Internet-based program to allow travel wholesalers to book group business. His previous employment was with Hyatt Resorts Hawaii as Director of Sales and Marketing for Asia-Pacific, and Del E. Webb's Kuilima Resort Hotel & Country Club as Sales Manager. His professional affiliations include the Japan-America Society of Hawaii, Japan-Hawaii Travel Association, and Request for Proposals Review Committee and Advisor for the Hawaii Tourism Authority.

To ensure that nominees to the HTA are sincere and dedicated to the purpose and goals of the HTA, your Committee has consistently asked all nominees to submit to the Committee a written vision statement. The purpose of the vision statement is for nominees to take the time to reflect and determine if they are willing to provide the time and effort that is required for the position. Furthermore, the vision statement is a tool for the Committee to assess the nominee's dedication and determination, which are indicative of whether the nominee would be an asset to the board of directors of the HTA.

Your Committee notes the vision statement of the nominee that he sees his role as being able to contribute his thirty-three years' experience in the visitor industry, particularly in regard to hotels and the Japan market, to the improvement of the operations of the HTA. He cites some of the challenges facing the HTA, including improving the tourism product to ensure repeat visitors, safety and security for all visitors, appearance of our international airports, and access to neighbor island travel for visitors from Japan. His written statement indicated he believes there is a need to address the competition for visitors from Japan from such places as China and Korea, which have growing tourism markets.

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 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, none.

SCRep. 1799 Transportation and Government Operations on Gov. Msg. No. 633

Recommending that the Senate advise and consent to the nomination of the following:

MEDICAL ADVISORY BOARD

G.M. No. 633 VIT U. PATEL, M.D., for a term to expire 06-30-2009

Your Committee received testimony in support of VIT U. PATEL, M.D. from the Department of Transportation. The nominee is a practicing psychiatrist in general adult, addictions, consultation/liaison, geriatric, and forensic psychiatry. Dr. Patel received a B.A. degree from Carleton College and an M.Sc. degree and an M.D. degree from the University of Minnesota. He has received countless awards in recognition of his distinguished commitment to the health of Hawaii's people. Dr. Patel has a prestigious background in medical care and has held various positions within this field in the last thirty years in Hawaii and on the mainland. He has dedicated his time and effort towards community endeavors and advocates for mental health research. Dr. Patel continues his medical education through conferences, lectures, seminars, and literature readings. Dr. Patel is a reappointment to the board. He contributes significantly to the work of the board and is an active participant at all meetings. Dr. Patel's sound advice and willingness to serve has and will continue to be a valuable asset to the board.

As affirmed by the record of votes of the members of your Committee on Transportation 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, Menor).

SCRep. 1800 Commerce, Consumer Protection and Housing on Gov. Msg. No. 639

Recommending that the Senate advise and consent to the nomination of the following:

MOTOR VEHICLE INDUSTRY LICENSING BOARD

G.M. No. 639 THOMAS I. NAKAMA, for a term to expire 06-30-2008

The Department of Commerce and Consumer Affairs, Cutter Management Co., Hawaii Automobile Dealers' Association, and an individual testified in support of the nomination.

THOMAS I. NAKAMA has over forty years of experience in the retail automobile industry, and has worked in various dealership management positions, including general sales manager, dealership general manager, and vice president of sales. He holds a current motor vehicle salesperson license in good standing and is employed by a licensed motor vehicle dealership. The nominee has served on the Motor Vehicle Industry Licensing Board as a public member.

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, 1 (Ige).

SCRep. 1801 Commerce, Consumer Protection and Housing on Gov. Msg. No. 658

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF SPEECH PATHOLOGY AND AUDIOLOGY

G.M. No. 658 BARRY F. LUTERMAN, Ph.D., for a term to expire 06-30-2009

BARRY F. LUTERMAN, Ph.D., holds master's and doctoral degrees in audiology and has over thirty years of experience in the profession. Dr. Luteran was a supervising audiologist with the Veterans Administration for twenty-seven years and an assistant professor of audiology at the John A. Burns School of Medicine, University of Hawaii. Additionally, the nominee served on The Governor of Nevada's Task Force Investigating Hearing Aid Specialists and the Nevada Board of Hearing Aid Specialists.

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, 1 (Ige).

SCRep. 1802 Commerce, Consumer Protection and Housing on Gov. Msg. No. 647

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF EXAMINERS IN OPTOMETRY

G.M. No. 647 DANTE P. BUERANO, JR., for a term to expire 06-30-2009

DANTE P. BUERANO, JR., nominated as a public member, has a bachelor's degree in business management. Mr. Buerano's professional experience includes managing radiation treatment centers and working as a marketing representative for a private medical laboratory. In his testimony, the nominee expressed a desire to use his skills and experience to serve the State 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 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 (Ige).

SCRep. 1803 Judiciary and Hawaiian Affairs on Gov. Msg. Nos. 598, 599, 601 and 602

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLAND OF MOLOKAI

G.M. No. 598 LANCE M. DUNBAR, for a term to expire 06-30-2009;

G.M. No. 599 PEARL A. HODGINS, for a term to expire 06-30-2009;

G.M. No. 601 WILLIAM K. MALO, for a term to expire 06-30-2009; and

G.M. No. 602 GEORGE "KEOKI" E. PESCAIA, for a term to expire 06-30-2006

LANCE M. DUNBAR is the owner of Kainalu Ranch, which encompasses over one hundred acres in East Molokai. Mr. Dunbar was formerly employed by Bank of Hawaii and managed the Molokai Branch Office.

Testimony in support of Mr. Dunbar was submitted by the Department of Land and Natural Resources.

PEARL A. HODGINS worked for Molokai Ranch for twenty-five years and has been involved in real estate on Molokai for twenty-eight years. Ms. Hodgins is also actively involved in the community, including the Molokai Museum and Cultural Center. In addition, Ms. Hodgins has provided important assistance to the work of the Molokai Island Burial Council.

Testimony in support of Ms. Hodgins was submitted by the Department of Land and Natural Resources.

WILLIAM K. MALO lived in Kalaupapa for twenty-five years and served his community as the Sheriff of Kalaupapa where he officiated and assisted in funerals at the settlement. Mr. Malo's first-hand knowledge of Kalaupapa, his familiarity with the residents of this area, and level of understanding with respect to Native Hawaiian culture makes him qualified to serve on this Council.

Testimony in support of Mr. Malo was submitted by the Department of Land and Natural Resources.

GEORGE "KEOKI" E. PESCAIA has worked for Molokai Ranch for ten years and has assisted with the restoration of cultural sites. Mr. Pescaia has also participated in the repatriation and reinternment of Native Hawaiian burial sites.

Testimony in support of Mr. Pescaia was submitted by the Department of Land and Natural Resources.

Your Committee finds that based upon the experience, knowledge of Native Hawaiian issues, and level of dedication exhibited, each nominee would be an asset to the Island Burial Council for the Island of Molokai.

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, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 1804 Water, Land, and Agriculture on Gov. Msg. Nos. 442 and 562

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII COMMUNITY DEVELOPMENT AUTHORITY (HCDA)

G.M. No. 442 KAY M. MUKAIGAWA, for a term to expire 06-30-2009; and

G.M. No. 562 GRADY L. CHUN, for a term to expire 06-30-2007

KAY M. MUKAIGAWA is the president and principal broker at Primary Properties, Inc. Ms. Mukaigawa has worked in the real estate industry for approximately nineteen years and is a Certified Residential Broker-Aloha Chapter member, a Certified Residential Specialist designee, a Graduate Realtor's Institute designee, a Senior Real Estate Specialist designee, and an Accredited Buyer's Representative designee. She was awarded the 1999 Building Industry Association Associate of the Year award, the August 1997 Building Industry Association Remodeler's Council Associate of the Month award, and the 2001 Honolulu Board of Realtors Aloha Aina award.

Testimony in support of Ms. Mukaigawa was submitted by HCDA, the Hawaii Association of Realtors, ML Pacific Inc., and four individuals.

GRADY L. CHUN holds a Bachelor of Arts degree from the University of Hawaii and is the vice president and director of AXA Advisors, LLC. He is Series 3, 7, 24, 53, 63, and 65 certified and has his Investment Advisor, Executive Benefits Specialist, Retirement Planning Specialist, and Advanced Business Planning certifications. Mr. Chun is also the director of the See Dai Doo Society, the community advisor for the Kawaiiaha'o School Board of Directors, and a member of the Hawaii Chinese Civic Association. Mr. Chun was selected by the Governor from a list of four nominees submitted by the Honolulu City Council to represent the City and County of Honolulu on HCDA.

Testimony in support of Mr. Chun was submitted by HCDA and one individual.

Your Committee finds that the nominees' experience and background make each an asset to HCDA.

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, 5. Noes, none. Excused, none.

SCRep. 1805 Water, Land, and Agriculture on H.C.R. No. 5

The purpose of this measure is to request the Office of Planning to establish a South Kona-Ka'u Coastal Conservation Partnership.

The Office of Hawaiian Affairs and the Office of Planning submitted testimony in support of this measure. A Representative from the House of Representatives and the Nature Conservancy submitted comments on this measure.

Valuable native Hawaiian resources in the South Kona and Ka'u area on the island of Hawaii are endangered, including heiau, slides, and other archaeological evidence of ancient Hawaiian habitation, due to increased visitor traffic, and the added visitors have also had a negative impact on natural resources, native plants, and land and aquatic animals.

To address these important issues, the Legislature created the South Kona Wilderness Area in 2003; however, your Committee finds that more may need to be done to protect and preserve this precious area. Accordingly, this measure requests the Office of Planning to establish a South Kona and Ka'u Coastal Conservation Partnership to review and analyze the impact on the fragile and historically significant coastal lands and near shore marine areas in South Kona and Ka'u.

Your Committee has amended this measure by:

- (1) Changing the South Kona and Ka'u Coastal Conservation Partnership to the South Kona and Ka'u Coastal Conservation Task Force;
- (2) Removing the requirements for a "steering committee" and requiring that the task force elect a chair from among its members by a majority vote;

- (3) Replacing the Office of Planning with the Department of Land and Natural Resources' Division of State Parks;
- (4) Noting that in 1987 and 2001, studies were performed in the area and the task force should use the findings in those studies as a basis for its review; and
- (5) Providing that the task force shall cease to exist on the last day of the Regular Session of 2007.

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. 5, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 5, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 1806 Judiciary and Hawaiian Affairs on Gov. Msg. Nos. 585, 586, 587, 589, 590, 591, 592, 593, 594 and 595

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLAND OF HAWAII

- G.M. No. 585 ANNA CARIAGA, for a term to expire 06-30-2008;
- G.M. No. 586 RONALD N.M. DELA CRUZ, for a term to expire 06-30-2008;
- G.M. No. 587 LENINGRAD ELARIONOFF, for a term to expire 06-30-2009;
- G.M. No. 589 ROY HELBUSH, for a term to expire 06-30-2008;
- G.M. No. 590 JACQUI L. HOOVER, for a term to expire 06-30-2009;
- G.M. No. 591 KU KAHAKALAU, Ph.D, for a term to expire 06-30-2008;
- G.M. No. 592 MELVYN KALEO KUALII, for a term to expire 06-30-2008;
- G.M. No. 593 CYNTHIA NAZARA, for a term to expire 06-30-2007;
- G.M. No. 594 DUTCHIE K. SAFFREY, for a term to expire 06-30-2007; and
- G.M. No. 595 CHARLES KUI HIN YOUNG, for a term to expire 06-30-2009

ANNA CARIAGA is a graduate of Ka'u High School and worked at the Hawaii County Economic Opportunity Council for thirty-three years. Ms. Cariaga is active in the community and has served as the past President for the Hawaiian Civil Club. Further, Ms. Cariaga has been serving as a member of the Island Burial Council for the Island of Hawaii since 2004 as an interim appointee.

Testimony in support of Ms. Cariaga was submitted by the Department of Land and Natural Resources.

RONALD N.M. DELA CRUZ has nearly thirty-five years of experience in the areas of administration and personnel security. Mr. Dela Cruz is currently the President and Owner of Security Solution of Hawaii. Mr. Dela Cruz previously served on the Island Burial Council for the Island of Maui for two years and has been serving on the Island Burial Council for the Island of Hawaii since 2004 as an interim appointee.

Testimony in support of Mr. Dela Cruz was submitted by the Department of Land and Natural Resources.

LENINGRAD ELARIONOFF is a retired Hawaii County Police Officer and currently serves on the Hawaii County Council. Mr. Elarionoff's knowledge, familiarity, and respect for Native Hawaiian culture, in particular Native Hawaiian burial sites and the remains and artifacts located therein, make him qualified to serve on the Island Burial Council for the Island of Hawaii.

Testimony in support of Mr. Elarionoff was submitted by the Department of Land and Natural Resources, the Mayor of the County of Hawaii, the Chair of the Hawaii County Council, two Hawaii County Council members, the President of the Waimea Community Association, and two individuals.

ROY HELBUSH is presently the trustee and a beneficiary of the Gladys Searle Helbush Trust which includes over three hundred fifty acres of land in the Ka'u area on the Island of Hawaii. Mr. Helbush's family has been living and ranching on this tract of land for over a century and this experience has endowed Mr. Helbush with both an understanding and respect for the culture and burial practices of Native Hawaiians.

Testimony in support of Mr. Helbush was submitted by the Department of Land and Natural Resources.

JACQUI L. HOOVER is the President of the Hawaii Leeward Planning Conference, an organization that is comprised of various large landowners on the Island of Hawaii. As President of this organization, Ms. Hoover is intimately familiar with land use and planning issues in the West Hawaii area, including the preservation of Native Hawaiian history, culture, and artifacts.

Testimony in support of Ms. Hoover was submitted by the Department of Land and Natural Resources, the Hawaii Island Economic Development Board, Inc., the Hawaii Leeward Planning Conference, a trustee of Parker Ranch, the President of Lanihau Properties LLC, and six individuals.

KU KAHAKALAU earned a Ph.D in Indigenous Education from the Union Institute and is currently a Professor of Hawaiian Education Cohort at Halau Wanana-Center for Higher Education. In addition, since 2000, Dr. Kahakalau has served as the Principal and Director of Kanu o Ka 'Aina Charter School. Dr. Kahakalau is also active in various Native Hawaiian community organizations, including the Native Hawaiian Safe and Drug Free Advisory Council and the Native Hawaiian Charter School Alliance. Dr. Kahakalau has been serving on the Island Burial Council for the Island of Hawaii as an interim appointee since 2004.

Testimony in support of Dr. Kahakalau was submitted by the Department of Land and Natural Resources and two individuals.

MELVYN KALEO KUALII is currently attending West Hawaii Community College studying Hawaiian History. Prior to starting West Hawaii Community College, Mr. Kualii's employment history included work as a Mauna Kea Ranger as well as a Cultural Programs Coordinator for the Hualalai Four Seasons Resort. Mr. Kualii is active in a number of Native Hawaiian organizations and has been serving on the Island Burial Council for the Island of Hawaii as an interim appointee since 2004.

Testimony in support of Mr. Kualii was submitted by the Department of Land and Natural Resources.

CYNTHIA NAZARA was previously employed as a Cultural Manager at Hualalai Resort. This position enabled Ms. Nazara to work with other cultural specialists in the Kona and West Hawaii areas on Native Hawaiian burial sites where she learned about important Native Hawaiian customs and practices. In addition, Ms. Nazara's extensive family history and background in Native Hawaiian culture and the arts provides her with a solid foundation to assist in the work of the Island Burial Council for the Island of Hawaii.

Testimony in support of Ms. Nazara was submitted by the Department of Land and Natural Resources.

DUTCHIE K. SAFFREY is presently retired and devotes her time and energy as the Vice President and the Hawaii Director for Hui Kako'o 'Aina Ho'opulapula. This organization is dedicated to assisting Native Hawaiian applicants who are wait listed on the Hawaiian home lands rolls. In addition, Ms. Saffrey has been serving on the Island Burial Council for the Island of Hawaii since 2004 as an interim appointee.

Testimony in support of Ms. Saffrey was submitted by the Department of Land and Natural Resources, Hui Kako'o 'Aina Ho'opulapula, the Chair of the Hawaii Island Burial Council, and eight individuals.

CHARLES KUI HIN YOUNG works for Mauna Loa Macadamia Nut Corporation on the Island of Hawaii. In addition, Mr. Young is also actively involved in a number of Native Hawaiian community organizations, including the Kona Hawaiian Civil Club and Kama'aina United to Protect the 'Aina. Previously, Mr. Young served on the Island Burial Council for the Island of Hawaii.

Testimony in support of Mr. Young was submitted by the Department of Land and Natural Resources, the Office of Hawaiian Affairs, and one individual.

Your Committee finds that based upon the experience, knowledge, and level of dedication to Native Hawaiian issues exhibited, each nominee would be an asset to the Island Burial Council for the Island 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, 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 (Ihara, Whalen).

SCRep. 1807 Judiciary and Hawaiian Affairs on H.C.R. No. 294

The purpose of this measure is to honor the fundamental rights enshrined by the Bill of Rights and the sacrifices made to create and preserve those rights by proclaiming December 15 of every year as Bill of Rights Day.

Your Committee has amended the measure by deleting its title and contents and inserting therefor provisions that request the Legislative Reference Bureau to conduct a review of existing studies and statistics on the causal relationship between wireless telephone use while operating a motor vehicle and increased motor vehicle-related accidents.

Your Committee received testimony opposing the amending of the measure from a private citizen.

Your Committee finds that wireless telephones have become a very popular and affordable commodity in today's society. However, using wireless telephones while operating a motor vehicle creates a potentially dangerous situation, not only for other motorists but for pedestrians as well, and the number of accidents attributable to wireless telephone misuse seem to be increasing.

According to a recent study published by the New England Journal of Medicine, the risk of the occurrence of an accident is four times more likely when the driver is busy conversing with someone on a wireless telephone, and the driver's attention is more apt to be on the discussion than on the road. As early as 1991, a study performed by the American Automobile Association Foundation for Traffic Safety found that drivers using wireless telephones were twenty to thirty per cent more likely to be involved in a highway traffic accident situation.

In 2001, New York became the first state in the nation to adopt a ban on the use of hand-held mobile telephones while driving on public roads, except in emergency situations. In Hawaii, legislation has been periodically introduced over the past decade calling for a similar ban on the use of wireless telephones while operating a motor vehicle.

However, your Committee recognizes that the use of wireless telephones while operating a motor vehicle is not the only distraction-inducing act committed by drivers. Other actions, such as eating, drinking, applying cosmetics, reading, adjusting the volume or changing what is on a motor vehicle's radio, or even talking to a passenger, may also contribute significantly to a driver's inattentiveness while driving.

Your Committee believes that if the Legislature is to ban a distraction-inducing action while operating a motor vehicle, it should not discriminate against a particular distraction-inducing action without first determining if that action is the most prevalent cause of distraction-induced motor vehicle accidents.

As such, your Committee further believes that, prior to imposing a ban on the use of wireless telephones while operating a motor vehicle, the Legislature should obtain more information on the causal relationship between using a wireless telephone while operating a motor vehicle and the incidence of increased motor vehicle-related accidents.

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. 294, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 294, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 1808 Judiciary and Hawaiian Affairs on H.C.R. No. 56

The purpose of this measure is to request that the federal government:

- (1) Recognize the political relationship between the United States and the indigenous Hawaiian people in a similar manner afforded to Native Americans and Alaska natives; and
- (2) Designate a permanent agency to address indigenous Hawaiian reconciliation proceedings and the political status of indigenous Hawaiians.

Your Committee has amended the measure by deleting its title and contents and inserting therefor provisions that request the United States Congress and the President of the United States to support the passage of S. 147, the Native Hawaiian Government Reorganization Act of 2005, otherwise known as the Akaka Bill.

The amended measure also urges the United States Congress and the President of the United States, upon passage of the Native Hawaiian Government Reorganization Act of 2005, to expeditiously facilitate formal federal recognition of Native Hawaiians as indigenous people, self-governance, and redress

Your Committee received testimony in support of the amended measure from the Office of Hawaiian Affairs, the Attorney General, and the Department of Hawaiian Home Lands. A private citizen supported the amended measure if the measure was further amended to address certain concerns. Two private citizens testified in opposition to the amended measure.

Your Committee finds that the Akaka Bill would:

- (1) Authorize the Office of Native Hawaiian Relations in the Department of the Interior to serve as a liaison between Native Hawaiians and the federal government;
- (2) Establish the Native Hawaiian Interagency Coordinating Group - an interagency group to be composed of federal officials from agencies that administer Native Hawaiian programs and services; and
- (3) Establish a process for the reorganization of the Native Hawaiian governing entity.

Your Committee also finds that, while the United States Congress has traditionally treated Native Hawaiians in a manner parallel to American Indians and Alaska Natives, the federal policy of self-governance and self-determination has not been formally extended to Native Hawaiians.

Your Committee believes that the Akaka Bill would remedy this discrepancy and extend to Native Hawaiians the policy of self-governance and self-determination currently practiced by American Indians and Alaska Natives.

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. 56, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 56, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 1809 Judiciary and Hawaiian Affairs on Gov. Msg. Nos. 604, 605, 606, 607, 608, 609, 610 and 611

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLAND OF OAHU

- G.M. No. 604 CHARLES A. EHRHORN, for a term to expire 06-30-2007;
- G.M. No. 605 ALICE U. GREENWOOD, for a term to expire 06-30-2009;
- G.M. No. 606 ANALU K. JOSEPHIDES, for a term to expire 06-30-2008;
- G.M. No. 607 ANDREW K.T. KELIIOKA, for a term to expire 06-30-2009;
- G.M. No. 608 AARON D. MAHI, for a term to expire 06-30-2009;
- G.M. No. 609 MARK KAWIKA McKEAGUE, for a term to expire 06-30-2009;
- G.M. No. 610 JACE L. McQUIVEY, for a term to expire 06-30-2009; and
- G.M. No. 611 LINDA PAIK, for a term to expire 06-30-2008

CHARLES A. EHRHORN previously worked for Campbell Estate for twenty-two years as an Asset Manager and Land Planning Coordinator and Manager. In addition, Mr. Ehrhorn's architectural background brings important technical knowledge to the workings of the Council from the development perspective. Mr. Ehrhorn has been serving on the Island Burial Council for the Island of Oahu as an interim appointee.

Testimony in support of Mr. Ehrhorn was submitted by the Department of Land and Natural Resources and two individuals.

ALICE U. GREENWOOD is a long time resident of Waianae and is noted for her knowledge and expertise in Native Hawaiian culture and history, especially in the repatriation and reinterment of Native Hawaiian burial sites. Ms. Greenwood is also an experienced and well-respected genealogist and will bring this valuable knowledge and skill to the work of the Council.

Testimony in support of Ms. Greenwood was submitted by the Department of Land and Natural Resources, the Office of Hawaiian Affairs, the Lualualei Ahupua'a Council, and six individuals.

ANALU K. JOSEPHIDES earned a Bachelor of Arts degree in Hawaiian Studies from the University of Hawaii at Manoa with a concentration in Traditional Society. Mr. Josephides has a broad background in Hawaiian culture and is active in the Native Hawaiian community. Mr. Josephides has done extensive Native Hawaiian land title and genealogy research at the University of Hawaii as well as private agencies. Mr. Josephides has been serving as an interim appointee on the Island Burial Council for the Island of Oahu since 2004.

Testimony in support of Mr. Josephides was submitted by the Department of Land and Natural Resources and twenty-five individuals.

ANDREW K.T. KELIIOKA is currently employed as a Senior Construction Inspector with the Honolulu Board of Water Supply and through this process has extensive experience in the discovery of Native Hawaiian burial sites unearthed during construction. Mr. Keliioa is also a member of the Royal Order of Kamehameha I.

Testimony in support of Mr. Keliioa was submitted by the Department of Land and Natural Resources.

AARON D. MAHI has a strong background in Native Hawaiian culture and the arts. A longtime director of the Royal Hawaiian Band, Mr. Mahi's musical arrangements and recordings are noteworthy as is his participation in various Native Hawaiian organizations, including the Prince Kuhio Hawaiian Civic Club. Mr. Mahi previously served on the Island Burial Council for the Island of Oahu.

Testimony in support of Mr. Mahi was submitted by the Department of Land and Natural Resources and two individuals.

MARK KAWIKA McKEAGUE was born and raised in the Ewa district and due to a strong family influence and upbringing is endowed with a strong background and understanding of Native Hawaiian culture. In particular, Mr. McKeague's familiarity and level of understanding with respect to Native Hawaiian burial practices makes him qualified to serve on this Council.

Testimony in support of Mr. McKeague was submitted by the Department of Land and Natural Resources and five individuals.

JACE L. McQUIVEY is the Vice-President and General Legal Counsel for Hawaii Reserves, Inc., where he is responsible for all legal issues relating to land and utility development and management. Mr. McQuivey is a charter board member and officer of the Native Hawaiian Hospitality Association as well as the Lanihuli Hawaiian Civic Club.

Testimony in support of Mr. McQuivey was submitted by the Department of Land and Natural Resources and twelve individuals.

LINDA PAIK lived in Waialua for twenty years and has a broad background and knowledge in Native Hawaiian history and culture. Ms. Paik's desire to serve on this Council stems from her strong family upbringing where she learned about proper Native Hawaiian burial practices.

Testimony in support of Ms. Paik was submitted by the Department of Land and Natural Resources. Two individuals offered comments.

Your Committee finds that the nominees possess the experience, knowledge of Native Hawaiian culture, and dedication that makes each nominee an asset to the Island Burial Council for the Island of Oahu.

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, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 1810 Judiciary and Hawaiian Affairs on Gov. Msg. No. 696

Recommending that the Senate advise and consent to the nomination of the following:

CORRECTIONAL INDUSTRIES ADVISORY COMMITTEE

G.M. No. 696 MARY VERDINE S.O. KONG, For a term to expire 06-30-2008

MARY VERDINE S.O. KONG earned a bachelor's degree from San Francisco State University and a law degree from the University of California Hastings College of Law. Since 2001, Ms. Kong has served as the Program Director for Maui Economic Opportunity's Being Safe and Empowered Together (BEST) Reintegration Program. This program's goal is to reduce recidivism rates among inmates by providing critical support services, including housing, pre-employment training, job fairs, and mentor opportunities, to inmates prior to their release from custody.

Testimony in support of Ms. Kong was submitted by the Acting Warden of the Maui Community Correctional Center, the Executive Director of Maui Economic Opportunity, Inc., the Director of the Department of Housing and Human Concerns for the County of Maui, and the Grants Management Administrator for the County of Maui.

Your Committee finds that Ms. Kong's legal experience, which includes working as a public defender in Hawaii and California, coupled with her experience in Maui Economic Opportunity's BEST Reintegration Program, has provided her with a unique perspective and knowledge that will assist the work of the Committee.

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, 2 (Ihara, Whalen).

SCRep. 1811 Judiciary and Hawaiian Affairs on Gov. Msg. No. 693

Recommending that the Senate advise and consent to the nomination of the following:

CIVIL RIGHTS COMMISSION

G.M. No. 693 LESLIE ALAN UEOKA, for a term to expire 06-30-2008

LESLIE ALAN UEOKA graduated with a bachelor's degree from Northwestern University and a law degree from Washington University. Mr. Ueoka is presently the assistant general counsel of Verizon Hawaii, Inc. where he provides advice and counsel to executives at Verizon to ensure strict compliance with state and federal employment anti-discrimination laws. Further, Mr. Ueoka is actively involved in the Sons and Daughters of the 442nd Veteran's Club, which promotes the legacy of these veterans as champions of civil rights in the face of discrimination.

Testimony in support of Mr. Ueoka was submitted by the Hawaii Civil Rights Commission, the American Heart Association, the President of the 442nd Veterans Club, and three individuals.

Your Committee finds that Mr. Ueoka's legal background and experience as well as stated dedication to the cause of promoting civil rights for all individuals makes him qualified to serve on this 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, 2 (Ihara, Whalen).

SCRep. 1812 Judiciary and Hawaiian Affairs on Gov. Msg. Nos. 707 and 708

Recommending that the Senate advise and consent to the nominations of the following:

HAWAIIAN HOMES COMMISSION

G.M. No. 707 ROSEMARIE (BILLIE) I. BACLIG, for a term to expire 06-30-2009; and

G.M. No. 708 MALIA P. KAMAKA, for a term to expire 06-30-09

ROSEMARIE (BILLIE) I. BACLIG was raised in Keaukaha and has been a residential homesteader in Panaewa since 1986. Ms. Baclig is the owner and operator of A&B Shredders. Previously, Ms. Baclig served as a Legislative Assistant to the Hawaii County Council.

Testimony in support of Ms. Baclig was submitted by the Chairman of the Hawaiian Homes Commission, the Chair of the Hawaii County Council, a Hawaii County Council member, the County Clerk for the County of Hawaii, and one individual.

MALIA P. KAMAKA is a resident of Waimea and is employed by Hawaii Electric Light Company as a Customer Service Representative. Ms. Kamaka is a graduate of Kamehameha Schools and the University of Portland where she earned a bachelor's degree in business.

Testimony in support of Ms. Kamaka was submitted by the Chairman of the Hawaiian Homes Commission, the Vice-Director of Civil Defense for the State of Hawaii, and four individuals.

Your Committee finds that each nominee possesses the knowledge, experience, and commitment necessary to serve on the Hawaiian Homes 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, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 1813 Judiciary and Hawaiian Affairs on Gov. Msg. No. 775

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGISTRATION OF THE ISLAND OF HAWAII

G.M. No. 775 GIL SILVA, for a term to expire 06-30-2009

GIL SILVA was born in Honolulu and graduated from Waipahu High School. Mr. Silva has demonstrated a strong commitment to public service serving as a delegate in the 1978 Constitutional Convention and later as a State Representative for the Island of Hawaii. Presently, Mr. Silva is the owner of HR Works, a human resource service company.

Your Committee finds that Mr. Silva's business background and desire to serve the public are important attributes that he brings to the workings of this Board.

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, 2 (English, Ihara).

SCRep. 1814 Judiciary and Hawaiian Affairs on Gov. Msg. No. 750

Recommending that the Senate advise and consent to the nomination of the following:

ISLAND BURIAL COUNCIL, ISLAND OF HAWAII

G.M. No. 750 WINIFRED PELE HANOA, for a term to expire 06-30-2009

WINIFRED PELE HANOA is a lifetime resident of the Island of Hawaii and a noted historian of the Ka'u area. Ms. Hanoa has assisted in the countless reinterments of Native Hawaiian burial sites and is available as a resource teacher for various public and private educational institutions in the Ka'u area on Native Hawaiian history and culture.

Testimony in support of Ms. Hanoa was submitted by the Department of Land and Natural Resources.

Your Committee notes that Ms. Hanoa previously served on the Island Burial Council for the Island of Hawaii and was one of the first Native Hawaiians to travel to Washington D.C. to bring home to Hawaii the iwi kupuna housed at the Smithsonian Institute. Ms. Hanoa's experience, knowledge, and standing as a respected kupuna in the Native Hawaiian community makes her qualified to serve on this 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, 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 (Ihara, Whalen).

SCRep. 1815 Water, Land, and Agriculture on H.C.R. No. 200

The purpose of this measure is to request an audit of the Department of Land and Natural Resources (DLNR).

The Office of Hawaiian Affairs, the Hanalei Watershed Hui, the Hawaii Boaters Political Action Association, Hawaii's Thousand Friends, Kahea-the Hawaiian-Environmental Alliance, the Sierra Club, the Windward Ahupua'a Alliance, and two individuals submitted testimony in support of this measure. The Department of Land and Natural Resources and the Nature Conservancy submitted comments on this measure.

The State Constitution provides that "the State and its political subdivisions shall conserve and protect Hawaii's natural beauty and all natural resources including land, water, air, minerals and energy sources." However, years of continuing budgetary restrictions and personnel reductions imposed by both executive and legislative actions have significantly affected DLNR's ability to fulfill its responsibilities.

Audits over the past two decades conducted by the State Auditor (Auditor) have focused on programs, finances, and organizational units within the DLNR and have revealed weaknesses in the management of DLNR's responsibilities over the State's natural resources; however, there has never been a department-wide management audit of DLNR.

Recently, there has been a growing concern that managerial vacancies, the large number of vacant operating positions, and chronic lack of funding may accelerate an irreparable and irretrievable loss of public trust resources. Thus, this measure requests the Auditor to conduct an audit of DLNR that addresses specific policies, procedures, and performance indicators.

Your Committee finds that the scope of the audit is too broad and should be narrowed to address significant jurisdictional, procedural, and administrative problems raised with regard to the DLNR's Division of Conservation and Resources Enforcement's fiscal and management practices. Accordingly, your Committee has amended this measure by replacing its contents with the contents of S.C.R. No. 147, S.D. 1. As amended, this measure requests the Auditor to conduct a financial and management audit of the DLNR's Division of Conservation and Resources Enforcement.

Your Committee noted that DLNR would like the Auditor not only to identify, assess, and evaluate problem areas within its Division of Conservation and Resources Enforcement but also to suggest recommendations for improving problem areas. As such, your Committee believes that suggestions for improving problem areas is important and should be done.

Your Committee further noted in testimony from DLNR that it was told by the courts to not implement bail schedules. Thus, the bail schedules did not "expire."

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. 200, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 200, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 1816 Human Services on Gov. Msg. Nos. 651, 652 and 653

Recommending that the Senate advise and consent to the nominations of the following:

STATE REHABILITATION COUNCIL

G.M. No. 651 JANE KNOX, for a term to expire 06-30-2009;

G.M. No. 652 LARRY M. LITTLETON, for a term to expire 06-30-2009; and

G.M. No. 653 KRISTINE K.H. PAGANO, for a term to expire 06-30-2009

Your Committee received testimony in support of JANE KNOX from the Department of Human Services and the Kokua Council. Ms. Knox is presently employed as a Telecommunications Relay Service Account Manager for Sprint Relay Hawaii. She received a Bachelor's Degree, Cum Laude, from the University of California, Irvine. Ms. Knox has an extensive history in helping those with disabilities and has served on numerous councils and boards. Her knowledge of the business community and her experience with the challenges facing persons with disabilities makes Ms. Knox an excellent asset to the Council. Your Committee notes the nominee's oral testimony that she would like to see people with disabilities have better career opportunities and she would work with the business community to bring this about.

Your Committee received testimony in support of LARRY M. LITTLETON from the Department of Human Services and two individuals. Mr. Littleton has his own firm, Littleton & Associates, which is engaged in consulting with private sector employers on matters relating to employment of the disabled. He received his education at Rochester Institute of Technology and is an internationally recognized public speaker and advocate for those with disabilities. Mr. Littleton has an extensive background in advocating services for people with disabilities and has served on various boards and councils to improve those services. Mr. Littleton will add an important and unique neighbor island perspective to the council.

Your Committee received testimony in support of KRISTINE K.H. PAGANO from the Department of Human Services, Disability and Communication Access Board, Kokua Council, Aloha State Association of the Deaf, and three individuals. Ms. Pagano is currently a program specialist with the Disability and Communication Access Board and is active in many disability advocacy organizations. She received her Bachelor of Arts degree in Speech from the University of Hawaii at Manoa and is currently working towards her Master's in Public Administration. Ms. Pagano's organizational skills, advocacy experience, and an understanding of vocational rehabilitation will make her a valuable asset in establishing the goals and priorities of the council.

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, 2 (Fukunaga, Hooser).

SCRep. 1817 Water, Land, and Agriculture on Gov. Msg. Nos. 629, 630 and 631

Recommending that the Senate advise and consent to the nominations of the following:

LAND USE COMMISSION

G.M. No. 629 THOMAS CONTRADES, for a term to expire 06-30-2009;

G.M. No. 630 DUANE KANUHA, for a term to expire 06-30-2009; and

G.M. No. 631 RANSOM A.K. PILTZ, for a term to expire 06-30-2006

THOMAS CONTRADES has served for six years as a member of the Planning Commission for the County of Kauai and was the chairperson of the Commission for two of the six years. He is also the current vice chair of the Hawaiian Homes Commission and has served on the Commission for eight years.

Mr. Contrades is a retired business agent from the International Longshore and Warehouse Union, Local 142 and is active in numerous public service organizations. Specifically, Mr. Contrades is very active with the Boy Scouts of America and is an advisory board member of Hale Opi'o. He has also been active with Kauai Economic Opportunity, United Way of Kauai, the Kauai Central Complex School to Work Opportunities, and the Private Industry Council.

Testimony in support of Mr. Contrades was submitted by five individuals.

DUANE KANUHA is a manager with Strategic Alternatives International LLC and a vice president of strategic planning and governmental affairs with Surety Kohala Corporation, Inc. Mr. Kanuha holds a Bachelor's degree in Geography from the University of Hawaii at Hilo and served as the director of planning for the County of Hawaii's Department of Planning. He has also worked as the land director for the Hamakua Sugar Company, Inc.; the managing director of PBR Hawaii's Hilo Office; the principal for DK Planning Consultant; the island of Hawaii's assistant land agent for the Department of Land and Natural Resources' Land Management Division; and the coastal zone management liaison officer for the County of Hawaii's Department of Planning.

Mr. Kanuha is currently the director of the Hawaii Leeward Planning Conference, a member and former chairperson of Na Ala Hele Hawaii Advisory Council for the Department of Land and Natural Resources' Division of Forestry and Wildlife, and a board member for Na Kalai Wa'a Moku O Hawaii.

Testimony in support of Mr. Kanuha was submitted by Hawaii Island Community Development Corporation; Hawaii Leeward Planning Conference; Lanihau Properties, LLC; PBR Hawaii; and sixteen individuals.

RANSOM A.K. PILTZ has been involved in the construction industry for the past forty years and is the president of Piltz Electric. Mr. Piltz has served as a member and as the chair on the Maui County Planning Commission for six years, and has been a member of the Maui Contractors Association for fifteen years. He was also a board member and former chair of the St. Anthony High School

Board, a member of the Maui Youth and Family Services Board, a member of the Maui Hui Malama Board, and the president of the Home Builders Association – Maui Council.

Testimony in support of Mr. Piltz was submitted by the chair and one member from the Maui County Council, the International Longshore and Warehouse Union – Local 142, Smith Development, and eight individuals.

Your Committee finds that the nominees' experience, background, and expertise, coupled with their strong commitment to public service, make each a valuable asset to the Land Use 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.

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

SCRep. 1818 Water, Land, and Agriculture on H.C.R. No. 262

The purpose of this measure is to request the Department of Land and Natural Resources (DLNR) to establish a training program in conjunction with the local real estate appraisers' national organization to train real estate appraisers to use the income capitalization approach to set lease rent rates for state agricultural lease reopening.

The Department of Land and Natural Resources submitted testimony in support of this measure.

In many parts of Hawaii, state lands are used for agricultural purposes, and as state agricultural leases are reopened, appraisals of lands are used to determine appropriate lease rents. A common way to appraise agricultural land is by comparing the appraised property with other land sales; however, this method leads to problems, as this approach tends to inflate lease rents.

Your Committee finds that the income capitalization approach is a more accurate application as it appraises the value of the agricultural land based on its agricultural yield; however, there is a shortage of appraisers who are capable of using this approach. Thus, this measure requests the Department of Land and Natural Resources to:

- (1) Work with the local real estate appraisers' national organization in establishing a training program to train appraisers, as part of their professional education seminars, to use the income capitalization approach in setting lease rent rates for state agricultural lease reopenings;
- (2) Establish a pilot program to implement the income capitalization approach for reopenings of state agricultural leases; and
- (3) Report on the progress of the pilot program and any findings and conclusions based on the pilot program to the Legislature no later than twenty days before the convening of the Regular Session of 2007.

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. 262, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1819 Water, Land, and Agriculture on H.C.R. No. 293

The purpose of this measure is to urge the Commission on Water Resource Management to fulfill its constitutional and statutory mandate to protect public trust instream uses.

The Office of Hawaiian Affairs, the Mayor of the County of Maui, Earthjustice, Fragrant Orchids of Maui, the Hanalei Watershed, the Sierra Club-Hawaii Chapter, and eight individuals submitted testimony in support of this measure. The Hawaii Farm Bureau Federation submitted testimony in opposition to this measure. The Department of Land and Natural Resources submitted comments on this measure.

The State Constitution requires that Hawaii's precious water resources be held by the State in public trust for the benefit of present and future generations. Pursuant to the mandate, the Legislature enacted the State Water Code (Code) and created the Commission on Water Resource Management (Commission) to serve as the primary trustee of the State's water resources. However, your Committee finds that the Commission has not done enough to protect the State's water resources and can do more to protect it as mandated by the Code and the constitution. Thus, this measure:

- (1) Affirms the Legislature's belief that stream restoration is essential to support and restore Hawaii's natural, cultural, and recreational treasures for current and future generations;
- (2) Urges the Commission to fulfill its constitutional and statutory mandate to protect instream uses;
- (3) Urges the Commission to meet with various organizations and groups; and

- (4) Requests the Commission to submit a report on its progress and findings to the Legislature no later than twenty days prior to the convening of the Regular Session of 2006.

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. 293, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1820 (Joint) Health and Human Services on H.C.R. No. 40

The purpose of this measure is to request that the Hawaii State Council on Developmental Disabilities allow the Residential Settings Task Force (Task Force) to continue to convene and identify issues and solutions regarding individuals who are developmentally disabled and their choice of residential setting.

The Department of Health, the State Council on Developmental Disabilities, the Disability and Communication Access Board, The Arc of Kauai, the Hawaii Disability Rights Center, and one individual submitted testimony in support of this measure. The Judiciary submitted comments.

The Task Force began meeting in May 2004 to discuss critical issues facing individuals with developmental disabilities and their choice of residential settings, such as aging in place, dignity of risk, and health and safety. The Task Force submitted its findings and recommendations to the 2005 Legislature, which were considered in recent legislation. However, the members of the Task Force agreed that further analysis on how to increase residential options, including residency in unlicensed homes, is necessary. This measure encourages the continuation of the Task Force and the valuable insight it provides in framing these critical issues for 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 concur with the intent and purpose of H.C.R. No. 40, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Kokubun, Tsutsui, Trimble, Whalen).

SCRep. 1821 (Joint) Health and Human Services on H.C.R. No. 95

The purpose of this measure is to officially acknowledge the contribution of family caregivers and to make the support of family caregivers a state objective.

The Executive Office on Aging, the Policy Advisory Board for Elder Affairs, Kokua Council, and one individual submitted testimony in support of this measure.

As the Policy Advisory Board for Elder Affairs testified, our public policies and budgetary priorities need to keep up with our increasingly aging population and the consequential need for more community based services. As one family caregiver noted, appreciation for the heavy burden of caring for a loved one is welcome, however the recognition falls short of providing the practical assistance that is truly needed. This measure encourages the Legislature to make it an objective to support family caregivers to the extent possible in serving the long-term care needs of the State's aging population.

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. 95, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Kokubun, Tsutsui, Trimble, Whalen).

SCRep. 1822 (Joint) Health and Human Services on H.C.R. No. 96

The purpose of this measure is to urge the Department of Health and the Department of Human Services to develop methods of supporting caregivers that provide free and continuing at-home care for family members who need long-term care.

The Department of Human Services, the Policy Advisory Board for Elder Affairs, and Kokua Council submitted testimony in support of this measure.

As the Policy Advisory Board for Elder Affairs noted in its testimony, it is in the interest of the State to support family caregivers in order to assure the best quality care of frail elders in their own homes. Not only does this help postpone and reduce reliance on more expensive institutional care, it also enables elderly family members to remain in the home with loved ones where most, if not all, prefer to stay. The Department of Human Services expressed its support and noted that it has already coordinated with the Caregivers Resource Initiative of the Executive Office of Aging of the Department of Health which has agreed to provide research and staffing capabilities to explore methods of providing assistance to family 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. 96, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Kokubun, Tsutsui, Trimble, Whalen).

SCRep. 1823 Health on H.C.R. No. 99

The purpose of this measure is to request the Governor and the Director of Transportation to designate Hawaii's airports as completely smoke-free areas.

The American Cancer Society and the Coalition for a Tobacco Free Hawai'i submitted testimony in support of this measure. The Department of Transportation submitted testimony in opposition. The American Lung Association of Hawaii submitted comments.

Secondhand smoke is the third leading cause of preventable death in the nation. It is estimated that secondhand smoke exposure causes approximately thirty-eight thousand deaths among nonsmokers each year in the United States. Tobacco smoke contains more than fifty compounds known to be carcinogens. Among the dangers of secondhand smoke exposure is an increased risk of heart disease, respiratory disease, lung cancer, and cervical cancer.

Yet, while over sixty percent of smaller American airports reported being completely smoke-free in 2002, larger airports that service more passengers and employ more people, such as Honolulu International Airport, are not. This measure requests the Governor and the Director of Transportation to designate Hawaii's airports as completely smoke-free from "airplane cabin to airport curb" with appropriate "No Smoking" signs and public service announcements in the State's airports.

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. 99, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Whalen).

SCRep. 1824 Health on H.C.R. No. 255

The purpose of this measure is to establish an interim task force on the accessibility of mental health care to consider the feasibility of having the State authorize trained and supervised psychologists to safely prescribe psychotropic medications for the treatment of mental illness.

The Hawaii Psychological Association, the Hawaii Psychiatric Association, Health Psychology Associates, Inc., a Diplomate in Clinical Psychology from the American Board of Professional Psychology, and nine individuals testified in support of this measure. The Hawaii Medical Association testified in support of the opportunity to discuss differences and areas of agreement concerning prescriptive authority for psychologists.

There is a severe crisis regarding the availability and accessibility of mental health providers with prescriptive authority in already medically under-served areas of Hawaii. The demand for mental health services significantly outnumbers the number of mental health professionals in these areas. Studies indicate a projected nationwide shortfall of twenty thousand licensed psychiatrists by the year 2010. Professionals other than psychiatrists, such as advanced practice nurses and physician's assistants, prescribe psychotropic medications safely, but their availability alone is not sufficient to deal with the increasing demand for services. Psychologists receive training in the diagnosis, assessment, and treatment of mental and emotional disorders. The Department of Defense Psychopharmacology Demonstration Project trained ten prescribing psychologists who prescribe independently and have built a record of outstanding patient care.

This measure will consider the feasibility of authorizing qualified and supervised psychologists to safely prescribe psychotropic medications for the treatment of mental illness.

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. 255, H.D. 2, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Whalen).

SCRep. 1825 Energy, Environment, and International Affairs on Gov. Msg. No. 705

Recommending that the Senate advise and consent to the nomination of the following:

ENVIRONMENTAL COUNCIL

G.M. No. 705 JAMES J. RODRIGUES, for a term to expire 06-30-2008

Testimony in support of JAMES J. RODRIGUES was received from the Office of Environmental Quality Control and three individuals. The nominee was also present before your Committee.

Your Committee finds that Mr. Rodrigues graduated from Kaimuki High School and attended Los Angeles Community College and Chaminade University. The nominee served in the United States Navy during the Vietnam War, spent much of his career in the automotive services industry, and since 1997 has been a manager for 'Olelo Community Television. The nominee is currently president of Malama Makua, an organization that, among other things, advocates for the environmental and cultural preservation of the

Makua Valley area. Thus, your Committee finds that the nominee's work and community experiences will bring a fresh perspective to the Environmental Council.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International 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, 3. Noes, none. Excused, 2 (Hanabusa, Kokubun).

SCRep. 1826 Energy, Environment, and International Affairs on Gov. Msg. No. 790

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF CERTIFICATION OF PUBLIC WATER SYSTEM OPERATORS

G.M. No. 790 JEFFREY T. PEARSON, for a term to expire 06-30-2009

Testimony in support of JEFFREY T. PEARSON was received from the Department of Health. The nominee submitted a written statement and was present before your Committee.

Your Committee finds that the nominee received his bachelor's degree in Civil Engineering from the University of Minnesota and is licensed as a professional engineer (P.E.). From 1989 to 2002, the nominee worked in the private sector as a design engineer on various water and wastewater projects on Maui. Since 2003, the nominee has been the Deputy Director for the Department of Water Supply for the County of Maui, and in that position he has supervised the work of water treatment plant operators and distribution systems operators for the Maui County public water systems. Your Committee notes that the nominee will be returning to the private sector in May, 2005, but that the nominee desires to remain involved in public water system safety through active participation in the Board of Certification of Public Water System Operators.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International 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, 3. Noes, none. Excused, 2 (Hanabusa, Kokubun).

SCRep. 1827 Water, Land, and Agriculture on H.C.R. No. 165

The purpose of this measure is to support estate grown Hawaii noni and encourage consumers to support the local noni industry.

A Representative from the House of Representatives submitted testimony in support of this measure.

The noni plant, and its juice, is commonly used as an alternative herbal medicine and has been utilized for centuries by holistic healers in the South Pacific and Asia. Since its rise in popularity, products falsely claiming to contain noni juice have threatened legitimate noni farmers and producers in Hawaii.

The local noni industry has implemented a method of packaging and marketing noni products that clearly and explicitly identify the specific farmer producing the noni juice for the product. This measure articulates the Legislature's support for estate grown Hawaii noni and encourages Hawaii consumers to purchase and support the local noni 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 concurs with the intent and purpose of H.C.R. No. 165, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1828 Human Services on H.C.R. No. 58

The purpose of this measure is to request a fiscal and management audit of the Department of Human Services' use of Federal Temporary Assistance to Needy Families (TANF) funds.

The Department of Human Services, Hawaii Government Employees Association, and an individual submitted testimony in support of this measure. The National Association of Social Workers submitted comments on this measure.

Your Committee finds that funds appropriated by the Legislature for specific purposes should be expended for those purposes, and not otherwise, and there is a need to responsibly account for the expenditure of limited anti-poverty funds. The possible misuse of federal funds by a state agency is a serious matter that must be scrutinized by the Legislature. Recently, \$1,000,000 from TANF funds originally intended for anti-poverty programs was diverted and used for anti-drug and alcohol abuse publicity. Additionally, TANF funds were used in place of state funds authorized for State Foundation on Culture and the Arts programs.

Your Committee finds that the audit requested by this measure, in addition to the audit being conducted by the Federal Office of the Inspector General, will help to resolve the concerns raised regarding the TANF program.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 58, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Trimble).

SCRep. 1829 (Joint) Human Services and Intergovernmental Affairs on H.C.R. No. 105

The purpose of this measure is to urge the various county councils to provide relief to residents on fixed incomes who are unable to afford higher property taxes.

The Hawaii Association of Realtors submitted testimony in support of this measure. Two Maui County Council members submitted testimony in opposition to this measure.

Your Committees find that a vibrant real estate market has benefited many residents through higher property values, but higher property values also result in higher property taxes. Higher property taxes create a burden for all home owners, especially those living on fixed incomes. The inability to afford higher property taxes should not force homeowners out of their homes, particularly when they have lived there for decades.

As affirmed by the records of votes of the members of your Committees on Human Services and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 105, 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, 5 (Baker, Inouye, Kokubun, Nishihara, Trimble).

SCRep. 1830 Human Services on H.C.R. No. 175

The purpose of this measure is to request the Department of Human Services (DHS) to implement a pilot public-private partnership program with the Hawaii Association of Independent Schools (HAIS) and Hawaii Catholic Schools Department (HCSD), with the goal of allowing HAIS and HCSD to self-regulate and manage their private preschools.

The DHS, HAIS, and Hawaii Catholic Conference submitted testimony in support of this measure.

HAIS is an organization of member schools that advocates on behalf of independent education in Hawaii. HCSD performs functions similar to HAIS for Hawaii's Catholic elementary schools. HAIS and HCSD currently provide assistance to private preschools that want to achieve accreditation. The DHS is tasked with the responsibility to ensure that private preschools maintain health and safety standards.

HAIS and HCSD are proposing a working public-private partnership with DHS to build a coordinated system of programs, policies, and services that better respond to the needs of families who want to send their children to private preschools.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 175, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Trimble).

SCRep. 1831 (Joint) Human Services and Health on H.C.R. No. 277

The purpose of this measure is to request a one-year extension of the Statewide Interagency Task Force to continue to develop a plan for coordination and expansion of services provided through healthy start to young children and their families.

In the 2003 Regular Session, the Legislature adopted S.C.R. No. 13 to establish an interagency task force to develop an implementation plan for the coordination and expansion of services provided to young children at risk and their families. The task force has requested an extension to further develop implementation plans to assure coordination and monitoring of services to the very highest risk families with newborns and infants. The task force will work to achieve the following:

- (1) Implement a general plan for tracking, monitoring, assessing, and reporting on progress on indicators related to achievement of the overall goal;
- (2) Complete discussion on topics identified but not addressed by the task force; and
- (3) Develop any necessary legislation for consideration in the 2006 Regular Session.

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. 277, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Ayes, 6. Noes, none. Excused, 4 (Kokubun, Tsutsui, Trimble, Whalen).

SCRep. 1832 Human Services on H.C.R. No. 278

The purpose of this measure is to request the Department of Human Services (DHS) to post temporary assistance for needy families (TANF) budget information on its website for public review.

The DHS and National Association of Social Workers submitted testimony in support of this measure.

Your Committee finds that transparency and accountability are priorities in government. The DHS currently maintains a website that includes information on its divisions and programs, but not budget information regarding how funds are expended within DHS. Posting this information on the DHS website will allow the public to have better participation, understanding, and communication with DHS. Your Committee further finds that TANF funds are public moneys, and the public should have access to how the government spends these 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 concurs with the intent and purpose of H.C.R. No. 278, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Trimble).

SCRep. 1833 Labor on Gov. Msg. No. 477

Recommending that the Senate advise and consent to the nomination of the following:

HOISTING MACHINE OPERATORS ADVISORY BOARD

G.M. No. 477 RALPH CUSHNIE, for a term to expire 06-30-2009

Testimony in support of the nominee was submitted by the Contractors Association of Kauai, Kealia Plantation Company, LLC, and four individuals.

Upon review of the background information provided by the nominee, your Committee finds that Mr. Cushnie is the island superintendent of Goodfellow Bros., Inc., in Lihue, Kauai, who has also worked as a project superintendent/project foreman, and project engineer/cost engineer over the past two decades. He earned a Bachelor of Science degree in Construction Management from Colorado State University and also served in the United States Marine Corps Reserve for several years, including while attending college. Mr. Cushnie has undergone extensive training and certification relating to various aspects of the construction industry.

Your Committee diligently questioned the nominee and the nominee adequately responded to the Committee's inquiries. Furthermore, the nominee's background in conjunction with the unique perspective he brings as a resident of Kauai will make him an asset to the Hoisting Machine Operators Advisory Board.

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, 3. Noes, none. Excused, 1 (Kanno).

SCRep. 1834 Labor on H.C.R. No. 270

The purpose of this measure is to request that the Department of Human Resources Development (DHRD) prepare a report on all civil service exempt positions within DHRD, the Judiciary, the Department of Education, the University of Hawaii, and the Hawaii Health Systems Corporation.

This measure further provides that the report should include:

- (1) When the exempt positions were established;
- (2) The purposes of the positions;
- (3) The reasons for the exemption of the positions from civil service;
- (4) Findings and recommendations on whether the positions should remain exempt or be converted to civil service positions; and
- (5) The timetables by which the exempt positions will be converted to the civil service system, if applicable.

Testimony in support of this measure was submitted by the Department of Human Resources Development and Hawaii Government Employees Association. Testimony in opposition to this measure was submitted by the Department of Education.

Your Committee finds that in order to ensure that the rights and privileges of civil service are provided whenever possible, it is important for the number of exempt positions within the State to be monitored and controlled. Your Committee further finds that, although the Department of Human Resources Development has previously gathered similar information regarding exempt positions within its jurisdiction, additional information on exempt positions under the jurisdiction of other state entities is necessary to allow for the proper assessment of their continued status as exempt positions or the necessity for their conversion to civil service 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 H.C.R. No. 270, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1835 (Joint) Labor and Human Services on H.C.R. No. 265

The purpose of this measure is to request the Department of Human Resources Development to implement separate series for social workers, to include persons who possess a social work degree from an accredited social work program, and for human services professionals, for persons who do not possess social work degrees.

Testimony in support of this measure was submitted by the Dean of the University of Hawaii School of Social Work, the Hawaii Government Employees Association, the National Association of Social Workers, and ten individuals. Comments on the measure were also submitted by the Department of Human Resources Development (DHRD), the Department of Public Safety, and the Department of Health.

Your Committees find that on May 1, 2004, DHRD eliminated the social worker classification and replaced it with a social worker/human services professional (SW/HSP) classification. The reclassification was in response to findings made pursuant to the Social Worker Occupational Study and reports that the existing social worker classification did not meet the current needs of departments within the State. However, your Committees determine that the reclassification negatively impacts the quality of services provided as well as the profession by: (1) allowing for the provision of services by lesser qualified staff, and (2) devaluing the education and expertise of social workers with advanced degrees in social work by allowing individuals without degrees to also be referred to as social workers under the SW/HSP classification.

Your Committees believe that the Legislature has previously recognized the unique services provided by social workers, their specialized education and training, and seeks to restore their status as well as to raise the standards within the State by requiring individuals in the current SW/HSP positions to obtain social work degrees within the next five years.

Therefore, your Committees believe that the issue regarding the reclassification of social workers to SW/HSP positions must be revisited, and that efforts should again be made by DHRD to develop and implement a new plan for the reclassification of SW/HSPs into two separate classifications.

As affirmed by the records of votes of the members of your Committees on Labor 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, 6. Noes, none. Excused, 3 (Kokubun, Taniguchi, Trimble).

SCRep. 1836 Ways and Means on Gov. Msg. No. 654

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII SIMPLIFIED SALES AND USE TAX ADMINISTRATION ACT ADVISORY COUNCIL

G.M. No. 654 CRAIG K. HIRAI, for a term to expire June 30, 2009

Upon review of the statement submitted by the nominee, your Committee finds that the nominee will work with compassion and commitment in assisting with implementation of the Hawaii Simplified Sales and Use Tax Administration Act, including the Streamlined Sales Tax Project. Your Committee further finds that the nominee has been appointed based upon the nominee's credentials, integrity, and a desire to make Hawaii better through participation on the Advisory Council for the Hawaii Simplified Sales and Use Tax Administration Act.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (Espero, Fukunaga, Kanno, Kim, Hemmings).

SCRep. 1837 Ways and Means on Gov. Msg. No. 655

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII SIMPLIFIED SALES AND USE TAX ADMINISTRATION ACT ADVISORY COUNCIL

G.M. No. 655 LOWELL KALAPA, for a term to expire June 30, 2009

Upon review of the statement submitted by the nominee, your Committee finds that the nominee will work with compassion and commitment in assisting with implementation of the Hawaii Simplified Sales and Use Tax Administration Act, including the Streamlined Sales Tax Project. Your Committee further finds that the nominee has been appointed based upon the nominee's credentials, integrity, and a desire to make Hawaii better through participation on the Advisory Council for the Hawaii Simplified Sales and Use Tax Administration Act.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (Espero, Fukunaga, Kanno, Kim, Hemmings).

SCRep. 1838 Ways and Means on Gov. Msg. No. 659

Recommending that the Senate advise and consent to the nomination of the following:

TAX REVIEW COMMISSION

G.M. No. 659 ISAAC W. CHOY, for a term to expire - Adjournment sine die 2007

Upon review of the statement of the nominee, your Committee finds that the aforementioned nominee will work diligently to conduct a systematic review of the State's tax structure to determine whether, among other things, it is equitable and efficient.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (Espero, Fukunaga, Kanno, Kim, Hemmings).

SCRep. 1839 Ways and Means on Gov. Msg. No. 660

Recommending that the Senate advise and consent to the nomination of the following:

TAX REVIEW COMMISSION

G.M. No. 660 RONALD I. HELLER, for a term to expire - Adjournment sine die 2007

Upon review of the statement of the nominee, your Committee finds that the aforementioned nominee will work diligently to conduct a systematic review of the State's tax structure to determine whether, among other things, it is equitable and efficient.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (Espero, Fukunaga, Kanno, Kim, Hemmings).

SCRep. 1840 Ways and Means on Gov. Msg. No. 661

Recommending that the Senate advise and consent to the nomination of the following:

TAX REVIEW COMMISSION

G.M. No. 661 LON K. OKADA, for a term to expire - Adjournment sine die 2007

Upon review of the statements submitted by the nominee, your Committee finds that the aforementioned nominee will work with compassion and commitment to assist in administering the government functions related to the Tax Review Commission. Your Committee further finds that the nominee has been appointed based upon the nominee's credentials, integrity, and a desire to make Hawaii better through the nominee's participation on the Tax Review 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, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (Espero, Fukunaga, Kanno, Kim, Hemmings).

SCRep. 1841 Ways and Means on Gov. Msg. No. 662

Recommending that the Senate advise and consent to the nomination of the following:

TAX REVIEW COMMISSION

G.M. No. 662 JOHN W. ROBERTS, for a term to expire - Adjournment sine die 2007

Upon review of the statements submitted by the nominee, your Committee finds that the aforementioned nominee will work with compassion and commitment to assist in administering the government functions related to the Tax Review Commission. Your Committee further finds that the nominee has been appointed based upon the nominee's credentials, integrity, and a desire to make Hawaii better through the nominee's participation on the Tax Review 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, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 5 (Espero, Fukunaga, Kanno, Kim, Hemmings).

SCRep. 1842 Ways and Means on Gov. Msg. Nos. 777, 778 and 779

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII SIMPLIFIED SALES AND USE TAX ADMINISTRATION ACT ADVISORY COUNCIL

G.M. No. 777 MARILYN NIWAO, for a term to expire - June 30, 2009;

G.M. No. 778 MIKI OKUMURA, for a term to expire - June 30, 2009; and

G.M. No. 779 CAROL PREGILL, for a term to expire - June 30, 2009

Upon review of the statements of the nominees, your Committee finds that the aforementioned nominees will work diligently to advise the Department of Taxation with regard to the streamlined sales and use tax agreements into which it may enter with one or more states pursuant to Chapter 255D, Hawaii Revised Statutes. Your Committee further finds that the nominees have been appointed based upon their credentials, integrity, and a desire to make Hawaii better through their participation on the Hawaii Simplified Sales and Use Tax Administration Act Advisory Council.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees 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, 11. Noes, none. Excused, 4 (Espero, Fukunaga, Kanno, Sakamoto).

SCRep. 1843 Ways and Means on Gov. Msg. Nos. 780 and 824

Recommending that the Senate advise and consent to the nominations of the following:

TAX REVIEW COMMISSION

G.M. No. 780 CAROLYN L. CHING, CPA, for a term to expire - Adjournment sine die 2007; and

G.M. No. 824 CHRISTOPHER GRANDY, for a term to expire - Adjournment sine die 2007

Upon review of the statements submitted by the nominees, your Committee finds that the nominees will work with commitment to assist in administering the government function related to the Tax Review Commission to ensure that the State's tax structure is equitable and efficient. Your Committee further finds that the nominees have been appointed based upon their credentials, integrity, and desire to make Hawaii better through their participation on the Tax Review Commission to which they have been nominated.

As 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 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, 11. Noes, none. Excused, 4 (Espero, Fukunaga, Kanno, Sakamoto).

SCRep. 1844 Ways and Means on Gov. Msg. Nos. 781, 782, 783, 784 and 785

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF TAXATION REVIEW

G.M. No. 781 MARIA JOAN LOWDER, 1st Taxation District (Oahu), For a term to expire June 30, 2009;

G.M. No. 782 IOANA D. AGASA, 3rd Taxation District (Hawaii), For a term to expire June 30, 2008;

G.M. No. 783 PATRICK L. ING, CPA, 2nd Taxation District (Maui), For a term to expire June 30, 2008;

G.M. No. 784 RONALD A. KAWAHARA, 2nd Taxation District (Maui), For a term to expire June 30, 2009; and

G.M. No. 785 LYNDA Q. SHAW, 3rd Taxation District (Hawaii), For a term to expire June 30, 2009

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees will work with compassion and commitment to assist in administering the government functions related to the Boards of Taxation Review. Your Committee further finds that the nominees have been appointed based upon their credentials, integrity, and desire to make Hawaii better through their participation on the Boards 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 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, 11. Noes, none. Excused, 4 (Espero, Fukunaga, Kanno, Sakamoto).

SCRep. 1845 (Joint) Higher Education and Energy, Environment, and International Affairs on H.C.R. No. 151

The purpose of this measure is to support the establishment of a Hawaii Global Youth Center.

Your Committees received testimony in support of this measure from the Hawaii Intergenerational Network, International Student/Young Pugwash, Reford-McCandless International, and two individuals.

The health, welfare, and education of children and families are part of the basic foundation of values shared globally that should be provided for all children and youth. The Millennium Young People's Congress held in Hawaii in October 1999 demonstrated the value of a collective global vision by and for the children of the world as well as the need for a forum for international discussion of issues facing children and youth. The World Youth Congress and representatives from the Kingdom of Morocco met in Hawaii in March 2003 and in Morocco in 2004, demonstrating the collaboration and international discussion that a global youth center can promote. World peace is a major collaborative goal, and youth are key to attaining world peace, sustainability, and productivity for future generations.

The populations of countries in Asia and the Pacific Rim are the largest and fastest growing segments of the world's population, with young people representing the largest percentage of those populations. Your Committees believe that Hawaii's location, at the center of the Pacific Rim between Asia and the Americas, with its diverse culture, and its many shared languages, provides an excellent strategic forum for meetings and exchanges. Your Committees support the planning of a Hawaii Global Youth Center and support wide-ranging and diverse dialogue on the purpose, activities, and funding sources for the Center.

As affirmed by the records of votes of the members of your Committees on Higher Education and Energy, Environment, and International Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 151, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Chun Oakland, Hanabusa, Kokubun, Sakamoto).

SCRep. 1846 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 584 and 722

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAII HURRICANE RELIEF FUND

G.M. No. 584 HAROLD R. DeCOSTA, for a term to expire 06-30-2005; and

G.M. No. 722 HAROLD R. DeCOSTA, for a term to expire 06-30-2009

HAROLD R. DeCOSTA is employed as the deputy chief negotiator for the Office of Collective Bargaining. Mr. DeCosta has extensive experience as a steward and fiduciary with respect to various funds and trust moneys. The nominee has twenty-eight years of experience as director of the Teamster health, retirement, and training funds, served as a trustee for the Hawaii Employer-Union Health Benefits Trust Fund for two years, and administered the Carpenter Training Fund. Additionally, Mr. DeCosta has served as a board member for the Teamster Western Conference, Aloha United Way, and Saint Louis School Education Foundation.

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 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 Harold R. DeCosta
Ayes, 5. Noes, none. Excused, 1 (Ige).

Signed by the Chair on behalf of the Committee.
Record of Votes for Harold R. DeCosta
Ayes, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 1847 Commerce, Consumer Protection and Housing on Gov. Msg. No. 698

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DENTAL EXAMINERS

G.M. No. 698 RONALD L. YOUNG, D.M.D., for a term to expire 06-30-2009

The Department of Commerce and Consumer Affairs testified in support of the nomination.

RONALD L. YOUNG, D.M.D., earned his doctor of dental medicine degree from Fairleigh Dickinson University and has been licensed to practice dentistry in Hawaii since 1982. After receiving his degree, Dr. Young established the Nanakuli Dental Office, which he continues to operate today. The nominee is a member of the Honolulu County Dental Association, Hawaii Dental Association, and American Dental Association. Additionally, Dr. Young has served on the Board of Dental Examiners since 2000.

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, 2 (Ige, Sakamoto).

SCRep. 1848 Commerce, Consumer Protection and Housing on Gov. Msg. No. 764

Recommending that the Senate advise and consent to the nomination of the following:

MOTOR VEHICLE REPAIR INDUSTRY BOARD

G.M. No. 764 BENJAMIN K. WAIOLAMA, for a term to expire 06-30-2008

BENJAMIN K. WAIOLAMA, nominated as a public member, is retired after thirty years of distinguished service in the United States Army and fifteen years of employment in the private sector. Mr. Waiolama's experience in the motor vehicle repair trade includes part-time employment at local gas stations. The nominee has been active in the community as a volunteer at Hanauma Bay and as a member of the Sierra Club 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 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 (Ige, Sakamoto).

SCRep. 1849 Commerce, Consumer Protection and Housing on Gov. Msg. No. 768

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF NURSING

G.M. No. 768 ALTON J. FUJIO, for a term to expire 06-30-2008

La'au Makana, The Medicine Bank testified in support of the nomination.

ALTON J. FUJIO, nominated as a public member, has worked in marketing and sales for various health industry-related companies for twelve years, during which time he has had the opportunity to work with medical professionals, including nurses. Currently, Mr. Fujio is employed as a pharmaceutical manufacturer's representative. Since 2000, the nominee has served on the board of directors of La'au Makana, The Medicine Bank.

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, 2 (Ige, Sakamoto).

SCRep. 1850 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 770 and 771

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PHARMACY

G.M. No. 770 MARK E. BROWN, for a term to expire 06-30-2009; and

G.M. No. 771 KENT KIKUCHI, R.Ph., for a term to expire 06-30-2009

Hale Makua (Kahalui Facility) and Maui Memorial Medical Center supported the nomination of Mark E. Brown. Wilcox Memorial Hospital and three individuals testified in support of the nomination of Kent Kikuchi.

MARK E. BROWN has a bachelor of science degree in pharmacy from the University of Toledo. Mr. Brown has worked in the pharmacology profession since 1996 and is currently chief pharmacist/consultant pharmacist for IPC/PharMerica in Wailuku, Maui. The nominee is a member of the American Society of Consultant Pharmacists.

KENT KIKUCHI, R.Ph., has a bachelor of science degree in pharmacy from Washington State University. Mr. Kikuchi has practiced pharmacology in Hawaii for the past fifteen years, primarily in hospital settings. Currently, Mr. Kikuchi is director of pharmacy for Wilcox Memorial Hospital in Lihue, Kauai. The nominee serves on the advisory board for the College of Pharmacy of the University of Hawaii at Hilo, and is a member of the American Hospital Association and American Pharmaceutical Association.

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, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 1851 Commerce, Consumer Protection and Housing on Gov. Msg. No. 772

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PHYSICAL THERAPY

G.M. No. 772 CHARLES AKI, for a term to expire 06-30-2009

The Hawaii Women's Rodeo Association, Aloha International Moving Services, Inc., American Vanpac Carriers, Inc., Goodrich Trading Company, Inc., and three individuals testified in support of the nomination.

CHARLES AKI, nominated as a consumer member, has a degree in business administration and is general manager for a moving company. Mr. Aki's interest in the area of health care is based on his extensive knowledge and experience in the natural healing arts. The nominee was described in supporting testimony as conscientious, responsible, and ethical, and as a creative problem solver.

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, 2 (Ige, Sakamoto).

SCRep. 1852 Commerce, Consumer Protection and Housing on Gov. Msg. No. 774

Recommending that the Senate advise and consent to the nomination of the following:

REAL ESTATE COMMISSION

G.M. No. 774 STAN KURIYAMA, for a term to expire 06-30-2009

The Chairperson of the Real Estate Commission; Imanaka Kudo and Fujimoto; Chun, Kerr, Dodd, Beaman and Wong; and eleven individuals testified in support of the nomination.

STAN KURIYAMA has held an active real estate broker's license since 1982. Mr. Kuriyama is executive vice president for A&B Properties, Inc., a property development and management subsidiary of Alexander and Baldwin, Inc., the State's fifth largest private landowner. Prior to his current employment, the nominee practiced law in the areas of real estate sales and purchases, condominium and subdivision development, commercial leases, and real estate financing. Mr. Kuriyama previously served on the Real Estate Commission from 1989 to 1997.

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, 2 (Ige, Sakamoto).

SCRep. 1853 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 687, 688 and 689

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF BARBERING AND COSMETOLOGY

G.M. No. 687 LEE ANN M. HIGASHI, for a term to expire 06-30-2009;

G.M. No. 688 BARBARA M. KOKUBUN, for a term to expire 06-30-2008; and

G.M. No. 689 FLORENTINA SMITH, for a term to expire 06-30-2009

The Office of the Mayor of the County of Kauai and five individuals supported the nomination of Lee Ann M. Higashi. A member of the Maui County Council, Bail Hawaii, and six individuals testified in support of the nomination of Barbara M. Kokubun.

LEE ANN M. HIGASHI trained at Hollywood Beauty College, Gary Gerald's Institute of Hair, Vidal Sassoon Academy, and Goldwell International. Ms. Higashi has approximately twenty years of professional experience and currently operates her own salon. Additionally, the nominee is employed as a color specialist and educator, and serves as the recording secretary for the board of the National Cosmetology Association.

BARBARA M. KOKUBUN trained at Royal Beauty School and Honolulu Barber School, and holds barber shop, barber operator, and beauty operator licenses. Ms. Kokubun has thirty years of professional experience and currently owns and operates a barber shop. Additionally, the nominee is active in numerous professional organizations, including the Honolulu Master Barber Association and National Cosmetology Association of Hawaii.

FLORENTINA SMITH, nominated as a public member, is an educator who has served in teaching and administrative positions on Oahu, Hawaii, and Maui, as well as in California and Texas. Dr. Smith is currently principal of August Ahrens Elementary School. In her personal statement, the nominee expressed her belief in the importance of maintaining consistently high standards in the fields of barbering and cosmetology for the benefit of Hawaii's 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, 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 (Ige, Sakamoto).

SCRep. 1854 Commerce, Consumer Protection and Housing on Gov. Msg. No. 690

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOXING COMMISSION OF HAWAII

G.M. No. 690 BOBBY LEE, for a term to expire 06-30-2006

The chairperson of the State Boxing Commission of Hawaii and the World Boxing Council testified in support of the nomination.

BOBBY LEE has been involved in the boxing profession for over sixty years. Mr. Lee was a champion amateur boxer for the Territory of Hawaii, coached the United States Army Southwest Pacific All Army Team during World War II, and worked as a boxing coach and manager.

The nominee also has extensive experience in the regulation of the sport, having served as boxing inspector, executive secretary for the State Boxing Commission of Hawaii (Commission), and as chairperson of the Commission. Additionally, the nominee has been

involved in the sport on national and international levels, serving, in among other positions, as president of the North American Boxing Federation and president of the World Boxing Association.

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, 2 (Ige, Sakamoto).

SCRep. 1855 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 694 and 695

Recommending that the Senate advise and consent to the nominations of the following:

CONTRACTORS LICENSE BOARD

G.M. No. 694 NEAL ARITA, for a term to expire 06-30-2008; and

G.M. No. 695 WILLIAM R. BROWN, for a term to expire 06-30-2009

Testimony in support of the nomination of NEAL ARITA was received from the Subcontractors Association of Hawaii, Integrated Engineering Corporation, Leeward Community Church, Randolph H. Murayama and Associates, Alakai Mechanical Corporation, Carrier Hawaii, Oahu Sales, Inc., Island Controls, Katayama and Associates, Inc., Trane-Honolulu District, and four individuals.

Mr. Arita holds a current contractor's license, with specialty classifications in refrigeration, sheet metal, and air conditioning. Mr. Arita has almost eighteen years of professional experience and is currently manager of direct sales and service with Alakai Mechanical Corporation. Additionally, the nominee is president of the Sheet Metal Contractor's Association of Hawaii.

WILLIAM R. BROWN, nominated as a public and Kauai County member, resides on the island of Kauai. Mr. Brown has thirty-seven years of sales and marketing, and management experience with Carrier Air Conditioning Corporation, and most recently served as president of its Asia-Pacific operations. The nominee's work with the air conditioning company provided him with the opportunity to become familiar with the mechanical contracting profession and to understand the importance of licensure and regulation of the profession.

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, 4. Noes, none. Excused, 2 (Ige, Sakamoto).

SCRep. 1856 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 691 and 692

Recommending that the Senate advise and consent to the nominations of the following:

CABLE ADVISORY COMMITTEE

G.M. No. 691 DAVID P. DeLEON, for a term to expire 06-30-2005; and

G.M. No. 692 DAVID P. DeLEON, for a term to expire 06-30-2009

The Office of the Mayor of the County of Maui, a member of the Maui County Council, Realtors Association of Maui, Inc., and an individual testified in support of the nominations.

DAVID P. DeLEON has resided in Maui County for twenty-five years and is currently employed as the senior executive assistant to the Mayor of Maui County. In 1991, Mr. DeLeon served as the Maui County Administration's representative on the public, educational, and governmental (PEG) access consortium. The nominee has a history of volunteerism and community involvement with organizations such as Bikeways Maui, Inc., the Maui Bicycle Alliance, and the Maui Family YMCA.

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 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 (Ige, Sakamoto).

SCRep. 1857 (Majority) Ways and Means on H.B. No. 180

The purpose of this measure is to provide parity in compensation and benefits for exempt civil service employees that are at least equal to the adjustments under collective bargaining agreements for their counterparts and subordinates.

Currently, the compensation and benefit packages provided to exempt civil service employees are based on:

- (1) Procedures that allow input from the exempt employees and the employee organization representing them; and
- (2) What the exempt civil service employees do and the contributions they make in relation to their counterparts and subordinates.

Although the law may seem equitable on its face, the resulting disparity in compensation and benefits is evidence to the contrary. This bill levels the playing field by requiring excluded employees to be compensated at a level that is at least equal to the compensation and benefit packages provided under collective bargaining agreements for their counterparts and subordinates.

As affirmed by the record of votes of the members 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. 180, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, 2 (Hemmings, Slom). Excused, 1 (Sakamoto).

SCRep. 1858 Ways and Means on H.B. No. 465

The purpose of this measure is to transfer the Boards of Registration from the Office of the Lieutenant Governor, for administrative purposes, to the Department of Accounting and General Services.

Presently, there is a Board of Registration in each county whose purpose is to hear appeals of decisions by clerks and precinct officers when a registered voter challenges the right of another person to vote in an election. The Office of Elections provides the support necessary for the boards to function on election days.

Act 117, Session Laws of Hawaii 2003, transferred the Office of Elections from the Office of the Lieutenant Governor to the Department of Accounting and General Services; however, it did not also transfer the Boards of Registration in like manner. This measure will transfer the Boards of Registration to the Department of Accounting and General Services where they may continue to be supported by the Office of Elections.

As affirmed by the record of votes of the members 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. 465, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 14. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1859 (Majority) Ways and Means on H.B. No. 497

The purpose of this measure is to broaden the types of delinquent items that the Judiciary may write off as uncollectible debts.

Your Committee finds that at present the Judiciary is authorized to write off delinquent fines and restitution. To write off other types of delinquent receivables, the Judiciary seeks authorization from the Attorney General. Under this measure the Judiciary will be able to write off all delinquent receivables, such as assessments, fees, surcharges, penalties, sanctions, court costs, and other receivables without authorization from the Attorney General. Accordingly, this measure will provide the Judiciary with a uniform process to address all types of delinquent receivables.

As affirmed by the record of votes of the members 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. 497, 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 (Fukunaga, Kanno).

SCRep. 1860 Ways and Means on H.B. No. 632

The purpose of this measure is to authorize the Board of Trustees of the Employees' Retirement System to use the effect of the post retirement allowance or other mandatory fixed scheduled increase in benefits as an actuarial assumption in determining the value of available options.

Your Committee finds that recognition of the effect of the post retirement allowance will make calculation of benefit options more consistent with modern actuarial practices.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 632, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 12. Noes, none. Excused, 3 (Kim, Sakamoto, Trimble).

SCRep. 1861 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 700 and 701

Recommending that the Senate advise and consent to the nominations of the following:

ELEVATOR MECHANICS LICENSING BOARD

G.M. No. 700 RONALD H. NAKAMINE, for a term to expire 06-30-2009; and

G.M. No. 701 STEVE TSUNEMOTO, for a term to expire 06-30-2007

RONALD H. NAKAMINE is a licensed elevator mechanic with over twenty-five years of experience as a journeyman elevator mechanic. Mr. Nakamine's professional experience includes work in elevator installation, repair, and service. The nominee served as recording secretary for the International Union of Elevator Constructors (IUEC)-Local 126 for eight years and presently serves on its executive board.

STEVE TSUNEMOTO is a licensed elevator mechanic with eighteen years of experience in the trade. Mr. Tsunemoto is the current president of the IUEC-Local 126 and co-chairperson of the Joint Apprenticeship Committee for the elevator apprenticeship program in 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, 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 (Ige, Sakamoto).

SCRep. 1862 Health on Gov. Msg. No. 719

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, MAUI COUNTY SUBAREA

G.M. No. 719 CURT S. MORIMOTO, for a term to expire 06-30-2009

Your Committee received testimony in support of the appointment of CURT S. MORIMOTO from the State Health Planning and Development Agency and one individual. Mr. Morimoto is an experienced paramedic who has been employed by ILS/AMR Ambulance Company since 1984. He earned a bachelor's degree at Seattle University, and is certified by the National Highway Transportation and Safety Association as a child safety seat instructor and technician. He is the former fire commissioner and current liquor commissioner for the County of Maui.

Your Committee has reviewed the personal history and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Health Planning Council, Maui Subarea.

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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1863 Health on Gov. Msg. No. 747

Recommending that the Senate advise and consent to the nomination of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, KAUAI SERVICE AREA BOARD

G.M. No. 747 MARDI L. MAIONE, for a term to expire 06-30-2008

Your Committee received testimony in support of the appointment of MARDI L. MAIONE, CSAC from the Department of Health and twelve individuals. Ms. Maione has worked in the field of substance abuse counseling since 1993, and became a Certified Substance Abuse Counselor in 1997. She has worked for over seven years at Hina Mauka, where she currently is the program development coordinator for the island of Kauai, and has had a private practice since 1997. Ms. Maione founded the Kauai Drug Free Coalition in 1993, and presently is an active volunteer with various organizations relating to her professional and community interests.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Mental Health and Substance Abuse, Kauai Service Area 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 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 (Hanabusa, Whalen).

SCRep. 1864 Health on Gov. Msg. Nos. 717 and 718

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, HONOLULU SUBAREA

G.M. No. 717 WILLIAM BAILEY, for a term to expire 06-30-2009; and

G.M. No. 718 MARY DIXON, for a term to expire 06-30-2009

Your Committee received testimony in support of the appointment of WILLIAM BAILEY from the State Health Planning and Development Agency. Mr. Bailey earned a bachelor's degree in biology and psychology from Occidental College and studied post-graduate biology at the University of Hawaii. He has been certified as an emergency medical technician since 1976, and as a mobile intensive care technician since 1978. Mr. Bailey presently is the manager of marketing and business development at American Medical Response, responsible for communications, client relations, and public and government relations. He is an active volunteer on various organizations relating to his professional and community interests.

Your Committee received testimony in support of the reappointment of MARY DIXON from the State Health Planning and Development Agency. Ms. Dixon has served on the Health Planning Council, Honolulu Subarea since July 2001. She holds a bachelor's degree in psychology and a master's degree in social work. Prior to her retirement, Ms. Dixon worked for the Executive Office on Aging. She serves on various community and professional organizations.

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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1865 Higher Education on Gov. Msg. Nos. 645 and 646

Recommending that the Senate advise and consent to the nominations of the following:

CENTER FOR NURSING ADVISORY BOARD

G.M. No. 645 GARY R. KIENBAUM, R.N., for a term to expire 06-30-2005; and

G.M. No. 646 GARY R. KIENBAUM, R.N., for a term to expire 06-30-2009

Your Committee received testimony in support of GARY R. KIENBAUM, R.N. from the University of Hawaii School of Nursing and Dental Hygiene, Hawaii State Center for Nursing, Kaiser Foundation Hospital, the Queen's Medical Center, and two individuals. The nominee is presently employed as a manager of the hospital operations center at Kaiser Foundation Hospital. The nominee received a Bachelor of Science degree from the University of Alaska and a Master of Science degree from the University of Phoenix. He has held various positions in health care in the last nineteen years in Hawaii. Your Committee finds that the nominee's background, education, and experience will be an asset to the Center for Nursing Advisory Board.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Sakamoto).

SCRep. 1866 (Majority) Higher Education on Gov. Msg. Nos. 517 and 776

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII

G.M. No. 517 GUY ONTAI, for a term to expire 06-30-2009; and

G.M. No. 776 DAVID EASA, M.D., for a term to expire 06-30-2009

Your Committee received testimony in support of GUY ONTAI from Century 21 and Akimeka. The nominee is the Vice President and Chief Engineer of Alaka'i Consulting and Engineering, Inc. Mr. Ontai received a Bachelor of Science degree from the United States Military Academy and a Master of Science degree from the Massachusetts Institute of Technology. He has a background in engineering, government and the military, and has held various positions in these areas in the last twenty-seven years in Hawaii and on

the mainland. Your Committee finds that the nominee's unique abilities and specific experience in laser and atomic research will materially contribute to the Board.

DAVID EASA, M.D., is a doctor with Kapiolani Medical Center for Women and Children's Clinical Research Center. The nominee received a B.A. degree from Vanderbilt University and an M.D. degree from the University of Louisville. The nominee has a background in health care and has held various positions in health care in the last thirty-three years in Hawaii and on the mainland. Your Committee finds that the nominee's dedication and commitment to clinical research as well as his unique knowledge, education, and scholarly pursuits will be an asset to the Board.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Record of votes for Guy Ontai
Ayes, 3. Noes, 1 (Inouye). Excused, 2 (Chun Oakland, Sakamoto).

Signed by the Chair on behalf of the Committee.
Record of votes for David Easa, M.D.
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Sakamoto).

SCRep. 1867 Higher Education on Gov. Msg. Nos. 765, 766, 767 and 640

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII COMMISSION FOR NATIONAL AND COMMUNITY SERVICE

- G.M. No. 765 ROBERT K. KANO JR., for a term to expire 06-30-2009;
- G.M. No. 766 CONCHITA D. STEWART, for a term to expire 06-30-2009;
- G.M. No. 767 MARCIE WONG, for a term to expire 06-30-2009; and
- G.M. No. 640 GWEN HONJO, for a term to expire 06-30-2009

ROBERT K. KANO JR. is presently employed as a Chief Investigator by the Outrigger Hotels & Resorts. The nominee has held positions in the hotel industry and security in the last eighteen years in Hawaii. He is a member of the Hawaii Hotel Security Association, the Hawaii Visitor Industry Security Association, and the American Society for Industrial Security. Your Committee notes from the nominee's statement that he is a strong believer in making a difference and encouraging community service.

Your Committee received testimony in support of CONCHITA D. STEWART from Department of Defense. The nominee is presently employed as a receptionist/typist by Finance Factors, Ltd. She received a Bachelor of Arts degree from the University of Hawaii. The nominee has held various positions in business in the last forty years in Hawaii. Your Committee notes from the nominee's statement that the nominee's background, education, experience, and personality will give her the tools to succeed.

MARCIE WONG is presently employed as a medical assistant by the Mililani Specialty Clinic. The nominee received an Associate in Applied Science degree from Heald College. She has held various positions in customer service in the last ten years in Hawaii. Your Committee notes from the nominee's statement that her experiences as a member of the Mililani Lion's Club, Bulacan Circle & Associates of Hawaii, and the Filipino Catholic Club will assist her in performing her essential functions as a board member.

Your Committee received testimony in support of GWEN HONJO from one individual. The nominee is presently employed as a Realtor by MMI Realty Services, Inc. She received a Higher Accounting degree from Canon's International Business College. The nominee has held various positions in real estate in the last thirteen years in Hawaii. Your Committee notes from the written testimony that the nominee is caring about the community and has a keen understanding of organization because of her skills in accounting and business.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the 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 (Chun Oakland, Sakamoto).

SCRep. 1868 Higher Education on Gov. Msg. Nos. 670, 671 and 672

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

- G.M. No. 670 ALLAN R. LANDON, for a term to expire 06-30-2009;

G.M. No. 671 RONALD K. MIGITA, for a term to expire 06-30-2005; and

G.M. No. 672 RONALD K. MIGITA, for a term to expire 06-30-2009

Your Committee received testimony in support of ALLAN R. LANDON from Ernst & Young, LLP; Ho'akea Communications; Kaneohe Ranch Company, Limited; Hawaii Bankers Association; and one individual. The nominee is the Chairman and Chief Executive Officer of Bank of Hawaii. Mr. Landon received a Bachelor of Science degree from Iowa State University. He has a background in finance, corporate governance, and risk management and has held various high level management positions and served on numerous community boards in the last thirty-five years in Hawaii and in the states of Illinois, Ohio, New York, Virginia, Iowa, and Tennessee. Mr. Landon's expertise includes management of financial risk.

Mr. Landon is familiar with the University through his current position as a member of the University Foundation. He stated that he would recuse himself from this position if confirmed by the Senate. Your Committee finds that the nominee's background in banking, finance, and corporate governance will substantially contribute to the Board of Regents.

Your Committee received testimony in support of RONALD K. MIGITA from Honolulu City Council member, Travel Ways, and numerous individuals. The nominee is the Chairman of Central Pacific Bank. Mr. Migita received a Bachelor of Arts in Business Administration degree from the University of Hawaii, and expressed a strong desire to contribute to his alma mater. He has a background in accounting and financial institutions, and has held various high level management positions and served on numerous community boards in the last thirty-five years in Hawaii. He has strong connections to the neighbor islands, including Maui. Those testifying were unanimous in their assessment of the nominee's integrity, independence, and dedication to the University.

Testimony at the hearing included reference to the key role that Mr. Migita has played in moving Central Pacific Bank through a period of difficult transition. Skills in transforming institutions such as those of Mr. Migita are especially needed at the Board of Regents level given the dynamic nature of higher education.

Each nominee was asked to submit a resume, respond to a questionnaire, and submit a statement. Your Committee was impressed by the nominees' credentials and qualifications. The nominees' experience as leaders of large multi-billion dollar financial institutions will enhance the leadership of the University, while their responses to difficult fiscal and other policy questions lead your Committee to believe that they will be responsible decision makers.

Your Committee believes that the nominees will be independent regents looking out for the best interests of the students, faculty, and taxpayers and offer exceptional experience, qualities, and skills.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Record of votes for Allan R. Landon
Ayes, 4. Noes, none. Excused, 2 (Baker, Chun Oakland).

Signed by the Chair on behalf of the Committee.
Record of votes for all other nominees:
Ayes, 5. Noes, none. Excused, 1 (Chun Oakland).

SCRep. 1869 Water, Land, and Agriculture on Gov. Msg. No. 481

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF LAND AND NATURAL RESOURCES

G.M. No. 481 TARYN R. SCHUMAN CPA, for a term to expire 06-30-2009

TARYN R. SCHUMAN is a certified public accountant in private practice and holds a bachelor's degree in accounting from Creighton University. Ms. Schuman is a member of the American Institute of Certified Public Accountants and the Hawaii Society of Certified Public Accountants. She is also the former director, treasurer, and president of HUGS - Help, Understanding & Group Support, and a director of PACT - Parents and Children Together.

Testimony in support of Ms. Schuman was submitted by the Department of Land and Natural Resources; A.P. Water Supply, Inc.; Aston ResortQuest Hawaii; Doty Equities, Inc.; and Jackson Auto Group. Testimony in opposition to Ms. Schuman was submitted by two individuals. Comments were also submitted by one individual.

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 (Fukunaga).

SCRep. 1870 Water, Land, and Agriculture on Gov. Msg. Nos. 684 and 685

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE AGRIBUSINESS DEVELOPMENT CORPORATION

G.M. No. 684 ROBERT E. COOPER, for a term to expire 06-30-2009; and

G.M. No. 685 SUSAN T. HARADA, for a term to expire 06-30-2009

ROBERT E. COOPER is currently the president of W.H. Shipman, Ltd., a land holding company, and has also served as the president of Eleu Hilo, Inc. Mr. Cooper also was the vice president of development at Blackfield Hawaii Corporation and holds a bachelor's degree in business administration from San Jose State College. He was a former president of the Hawaii Island Chamber of Commerce and is currently a board member of the Arc of Hilo and is a co-chair for the Peanut Butter Ministry in Hilo, Hawaii.

Testimony in support of Mr. Cooper was submitted by the Agribusiness Development Corporation, the Land Use Research Foundation of Hawaii, and one individual.

SUSAN T. HARADA is the director of operations at Castle & Cooke's Dole Plantation and holds a bachelor's degree in fashion merchandising from the University of Hawaii. She manages all facility operations, including food and beverage, retail, attractions, and marketing, and has helped create a business alliance with North Shore area businesses to promote diversified agriculture. Ms. Harada has also participated in the Weed Circle Clean Up and the Special Olympics in Hawaii.

Testimony in support of Ms. Harada was submitted by the Agribusiness Development Corporation, Castle & Cooke Hawaii's Oahu Residential and Commercial Operations, Dole Food Company Hawaii, Hawaii Farm Bureau Federation, Jim Little Nursery & Farms, Kahuku Brand, Land Use Research Foundation of Hawaii, North Shore Cattle Company, Oils of Aloha, and one individual.

Your Committee finds that the nominees' experience, background, and commitment to public service make each an asset to the Board of Directors of the Agribusiness Development Corporation.

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 (Fukunaga).

SCRep. 1871 Water, Land, and Agriculture on Gov. Msg. No. 737

Recommending that the Senate advise and consent to the nomination of the following:

KANEOHE BAY REGIONAL COUNCIL

G.M. No. 737 WILLIAM H. SAGER, for a term to expire 06-30-2009

WILLIAM H. SAGER holds a bachelor's degree in forest management and engineering from Oregon State University and has worked in forestry for over twenty-seven years. For twenty years, Mr. Sager has been a consultant in natural resources and computers. He is a member of the Kaneohe Neighborhood Board, a board member and treasurer of the Kawainui Heritage Foundation, the former executive director of the Conservation Council for Hawaii, and a former member of the Forest Stewardship Committee. Mr. Sager, if confirmed by the Senate, will be the representative from the Kaneohe Neighborhood Board on the Kaneohe Bay Regional Council.

Testimony in support of Mr. Sager was submitted by the Windward Ahupua'a Alliance, the Kaneohe Neighborhood Board, and two individuals.

Your Committee finds that the nominee's background, experience, and commitment to public service make him an asset to the Kaneohe Bay Regional Council.

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 (Fukunaga).

SCRep. 1872 Water, Land, and Agriculture on Gov. Msg. No. 763

Recommending that the Senate advise and consent to the nomination of the following:

MOLOKAI IRRIGATION SYSTEM WATER USERS ADVISORY BOARD

G.M. No. 763 JAMES A. BOSWELL, for a term to expire 06-30-2008

JAMES A. BOSWELL is an agriculture instructor at the Maui Community College and is currently the vice president of the Molokai-Lanai Soil Water Conservation District and the chairperson of the United States Department of Agriculture's Natural Resources Conservation Services' working group. He holds a bachelor's degree in ornamental horticulture from Brigham Young University and has also worked as an agronomist and agriculture technician. If confirmed by the Senate, Mr. Boswell would serve as the board member representing the Molokai-Lanai Soil Water Conservation District.

Testimony in support of Mr. Boswell was submitted by the Department of Agriculture, the Ho'olehua Homesteaders Association, and three individuals.

Your Committee finds that the nominee's experience, background, and commitment to public service make him an asset to the Molokai Irrigation System Water Users Advisory Board.

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 (Fukunaga).

SCRep. 1873 Water, Land, and Agriculture on Gov. Msg. No. 769

Recommending that the Senate advise and consent to the nomination of the following:

ADVISORY COMMITTEE ON PESTICIDES

G.M. No. 769 JERRY NISHEK, for a term to expire 06-30-2009

JERRY NISHEK has been employed with Kauai Nursery & Landscaping Inc. for approximately twenty-six years. Mr. Nishek holds a Civil, General, and Landscaping Contractors License and a Certified Applicator License. He is a member of the Hawaii Farm Bureau, the vice chairperson of the East Kauai Soil and Water Conservation District and is a board member and former president of the Contractors Association of Kauai.

Testimony in support of Mr. Nishek was submitted by the Department of Agriculture.

Your Committee finds that the nominee's background and experience make him an asset to the Advisory Committee on Pesticides.

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 (Fukunaga).

SCRep. 1874 Water, Land, and Agriculture on Gov. Msg. No. 788

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON WATER RESOURCE MANAGEMENT

G.M. No. 788 MEREDITH J. CHING, for a term to expire 06-30-2009

MEREDITH J. CHING is the vice president of Government and Community Relations for Alexander & Baldwin, Inc. and is a current member of the Commission on Water Resource Management. She holds a bachelor's degree in civil engineering from Stanford University and a master's degree in business administration from the University of California at Los Angeles. Ms. Ching is also a board member of the Hawaii Nature Center, a trustee of the Nature Conservancy of Hawaii, a board member of the Young Men's Christian Association of Honolulu (YMCA), a board member of the Kapiolani Health Foundation, a board member of Hawaii Medical Service Association, a board and executive committee member of the Land Use Research Foundation, and a board and executive committee member of the Hawaii Resort Developers Conference.

Testimony in support of Ms. Ching was submitted by the Department of Land and Natural Resources; Castle & Cooke Homes Hawaii, Inc.; Hawaii Nature Center; the International Longshore and Warehouse Union Local 142; the Gentry Companies; the Land Use Research Foundation of Hawaii; the Maui Cattle Company; the Maui County Farm Bureau; the Maui Land & Pineapple Company, Inc.; Molokai Properties Limited; YMCA; and five individuals. Testimony in opposition to Ms. Ching was submitted by the Sierra Club.

Your Committee noted that there are concerns regarding Ms. Ching's employment with Alexander & Baldwin, a large agricultural company and water user in the State, and her public-trust responsibilities as a member on the Commission on Water Resource Management. However, after questioning Ms. Ching, your Committee finds that she is aware of her responsibilities to the people of Hawaii as a commissioner and is able to appropriately recuse herself in situations or decisions that directly affect her employer, Alexander & Baldwin.

Your Committee finds that the nominee's experience, background, and commitment to public service make her an asset to the Commission on Water Resource Management.

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 (Fukunaga).

SCRep. 1875 Water, Land, and Agriculture on Gov. Msg. No. 789

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON WATER RESOURCE MANAGEMENT

G.M. No. 789 NEAL S. FUJIWARA, for a term to expire 06-30-2009

NEAL S. FUJIWARA recently retired from the United States Department of Agriculture Natural Resources Conservation Service (NRCS) after thirty-two years. He holds a bachelor's degree from Utah State University and also worked in the sugar industry as an assistant irrigation specialist. Mr. Fujiwara has designed irrigation systems for farmers and several taro growers, and as an employee of the NRCS, Mr. Fujiwara also assisted the Kahoolawe Island Reserve Commission staff in developing their rainwater catchment and storage tank for irrigation. He has also served the communities on the islands of Maui, Molokai, Lanai, Kauai, and Niihau.

Testimony in support of Mr. Fujiwara was submitted by the State Conservationist for Hawaii and Director of the Pacific Basin Area for the NRCS; the Department of Land and Natural Resources; East Kauai Soil & Water Conservation Districts; Hamakua Soil and Water Conservation District; the Hawaii Agriculture Research Center; the Hawaii Farm Bureau Federation; Kauai County Farm Bureau; Maui County Farm Bureau; Maui Land & Pineapple Company, Inc.; Tropical Hawaiian Products; and five individuals.

Your Committee finds that the nominee's background, experience, and commitment to public service make him an asset to the Commission on Water Resource Management.

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 (Fukunaga).

SCRep. 1876 Health on Gov. Msg. Nos. 714, 748, 749 and 751

Recommending that the Senate advise and consent to the nominations of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, MAUI SERVICE AREA BOARD

G.M. No. 714 DEBRA K. SUTTON, for a term to expire 06-30-09;

G.M. No. 748 ROBERT D. LANSER JR., for a term to expire 06-30-2008;

G.M. No. 749 ROYAL RANDOLPH JR., M.D., M.P.H., for a term to expire 06-30-2008; and

G.M. No. 751 PAUL S. VARGAS, JR., for a term to expire 06-30-2008

Your Committee received testimony in support of the reappointment of DEBRA K. SUTTON from the Department of Health. Ms. Sutton has served on the Mental Health and Substance Abuse, Maui Service Area Board since July 2000. She earned an associate's degree and Certificate of Achievement for Licensed Practical Nurse from Maui Community College. Ms. Sutton has worked for Nurse Finders since 2002. She founded Dual Recovery Anonymous, a twelve-step program on Maui tailored to people with both severe and persistent mental illness and a substance abuse disorder and is an active volunteer with various organizations relating to her professional and community interests.

Your Committee received testimony in support of the nomination of ROBERT D. LANSER, JR. from the Department of Health. Mr. Lanser earned an associate's degree in behavioral sciences from San Diego Mesa College, and a bachelor's degree in psychology with a minor in sociology and a master's degree in social work from San Diego State University. He is a licensed clinical social worker, and has worked at Maui Behavioral Health Services, Inc. since 1995 and at the Aloha House residential substance abuse treatment program since 2002. Mr. Lanser is a member of the Academy of Certified Social Workers (ACSW), the National Association of Social Workers (NASW), and is a Qualified Clinical Social Worker (QCSW). He is an active volunteer on various organizations relating to his professional and community interests, including the State Children's Council and the Community Children's Council.

Your Committee received testimony in support of the nomination of ROYAL RANDOLPH JR., M.D., M.P.H. from the Department of Health. Dr. Randolph earned a bachelor's degree in zoology with a minor in chemistry from Fort Valley State University in

Georgia, a joint Master of Science/Doctor of Veterinary Medicine degree at Tuskegee University in Alabama, a Doctor of Medicine degree at the University of Illinois, and a master's degree in public health from the University of California. Dr. Randolph holds psychiatric licensure in Hawaii, California, Washington, and Georgia and has been a practicing psychiatrist since 1979. He presently is the psychiatric consultant for Maui Youth and Family Services, and formerly served as the medical director at the Aloha House residential substance abuse treatment program. Dr. Randolph is affiliated with a number of professional organizations and boards.

Your Committee received testimony in support of the reappointment of PAUL S. VARGAS, JR. from the Department of Health and two individuals. Mr. Vargas previously worked as a USDA Agriculture Inspector Aide for over six years. He presently attends Maui Community College, where he has worked with the Counseling Department to advocate for students with special needs. Mr. Vargas has been a council member on the Developmental Disability Council since 1999, has served on the Mental Health and Substance Abuse, Maui Service Area Board since 2000, and is an active volunteer with various other community organizations.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Mental Health and Substance Abuse, Maui Service Area 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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1877 Health on Gov. Msg. Nos. 744, 745 and 746

Recommending that the Senate advise and consent to the nominations of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, HAWAII SERVICE AREA BOARD

G.M. No. 744 AMY R. AGUIAR, for a term to expire 06-30-2008;

G.M. No. 745 GEARY KRUEGER, for a term to expire 06-30-2008; and

G.M. No. 746 CEVN B. McGUIRE, for a term to expire 06-30-2008

Your Committee received testimony in support of the nomination of AMY R. AGUIAR from the Department of Health. Ms. Aguiar's community service includes volunteer work at the Hawaii Adult Day Care Center in Hilo and co-facilitation of the Bridges Support Group. She has participated in advocacy training for the Partners Academy provided by the State Council on Developmental Disabilities. Ms. Aguiar participates in the Special Olympics and is a member of Hale 'Oluea Clubhouse.

Your Committee received testimony in support of the appointment of GEARY KRUEGER from the Department of Health and five individuals. Mr. Krueger is a peer coach at Mental Health Kokua, and his community service includes serving on the Advisory Board of the Mental Health Association, as chair of the Disability Rights Advocacy Committee of Hale 'Oluea Clubhouse, and as the current president of the Aloha Club of Hilo Board at Hale 'Oluea Clubhouse. Mr. Krueger is a dedicated advocate for mental health and substance abuse services and those who use them.

Your Committee received testimony in support of the appointment of CEVN B. McGUIRE from the Department of Health. Mr. McGuire earned an associate's degree at Windward Community College, and currently is a student at the University of Hawaii majoring in psychology and Chinese studies. He recently co-authored a federal grant application on behalf of the Mental Health Association in Hawaii County, where he is a volunteer. Mr. McGuire formerly worked as a counselor, intake specialist, and residential director at ASAC Treatment Center.

Your Committee has reviewed the personal histories and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Mental Health and Substance Abuse, Hawaii Service Area 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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1878 Business and Economic Development on Gov. Msg. No. 563

Recommending that the Senate advise and consent to the nomination of the following:

COMMUNITY-BASED ECONOMIC DEVELOPMENT ADVISORY COUNCIL

G.M. No. 563 HARRY L. ALONSO, for a term to expire 06-30-2009

Your Committee received testimony in support of HARRY L. ALONSO from the Department of Business, Economic Development, and Tourism and sixteen individuals. Mr. Alonso earned an associate's degree in marketing from Heald College and a bachelor's

degree in business administration from Trinity College. He was named Heald College Alumni of the Year in 1991. He also received a Certificate of Achievement in leadership enhancement training and holds a real estate license. Mr. Alonso is currently a managing partner at Sun Pacific Group, LLC., where he specializes in tenant representation, business sales and acquisitions, and market development. His past community service includes acting as the interim executive director of the Filipino Community Center, Inc., the director for the Filipino Chamber of Commerce of Hawaii, the general chairman for the Mabuhay Festival, Filcom Center, and the assistant scoutmaster for the Boy Scouts of Hawaii, Aloha Council. He is currently serving as an advisor for the Honolulu Filipino Junior Chamber of Commerce and sits on the board of the nonprofit Angela Perez Baraquio Educational Foundation. Mr. Alonso's extensive business and community experience provide him with the leadership abilities, skills, experiences, and knowledge needed to understand the issues and to promote community-based economic development initiatives.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Community-Based Economic Development Advisory Council.

As affirmed by the record of votes of the members of your Committee on Business and 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, 2 (Menor, Sakamoto).

SCRep. 1879 Business and Economic Development on Gov. Msg. No. 686

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE ALOHA TOWER DEVELOPMENT CORPORATION

G.M. No. 686 NEAL M. OTANI, for a term to expire 06-30-2009

Your Committee received testimony on behalf of NEAL M. OTANI from the Aloha Tower Development Corporation and five individuals. Mr. Otani earned a Bachelor's degree in Health and Physical Education from the University of Hawaii. He is the president of Y. Fukunaga Products, Ltd., the wholesale produce business his family has operated for the past sixty years. Mr. Otani has interacted with the commercial harbor and airport industries throughout his more than thirty-five years with the company. He is familiar with the issues regarding the development of the waterfront and the Kakaako area in order to enhance trade activity, beautify the waterfront, stimulate downtown commercial activities, and expand public access and usage.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Aloha Tower Development Corporation Board of Directors.

As affirmed by the record of votes of the members of your Committee on Business and 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, 2 (Menor, Sakamoto).

SCRep. 1880 Higher Education on Gov. Msg. No. 773

Recommending that the Senate advise and consent to the nomination of the following:

STATE POST-SECONDARY EDUCATION COMMISSION

G.M. No. 773 EDWARD FOUNTAIN, Jr., for a term to expire 06-30-2009

EDWARD FOUNTAIN, Jr. is presently employed in the Office of the Vice Chancellor for Administration at the University of Hawaii at Manoa. The nominee received a Bachelor of Arts degree and certificate of completion in project management from the University of Hawaii Center for Executive Development. He has a background in academic administration and has held various academic administration positions in the last twenty years in Hawaii. Your Committee finds that the nominee's background, education, and experience will make him an asset to the Commission.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Sakamoto).

SCRep. 1881 Higher Education on Gov. Msg. Nos. 634, 636, 637 and 743

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII MEDICAL EDUCATION COUNCIL

G.M. No. 634 CHRISTI L. KELIPIO, for a term to expire 06-30-2009;

G.M. No. 636 SUSAN REHBERG MERRILL-MURRAY, for a term to expire 06-30-2009;

G.M. No. 637 GALE S. POLLOCK, for a term to expire 06-30-2007; and

G.M. No. 743 DEW-ANNE M. NISHIDA LANGCAON, FHFMA, CPA, for a term to expire 06-30-2007

Your Committee received testimony in support of CHRISTI L. KELIPIO from the University of Hawaii John A. Burns School of Medicine. The nominee is presently employed as a registered nurse by Hawaii Pacific Health. The nominee holds advanced degrees in nursing and has a background in health care. The nominee is being re-appointed. Your Committee notes from written testimony that the nominee's personal participation has been exemplary and the nominee's unique knowledge and skills have been an asset to the Council.

Your Committee received testimony in support of SUSAN REHBERG MERRILL-MURRAY from the University of Hawaii John A. Burns School of Medicine. The nominee is the Regional Hospital Administrator for Kaiser Foundation Hospitals in Honolulu. The nominee received a Bachelor of Arts degree from the University of Hawaii and a Master of Business Administration degree from the University of Dallas. The nominee has held various positions in health care administration in the last twenty-two years in Hawaii and on the mainland. The nominee is being re-appointed. Your Committee notes from written testimony that the nominee's participation as a member of the Council is essential to the continuance of the Council.

Your Committee received testimony in support of GALE S. POLLOCK from the University of Hawaii John A. Burns School of Medicine. She is the Commanding General of Tripler Army Medical Center. The nominee received a Bachelor of Science degree from the University of Maryland, a Master of Business Administration degree from Boston University, a Master of Health Services Administration degree from Baylor University, and a Master of Science degree from National Defense University. The nominee has held various positions in the federal health care sector in the last twenty-nine years in Hawaii and on the mainland. Your Committee notes from written testimony that the nominee provides exceptional knowledge, demonstrates the capacity to adapt rapidly to new challenges, and brings a national viewpoint to the Council.

Your Committee received testimony in support of DEW-ANNE M. NISHIDA LANGCAON, FHFMA, CPA, from the University of Hawaii John A. Burns School of Medicine. The nominee is the Executive Vice President of Hawaii Pacific Health. She received a Bachelor of Business Administration degree and a Master's of Accounting degree from the University of Hawaii. The nominee has a background in health care administration and has held various positions in health care administration in the last twelve years in Hawaii. Your Committee notes from the nominee's curriculum vitae that the nominee is a skilled communicator with the ability to explain complex ideas in a concise and comprehensive way.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the 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 (Chun Oakland, Sakamoto).

SCRep. 1882 Education and Military Affairs on H.C.R. No. 101

The purpose of this measure is to request a cost analysis of providing transportation services to public school students for summer school and extra curricular activities.

Testimony in support of the measure was submitted by the Department of Education.

Your Committee finds that there are many off-campus activities and programs that contribute to the learning and development of students. Although there may be some concerns regarding the variables that may hinder implementation of transportation services, a report of the cost analysis could assist future legislatures to develop a transportation plan.

Your Committee is sensitive to the department's funding concerns, and so it is your Committee's intent that the scope of the cost analysis include at a minimum, one bus per school for one late transport within the school's district and current routes.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 101, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Hooser).

SCRep. 1883 Education and Military Affairs on H.C.R. No. 199

The purpose of this measure is to recognize the Pacific Resources for Education and Learning (PREL) and support its designation as an educational service agency.

Testimony was not accepted for this measure.

Your Committee finds that the research and development of educational resources and materials by PREL has proven to be valuable in promoting educational excellence for children. PREL is a non-profit corporation that provides educational support programs in Hawaii and throughout the Pacific. Designating PREL as an educational service agency (ESA) would allow the corporation to access federal education support funds under laws such as the No Child Left Behind Act (NCLB). As there are no ESAs in Hawaii, PREL would be able to apply for the additional federal funds to design and coordinate support services to Hawaii schools. This would also bring a positive effect for schools struggling to meet the requirements of NCLB.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 199, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Hooser).

SCRep. 1884 Media, Arts, Science and Technology on Gov. Msg. Nos. 568 and 697

Recommending that the Senate advise and consent to the nominations of the following:

STATE FOUNDATION ON CULTURE AND THE ARTS COMMISSION

G.M. No. 568 MARIA JO FARINA, for a term to expire 06-30-2009; and

G.M. No. 697 DAVID HELDER, for a term to expire 06-30-2009

Your Committee received testimony in support of the appointment of MARIA JO FARINA to the Hawaii State Foundation on Culture and the Arts Commission from Pacificana Institute, the Outgoing Consul General of the Philippines, and three individuals. Ms. Farina is actively involved in community service, including previously serving as the president of the Filipino Catholic Club, Our Lady of Peace Unit; chairing the Civil Service Commission since 2000; and serving as the current president of the Hawaii Filipino Women's Club. She is a small-business owner, and also manages a garment shop that specializes in Filipino clothing and costumes. In response to questions posed by your Committee, Ms. Farina noted that funding is one of the major challenges the Commission faces and envisions applying her community development experiences in helping the Commission find additional funding options.

Your Committee received testimony in support of the appointment of DAVID HELDER to the Hawaii State Foundation on Culture and the Arts Commission from four individuals. Mr. Helder is a semi-retired painter and sculptor, who also has extensive experience as an art instructor for children and adults. He is familiar with historic preservation issues, having previously worked in private building restoration in San Francisco and serving as a member of the Kauai Historic Preservation Review Commission since 2000, and as its chair in 2004. He earned bachelor's and master's degrees in sculpture from the California College of Arts and Crafts, studied architecture at the University of Edinburgh, Scotland, and earned a master's degree in aesthetic education from Stanford University. In response to questions posed by your Committee, Mr. Helder reiterated his belief that the benefits derived by children and adults alike from exposure to the arts and art education were not adequately recognized. He stated that an important objective for the Commission is to encourage art activities and art awareness throughout the community, in order to promote understanding of their benefits, which he believes will lead to increased funding for the arts.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, 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. 1885 Media, Arts, Science and Technology on Gov. Msg. Nos. 580 and 581

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION

G.M. No. 580 JAMES D. LaCLAIR, for a term to expire 06-30-2009; and

G.M. No. 581 DAVID LASSNER, Ph.D., for a term to expire 06-30-2009

Your Committee received testimony in support of the appointment of JAMES D. LaCLAIR from the High Technology Development Corporation and three individuals. Mr. LaClair has extensive experience in a broad spectrum of the telecommunications industry through his employment with Verizon Communications (GTE) since 1978. He is presently Verizon's Director of Network Operations Pacific Region, the senior technology executive responsible for directing statewide networking operations and developing technical support technology strategies. Mr. LaClair has worked with the High Technology Development Corporation in a cooperative partnership with the Weinberg Foundation to extend telemedicine services to the neighbor islands. In response to questions posed by your Committee, Mr. LaClair proposed to help the High Technology Development Corporation's clients, and other state technology businesses, achieve short- and long-term economic growth, which would sustain jobs and revenue and diversify Hawaii's economy. Mr. LaClair's enthusiasm and expertise in the telecommunications field will be valuable resources to the board of directors of the High Technology Development Corporation.

Your Committee received testimony in support of the reappointment of DAVID LASSNER, Ph.D. from the High Technology Development Corporation. Dr. Lassner has served on its board since July 2000. He earned a bachelor's degree in economics and a master's degree in computer science from the University of Illinois, and his Ph.D. in communications and information sciences from the University of Hawaii. Dr. Lassner has worked at the University of Hawaii in the area of information technology support since 1977, and as its chief information officer since 1994. In addition, he has served as the principle investigator for a number of Department of Defense and National Science Foundation projects. In response to questions posed by your Committee, Dr. Lassner stated that the challenges the High Technology Development Corporation faces include the public sector's insufficient investments in technology and technology-related education. Dr. Lassner's wide-ranging expertise in the fields of communication, information sciences, and higher education will continue to provide a valuable resource to the High Technology Development Corporation board of directors.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the High Technology Development Corporation board of directors.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, 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. 1886 Media, Arts, Science and Technology on Gov. Msg. Nos. 738, 739 and 740

Recommending that the Senate advise and consent to the nominations of the following:

KING KAMEHAMEHA CELEBRATION COMMISSION

- G.M. No. 738 LYLE AULD, for a term to expire 06-30-2005;
- G.M. No. 739 LYLE AULD, for a term to expire 06-30-2009; and
- G.M. No. 740 WHITNEY G.K. SMITH, for a term to expire 06-30-2009

Your Committee received testimony in support of the appointment of LYLE AULD from the Department of Accounting and General Services. Mr. Auld has been appointed to fill a vacancy on the King Kamehameha Celebration Commission that expires on June 30, 2005, and also seeks reappointment to the commission. Mr. Auld graduated from the University of Hawaii at Hilo's Hawaiian language program. He presently works at 'Ana Punana Leo, a nonprofit organization providing Native Hawaiian family-based educational programs for students and family members of all ages. His familiarity with the Native Hawaiian language and traditions will provide an important resource to the King Kamehameha Celebration Commission.

Your Committee received testimony in support of the reappointment of WHITNEY G.K. SMITH to the King Kamehameha Celebration Commission from the Department of Accounting and General Services and three individuals. Since his appointment to the Commission in September 2003, Mr. Smith has been instrumental in reviving the King Kamehameha festivities on Kauai, which had not been held there for a number of years. He described the role of the Commission as educating the public about the Hawaiian culture in addition to honoring King Kamehameha. Mr. Smith acknowledged the funding challenges faced by the Commission and, in particular, the outer islands, and noted the need to apply for grants and funding through different organizations, as well as holding fundraising events.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the King Kamehameha Celebration Commission.

As affirmed by the record of votes of the members of your Committee on Media, Arts, Science, 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. 1887 Energy, Environment, and International Affairs on Gov. Msg. Nos. 673, 674, 675, 676 and 677

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. 673 VICTOR D. MORELAND PHD, term to expire June 30, 2007;
- G.M. No. 674 CHARLES H. DAWRS, term to expire June 30, 2008;
- G.M. No. 675 KENNETH J KNAPP, term to expire June 30, 2005;
- G.M. No. 676 KENNETH J KNAPP, term to expire June 30, 2009; and

G.M. No. 677 LEWIS CURTIS TINDELL III, term to expire June 30, 2009

Testimony in support of VICTOR D. MORELAND, Ph.D., was received from the Director of Health and the Chair of the Board of Certification of Operating Personnel in Wastewater Treatment Plants (hereinafter "Board of Certification" or "Board"). Dr. Moreland also submitted a written statement and was present before your Committee. Your Committee notes that Dr. Moreland is being nominated to fill a position on the Board of Certification designated for an engineering faculty member of a college or university of Hawaii. Your Committee finds that Dr. Moreland, a United States citizen, is a researcher at the University of Hawaii, Water Resources Research Center and is also a consulting engineer in the field of wastewater sciences. Your Committee finds that Dr. Moreland received his Ph.D. in environmental engineering from the University of Hawaii in 1997. Prior to obtaining his doctorate, Dr. Moreland worked as an engineer in the private sector and at the Environmental Protection Agency and the U.S. Navy Naval Facilities Engineering Command at Pearl Harbor as a sanitary engineer. Your Committee finds that Dr. Moreland fulfills the requirements for membership on the Board of Certification as an engineering faculty member.

Testimony in support of CHARLES H. DAWRS was received from the Director of Health and the Chair of the Board of Certification. Mr. Dawrs also submitted a written statement. Your Committee notes that Mr. Dawrs has been serving on the Board of Certification as a certified plant operator or certified supervisor for the County of Hawaii public systems. He now stands for appointment as a private sector representative of the Board.

Your Committee finds that Mr. Dawrs attended the University of Southern California and majored in engineering. Your Committee also finds that Mr. Dawrs is certified as a Grade IV wastewater treatment plant operator and worked for the County of Hawaii in wastewater treatment and management from 1991 to 2004. Mr. Dawrs currently supervises water and wastewater operations for a private concern on the island of Hawaii. Your Committee finds that Mr. Dawrs fulfills the requirements for membership on the Board of Certification as a private sector member.

Testimony in support of KENNETH J. KNAPP was received from the Director of Health, the Chair of the Board of Certification, and four individuals. Mr. Knapp also submitted a written statement and was present before your Committee. Your Committee notes that Mr. Knapp fills the position for a certified plant operator or certified supervisor for the Maui County public system. Your Committee finds that Mr. Knapp has over twenty years experience with wastewater control, the last ten as a wastewater treatment plant operator for Maui County. Your Committee also finds that the nominee is certified as a Grade IV wastewater treatment operator and has taught classes on wastewater management. Your Committee further notes that the nominee received his bachelor's degree in engineering from Shaftesbury University (London) in 2002. Your Committee finds that Mr. Knapp fulfills the requirements for membership on the Board of Certification representing the public system for the County of Maui.

Testimony in support of LEWIS CURTIS TINDALL III was received from the Director of Health and the Chair of the Board of Certification. Your Committee notes that the nominee has been submitted to fill the position of a board member who is a certified operator or certified supervisor from the island of Hawaii. Your Committee finds that Mr. Tindall has twenty-two years of experience in public water and wastewater control and is licensed as a Grade IV wastewater treatment operator. Your Committee also finds that Mr. Tindall has completed continuing education courses in wastewater management both locally and at mainland universities. Your Committee notes that Mr. Tindall has served previously on this Board, and finds that he fulfills the requirements for membership on the Board of Certification representing the public system for the County of Hawaii.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International 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, 3. Noes, none. Excused, 2 (Hanabusa, Hemmings).

SCRep. 1888 Higher Education on Gov. Msg. No. 826

Recommending that the Senate not advise and consent to the nomination of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

G.M. No. 826 DYLAN W.J. NONAKA, term to expire June 30, 2007

Your Committee has reviewed the general history, résumé, and statement submitted by the nominee, and finds that the nominee does not have the necessary qualifications to be appointed to the Board of Regents of the University of Hawaii.

Your Committee received testimony in support of the nominee from approximately twenty individuals, while over two hundred individuals provided testimony in opposition. The overwhelming proportion of testimony in opposition was provided by students from the University of Hawaii campuses. The nominee is presently employed as a real estate agent by Property Network. The nominee served in the military and is presently a student at the University of Hawaii-Hilo.

Your Committee believes that the primary function of the student member of the Board of Regents is to represent the students. Senate Standing Committee Report No. 1028 of the Committee on Education on H.B. No. 1006 (Act 342, Session Laws of Hawaii 1997), states: "Your Committee finds that the Board of Regents renders decisions that directly impact the lives and experiences of all university students. A voting student member on the Board would provide student representation and accountability on issues that affect students."

Similarly, Senate Standing Committee Report No. 1583 of the Committee on Ways and Means states: "Your Committee believes that a student voice on all matters pertaining to the internal organization and management of the university is essential to the successful operation of a world class university. Thus, a student member must have voting rights and be able to exercise them in all standing committees. In effect, this bill converts the ex officio student member appointed by the Board into an additional full-fledged board member appointed by the Governor."

Your Committee believes that the intent of Senate Standing Committee Report No. 1028 and Senate Standing Committee Report No. 1583 of the 1997 Legislative Session remains true today. The students have one voice to represent their concerns on the Board of Regents. The Legislature found it important to include a voting student member on the Board to ensure the concerns and perspectives of students were made known to all Regents.

By the overwhelming amount of testimony provided, your Committee does not feel confident that the nominee is prepared to represent the interest of all the students.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to not to be qualified for the position to which nominated and recommends that the Senate not advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Sakamoto).

SCRep. 1889 Transportation and Government Operations on Gov. Msg. No. 720

Recommending that the Senate advise and consent to the nomination of the following:

STATE HIGHWAY SAFETY COUNCIL

G.M. No. 720 AMELIA E. HANLON, for a term to expire 06-30-2009

Your Committee received testimony in support AMELIA E. HANLON from the Department of Transportation, a State Representative, Kahului Baptist Church, Community Work Day Program, Richard Ball Realty LLC, Maui Memorial Medical Center Foundation, and two individuals. Mrs. Hanlon is currently employed at Richard Ball Realty, LLC. She participates as a volunteer for numerous organizations, and has demonstrated her willingness to serve her community by serving on various non-profit boards such as the Maui Memorial Medical Center Foundation. Her experience as a professional financial officer, community leader, real estate expert, and volunteer give her unique perspectives into the challenges the State faces on the vital issue of transportation. Mrs. Hanlon will offer significant contributions and be an excellent resource to the Council.

As affirmed by the record of votes of the members of your Committee on Transportation 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 (Hee, Kanno, Menor)

SCRep. 1890 Transportation and Government Operations on Gov. Msg. No. 786

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON TRANSPORTATION

G.M. No. 786 MELVIN MIYAMOTO, for a term to expire 06-30-2009

Your Committee received testimony in support of MELVIN MIYAMOTO from the Department of Transportation, General Contractors Association of Hawaii, and Hawaiian Dredging Construction Company. Mr. Miyamoto received a bachelor's degree and an M.B.A. degree from Hawaii Pacific University. He has also received his Certificate of Completion for the State of Hawaii Carpenter Apprenticeship Training and completed the Advanced Management Program from the University of Hawaii. Mr. Miyamoto has over thirty years of experience in the heavy construction and engineering industry. In his capacity as Vice President and Division Manager, Heavy Division of Hawaiian Dredging Construction Company, he has supervised and directed numerous state airport and highway projects. Mr. Miyamoto is interested in the transportation needs of the State and his experience and knowledge with the construction of the transportation infrastructures will be an asset to the commission.

As affirmed by the record of votes of the members of your Committee on Transportation 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 (Hee, Kanno, Menor).

SCRep. 1891 Transportation and Government Operations on Gov. Msg. No. 787

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON TRANSPORTATION

G.M. No. 787 OWEN MIYAMOTO, for a term to expire 06-30-2009

Your Committee received testimony in support of OWEN MIYAMOTO from the Department of Transportation; Honolulu Department of Transportation Services; Hawaii Tourism Authority; Coalition of Hawaii Engineering and Architectural Professionals; Shigemura, Lau, Sakanashi, Higuchi and Associates, Inc.; Clayton J. Wong and Associates, Inc.; Consulting Structural Hawaii, Inc.; Kauahikaua & Chun/Architects; and the American Society of Civil Engineers, Hawaii Section.

Mr. Miyamoto received a B.S. degree in civil engineering from the University of Hawaii and an M.S. degree in civil engineering from the University of Illinois. He is also a registered Professional Engineer in Hawaii. Mr. Miyamoto is presently a lecturer in Aeronautics for Honolulu Community College and a Program Manager for Leo A. Daley. He has an outstanding record of government service, serving the State of Hawaii in numerous capacities, including Airports Administrator for twenty-seven years. During his forty-four year career with the State Department of Transportation, he assumed many duties, accumulated an exemplary performance record, and gained a keen understanding of the workings and challenges of our state airport and highway system. Mr. Miyamoto's expertise and experience will allow him to contribute significantly to the work of the commission.

As affirmed by the record of votes of the members of your Committee on Transportation 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 (Hee, Kanno, Menor).

SCRep. 1892 Transportation and Government Operations on Gov. Msg. No. 825

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON TRANSPORTATION

G.M. No. 825 EVANS R. RUBENSTEIN, for a term to expire 06-30-2006

Your Committee received testimony in support of EVANS R. RUBENSTEIN from the Department of Transportation, SuperStar Hawaii Transit Service, Tropical Dreams, and Paradise Cruise, Ltd. Mr. Rubenstein is semi-retired from the transportation tour industry. He is a thirty-year resident of Hawaii with over twenty years of experience in the hospitality transportation industry. He has proven himself to be a customer service professional and has generously served his community through active participation in the Shriners Hospital as a volunteer in various capacities.

As affirmed by the record of votes of the members of your Committee on Transportation 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 (Hee, Kanno, Menor).

SCRep. 1893 Education and Military Affairs on Gov. Msg. No. 458

Recommending that the Senate advise and consent to the nomination of the following:

EDUCATION COMMISSION OF THE STATES

G.M. No. 458 DALE C. WEBSTER, for a term to expire 06-30-2009

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Education Commission of the States.

Testimony in support of DALE C. WEBSTER was submitted by Haleakala Waldorf School, Every & Vaught Communications, and an individual. Mr. Webster received a B.S. degree in Business Administration from Bowling Green State University. He is presently the Business Manager at Haleakala Waldorf School, which features new and innovative teaching methods. Mr. Webster has consistently been involved in education and has a special interest in fostering quality education. He is active with the Hawaii Association of Independent Schools Business Officers, and has represented Haleakala Waldorf School at several National Association of Independent Schools People of Color Conferences. Mr. Webster has had over twenty-five years of management experience with AT&T and other Hawaii based companies. His experience gives him a broad perspective, enhances his ability to assimilate information, evaluate it, and arrive at appropriate decisions. Mr. Webster is supportive of the Commission's mission to collaborate with other states in order to enhance education in Hawaii's schools, and will be an important asset to the Commission.

Your Committee members diligently questioned the nominee regarding his vision and priorities regarding standards of education. The nominee demonstrated a commitment to proactively protect and improve the integrity of the Education Commission of the States. 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 Education and Military Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

SCRep. 1894 Education and Military Affairs on Gov. Msg. No. 572

Recommending that the Senate advise and consent to the nomination of the following:

EDUCATION COMMISSION OF THE STATES

G.M. No. 572 ANN R. BOTTICELLI, for a term to expire 06-30-2008

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Education Commission of the States.

Testimony in support of ANN R. BOTTICELLI was submitted by Child and Family Service, Ho'okako'o Corporation, and an individual. Ms. Botticelli's strong interest in education developed from her involvement with the charter school her son attended. She experienced the multiple approaches that contributed to her son's education. Through this experience she was able to understand and participate in the educational process and be a better advocate for her son's education. During this period, she was a board member at Waialae School where she became familiar with the extensive educational process and was able to recognize the teacher's role and curriculum standards.

Your Committee members diligently questioned the nominee regarding her vision and priorities to improve education by facilitating the exchange of information, ideas, experience and innovations among state policy makers and educational leaders. 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 Education and Military Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Hooser).

SCRep. 1895 Water, Land, and Agriculture on Gov. Msg. Nos. 641, 642, 643 and 644

Recommending that the Senate advise and consent to the nominations of the following:

NATURAL AREA RESERVE SYSTEM COMMISSION

G.M. No. 641 REBECCA R. ALAKAI, for a term to expire 06-30-2009;

G.M. No. 642 RICHARD P. HOEFLINGER, for a term to expire 06-30-2009;

G.M. No. 643 SCOTT K. ROWLAND, for a term to expire 06-30-2009; and

G.M. No. 644 SYLVIANNE C. YEE, for a term to expire 06-30-2009

REBECCA R. ALAKAI is a resource management specialist with the Department of Hawaiian Home Lands. She holds a bachelor's degree in zoology and a master's degree in geography from the University of Hawaii and is a member of the Nature Conservancy and the Sierra Club. Ms. Alakai, if confirmed by the Senate, would serve as the commissioner with a zoology background.

Testimony in support of Ms. Alakai was submitted by the Department of Land and Natural Resources, the Department of Hawaiian Home Lands, and two individuals.

RICHARD P. HOEFLINGER is a self-employed general building contractor. He holds a bachelor's degree in aeronautical engineering from the University of Detroit and worked as an engineer for approximately thirty years. He is the founding president of the Big Island Gun Dogs, the former president of the Pig Hunters of Hawaii, a member of the Pu'u Wa'awa'a Ahupua'a Advisory Council, the former secretary of the Big Island Bird Hunters and the Kilauea Sporting Skeet Club, the organizer and chair of the 2002 Hawaii Hunting Forum in Honolulu, and a 2002 member of the Hawaii Community Conservative Initiative for the United States Fish and Wildlife Service. Mr. Hoeflinger has also authored a number of articles in various outdoor publications. If confirmed by the Senate, Mr. Hoeflinger would represent the hunting community on the Natural Area Reserve System Commission.

Testimony in support of Mr. Hoeflinger was submitted by the Department of Land and Natural Resources; a Hawaii County Council member; the Hawaii Hunting Advisory Council; the Hawaii Natural Resource Services, LLC; the Hawaii Rifle Association; the Natural Wild Turkey Federation – Volcano Island Chapter; the Pig Hunters of Hawaii; and three individuals.

SCOTT K. ROWLAND is an associate faculty member at the University of Hawaii's School of Ocean and Earth Science and Technology and is currently serving on the Natural Area Reserve System Commission. Dr. Rowland holds a bachelor's degree in geology from Oregon State University and a doctorate in geology and geophysics from the University of Hawaii. Dr. Rowland has published numerous articles on volcanology and, if confirmed by the Senate, would serve as the commissioner with a geology background.

Testimony in support of Dr. Rowland was submitted by the Department of Land and Natural Resources and three individuals.

SYLVIANNE C. YEE is a consultant to the Department of Education for the School-to-Work Business Partnerships and a retired school teacher with the Department of Education. Ms. Yee holds a bachelor's degree in education from the University of Hawaii and a master's degree in educational psychology from New York University. She has also worked with the Hawaii Audubon Society as the "Paradise Pursuits" Environmental Quiz Program Coordinator and is a member of the Sierra Club, a member of the Hawaii Audubon Society, a member of the Nature Conservancy of Hawaii, and a volunteer member of the Department of Education's Environmental Education Cadre. Ms. Yee has also been involved with the Sierra Club High School Hikers Program and participated in Sierra Club trips to natural area reserves on the islands of Hawaii, Kauai, Lanai, Maui, Molokai, and Oahu. If confirmed by the Senate, Ms. Yee would represent the hiking community on the Natural Area Reserve System Commission.

Testimony in support of Ms. Yee was submitted by the Department of Land and Natural Resources, Annette's Adventures, and one individual.

Your Committee finds that the nominees' experience, background, and commitment to public service make them each an asset 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.
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

SCRep. 1896 Commerce, Consumer Protection and Housing on H.C.R. No. 204

The purpose of this measure is to request the Auditor to conduct a "sunrise" analysis of the regulation of condominium association managers.

The Real Estate Commission (REC) and Hawaii Independent Condominium and Cooperative Owners testified in support of this measure.

Senate Bill No. 1454, Regular Session of 2003, proposes to require the certification of condominium association managers by the REC. Your Committee finds that the Hawaii Regulatory Licensing Reform Act (Act), codified in chapter 26H, Hawaii Revised Statutes, requires that, before a bill is enacted that subjects a previously unregulated profession or vocation to regulatory control, the bill must first be referred by concurrent resolution to the Auditor for a "sunrise" analysis.

The Auditor is required to determine the probable effects of the proposed regulation, assess whether the bill's enactment is consistent with the Act's policies, and consider alternative forms of regulation. This measure effects the request to the Auditor for such an analysis.

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. 204, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Espero).

SCRep. 1897 Commerce, Consumer Protection and Housing on H.C.R. No. 172

The purpose of this measure is to request the Auditor to conduct a "sunrise" analysis of the regulation of payday lenders and deferred deposit check cashers.

The Department of Commerce and Consumer Affairs (DCCA) and Money Service Centers of Hawaii, Inc. testified in support of this measure.

Senate Bill No. 1413, Regular Session of 2005, proposes to require deferred deposit check cashers, also known as "payday lenders" to file comprehensive annual reports with DCCA that disclose financial information about the check casher, provide detailed information about deferred deposit agreements made during the preceding calendar year, and verify that improper means are not being utilized to collect deferred deposits. Additionally, the bill would require check cashers to file copies of deferred deposit agreement forms with DCCA and to provide customers with a pamphlet that, among other things, informs customers that DCCA provides information about complaints filed about check cashers and the resolution of those complaints.

Your Committee finds that the above requirements appear to establish a system for the regulation of the check cashing profession. Your Committee further finds that the Hawaii Regulatory Licensing Reform Act (Act), codified in chapter 26H, HRS, requires that, before a bill is enacted that subjects a previously unregulated profession or vocation to regulatory control, the bill must first be referred by concurrent resolution to the Auditor for a “sunrise” analysis.

The Auditor is required to determine the probable effects of the proposed regulation, assess whether the bill’s enactment is consistent with the Act’s policies, and consider alternative forms of regulation. This measure effects the request to the Auditor for such an analysis.

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. 172, H.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, none. Excused, 1 (Espero).

SCRep. 1898 Commerce, Consumer Protection and Housing on H.C.R. No. 156

The purpose of this measure is to request the Auditor to conduct a comparative analysis of Hawaii’s and other states’ professional and vocational regulatory programs.

The Department of Commerce and Consumer Affairs (DCCA) and Hawaii Association of Realtors testified in support of this measure.

The Hawaii Regulatory Licensing Reform Act, codified in chapter 26H, Hawaii Revised Statutes, establishes the State’s policy with respect to the regulation of professions and vocations. Among other things, this policy provides that:

- (1) The regulation and licensing of professions and vocations shall be undertaken only where reasonably necessary to protect the health, safety, or welfare of consumers;
- (2) The purpose of regulation shall be the protection of the public welfare and not that of the regulated profession or vocation;
- (3) Professional and vocational regulations that artificially increase the costs of goods and services to the consumer shall be avoided except in those cases where the Legislature determines that this cost is exceeded by the potential danger to the consumer;
- (4) Professional and vocational regulations shall be eliminated when the Legislature determines that they have no further benefits to consumers; and
- (5) Regulation shall not unreasonably restrict entry into professions and vocations by all qualified persons.

Your Committee finds that some of DCCA’s professional and vocational regulatory programs have been criticized for being unwarranted, counterproductive, or protectionist in nature. This measure requests the Auditor to compare the State’s professional and vocational regulatory programs to other states’ programs and to recommend whether Hawaii’s programs are necessary to protect the health, safety, and welfare of consumers. Your Committee further finds that the Auditor’s analysis will assist DCCA and the Legislature in assessing the validity of the above criticisms and the need for regulation.

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. 156, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 1 (Espero).

SCRep. 1899 Commerce, Consumer Protection and Housing on Gov. Msg. Nos. 741 and 742

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF MASSAGE THERAPY

G.M. No. 741 WENDEE J. WILSON, for a term to expire 06-30-2005; and

G.M. No. 742 WENDEE J. WILSON, for a term to expire 06-30-2009

The State House Representative for the Forty-third District and Office of the Public Defender testified in support of the nomination.

WENDEE J. WILSON, nominated as a public member, has an associate of science degree in justice administration. Ms. Wilson is presently employed as a clerk by the Office of the Public Defender. In her personal statement, the nominee expressed her desire to serve the community and the interests of the general public.

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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 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 (Espero).

SCRep. 1900 Commerce, Consumer Protection and Housing on Gov. Msg. No. 828

Recommending that the Senate advise and consent to the nomination of the following:

INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION

G.M. No. 828 SHELLEY K. SANTO

Testimony in support of the nomination was received from the Director and Deputy Director of the Department of Commerce and Consumer Affairs (DCCA), Hawaii Government Employees Association/AFSCME Local 152, AFL-CIO, and two individuals.

SHELLEY K. SANTO has extensive experience and expertise in insurance regulation in the State. Since 1991, Ms. Santo has been employed as the manager of the Rate and Policy Branch of the Insurance Division of DCCA, and prior thereto, worked as a rate and policy analyst for sixteen years. Additionally, the nominee has served as Hawaii's representative on numerous National Association of Insurance Commissioners committees, task forces, and working groups, and served on the Hawaii Captive Task Force for four years. Ms. Santo is a member of the Insurance Regulatory Examiners Society.

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, 1 (Espero).

SCRep. 1901 Judiciary and Hawaiian Affairs on H.C.R. No. 66

The purpose of this measure is to commemorate Samuel Manaiakalani Kamakau's contributions to memorializing Hawaiian history by proclaiming October 29, 2005, as Samuel Manaiakalani Kamakau Day.

Testimony in support of the measure was received from a private citizen.

Your Committee finds that Samuel Manaiakalani Kamakau, who was born on October 29, 1815, has been noted as one of Hawaii's greatest historians of Hawaiian culture and heritage. Mr. Kamakau authored books in Hawaiian that would later be translated by the Bishop Museum and Kamehameha Schools for use as historical texts.

Your Committee believes that, because of Mr. Kamakau's foresight and passion for accurately recording native Hawaiian history, both Hawaiian and non-Hawaiian people are able to experience through his texts what life was like as a nineteenth century Hawaiian and thereby preserves, for posterity, the legacy of the Native Hawaiian people.

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. 66, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Ihara, Whalen).

SCRep. 1902 Health on H.C.R. No. 8

The purpose of this measure is to raise awareness of the frequency of cervical cancer and how it can be detected and prevented by designating the month of January as Cervical Cancer Awareness Month.

The American Cancer Society submitted testimony in support of this measure. A member of the House of Representatives submitted testimony in support of the intent.

As the proponents noted, cervical cancer is preventable, curable, and with regular and accurate screenings, the incidence of cervical cancer can be reduced. This measure will help bring attention to the disease and promote education regarding the need for routine and accurate PAP smear and human papilloma virus screening.

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. 8, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Whalen).

SCRep. 1903 Health on Gov. Msg. No. 822

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, WEST OAHU SUBAREA

G.M. No. 822 FREDERICK SHAW, for a term to expire 06-30-2009

Testimony in support of FREDERICK SHAW was received from the State Health Planning and Development Agency. The nominee also submitted a written statement.

Your Committee finds that the nominee, a United States citizen, resides in Waianae. Mr. Shaw received his M.B.A. from the California State University at Dominguez Hills, and is currently employed at Kaiser Permanente Hawaii as a senior analyst. He was previously employed for ten years at the Waianae Coast Comprehensive Health Center in finance and information services. The nominee has volunteered his time and expertise to assist health-related organizations, including the Waianae Coast Community Mental Health Center, the Waianae Coast Coalition for Human Services, and the Native Hawaiian Health Care Act Oahu Planning 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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1904 Education and Military Affairs on Gov. Msg. Nos. 525, 526 and 533

Recommending that the Senate advise and consent to the nominations of the following:

ADVISORY BOARD ON VETERANS' SERVICES

G.M. No. 525 WILLIAM W. DAVES, for a term to expire 06-30-2009;

G.M. No. 526 HERRING K. KALUA, for a term to expire 06-30-2009; and

G.M. No. 533 MARVIN R. KOGA, for a term to expire 06-30-2009

Your Committee has reviewed the personal history, resume, and statement submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Advisory Board on Veterans' Services.

Your Committee received testimony in support of WILLIAM W. DAVES from the Office of Veterans Services and the Oahu Veterans Council. Mr. Daves received three years of medical training from Kapiolani Community College. He is presently a National Service Officer for American Legion at Tripler Hospital. Mr. Daves is also the President of the Veterans Council on Oahu and was instrumental in getting the Veterans Center established at Foster Village. He has served his community as a three-term State Commander of the American Legion, President of the Fleet Reserve Association, and many other elected and appointed offices for various veterans' organizations. It is a privilege for Mr. Daves to serve his fellow veterans and he is always available to assist veterans and their dependents in time of need. Mr. Daves is a reappointment and has done an outstanding job on the board. His experience and knowledge of veteran affairs will make him an asset to the board.

Your Committee received testimony in support of HERRING K. KALUA from the Office of Veterans Services, The American Legion, and the Director of University Relations and External Affairs for the University of Hawaii at Hilo. Mr. Kalua received a certificate from Hawaii Technical School in Welding and Sheet Metal, and an associate's degree in liberal arts and police science from the University of Hawaii at Hilo. He is presently a construction maintenance supervisor for the Department of Transportation Highways Division on the Island of Hawaii. Mr. Kalua has been actively involved with the Boy Scouts of America, the advisory committee for prisons, and was a past Bishop with the Church of Jesus Christ of Latter-day Saints. His involvement with veterans service organizations has spanned thirty-two years from the American Legion to the past president of the Big Island National Guard Retirees Association. Mr. Kalua has continually supported veterans programs and activities and his dedication to veterans' affairs will greatly benefit veterans' communities and the board.

Your Committee received testimony in support of MARVIN R. KOGA from the Office of Veterans Services and the General Contractors Association of Hawaii. Mr. Koga received a Bachelor of Science degree in civil engineering from the University of Hawaii. He is currently the President and Chief Executive Officer of Mega Construction, Inc. Mr. Koga is the past president of the General Contractors Association and the Construction Industry Legislative Organization, and he continues to serve several veterans' organizations. Through his services to the community, Mr. Koga has shown his keen insight and knowledge of the broad spectrum of problems faced by Hawaii's veteran population. Mr. Koga's professional experience with Mega Construction, Inc. demonstrates his outstanding managerial abilities, and his expertise will be an asset to the board.

Your Committee members diligently questioned the nominees regarding their vision and priorities of the advisory board. The nominees demonstrated a commitment to proactively protect and improve the integrity of the Advisory Board on Veterans' Services. 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 Education and Military 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, 1 (Tsutsui).

SCRep. 1905 Education and Military Affairs on Gov. Msg. Nos. 663, 664, 665, 666, 667 and 668

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII TEACHER STANDARDS BOARD

- G.M. No. 663 WRAY JOSE, for a term to expire 06-30-2006;
- G.M. No. 664 CHARLENE H. MIYASHIRO, for a term to expire 06-30-2008;
- G.M. No. 665 STEVE NAKASATO, for a term to expire 06-30-2007;
- G.M. No. 666 ANNETTE NISHIKAWA, for a term to expire 06-30-2007;
- G.M. No. 667 CATHERINE H. PAYNE, for a term to expire 06-30-2007; and
- G.M. No. 668 FAIRFAX A. REILLY, M.Ed., for a term to expire 06-30-2008

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Hawaii Teacher Standards Board.

Testimony in support of WRAY JOSE was submitted by the Hawaii Teacher Standards Board, Hawaii State Teachers Association, and Moanalua High School. Mr. Jose's teaching experiences include six years with Kaimuki High School and the past fifteen years with Moanalua High School. He has proven his versatile capabilities serving in various capacities including Chairman of the Social Studies Department, member of Moanalua High School's Professional Development Team, and mentor to teachers. Mr. Jose's honors include being named History Teacher of the Year and elected Vice-President of the Hawaii State Teachers Association's Central Chapter.

Testimony in support of CHARLENE H. MIYASHIRO was submitted by the Hawaii Teacher Standards Board, Hawaii State Teachers Association, Hawaii State Teachers Association's Hilo Chapter, and an individual. Ms. Miyashiro holds bachelor's and master's degrees from the University of Hawaii and has twenty-three years of teaching experience with the Department of Education, including the past ten years at Waiakeawa Elementary School. She is active in leadership roles at the school and district level and holds several honors, including the Hawaii District Teacher of the Year. Ms. Miyashiro obtained her National Board Certification in 2000 and is a past nominee of Who's Who in American Education.

Testimony in support of STEVE NAKASATO was submitted by the Hawaii Teacher Standards Board and the Hawaii Government Employees Association. Mr. Nakasato has a strong academic background in education which includes a bachelor's, master's, and professional degrees in elementary education and school administration from the University of Hawaii. His teaching experience started at Leihoku Elementary in 1988 and currently he is the principal at Mililani Ike Elementary School. He has been honored with a nomination for Leeward District Teacher of the Year and is involved with the National Association of Elementary Principals and Association for Supervision and Curriculum Development.

Testimony in support of ANNETTE NISHIKAWA was submitted by the Department of Education, Hawaii Teacher Standards Board, Mauka Lani Elementary School, and Hawaii Government Employees Association. Ms. Nishikawa is currently Waianae Intermediate School's principal with over nineteen years of educational experience. Her honors include multiple nominations for Kapolei Outstanding Achievement Award and being selected for the International Who's Who of Professional Educators. She is involved with several educational organizations such as Middle Level Education Policy and Administrative Guidelines Committee, State Multi-Track Planning Task Force, and the Hawaii Business Roundtable C.A.P.E. Principal's Leadership Academy.

Testimony in support of CATHERINE H. PAYNE was submitted by the Hawaii Teacher Standards Board and the Hawaii Government Employees Association. Ms. Payne obtained her bachelor's and master's degrees in education from the University of Hawaii. She has been with the Department of Education since 1974 where she is currently a school administrator. Her wealth of experience makes her well versed in high school reform and adds to her understanding of the expectations of classroom teachers.

Testimony in support of FAIRFAX A. REILLY was submitted by the Hawaii Teacher Standards Board and Hawaii State Teachers Association. Mr. Reilly began his teaching career in 1966 and holds a master's degree in education from the University of Washington. Presently, he is a school counselor at Lanai High and Elementary School. His various educational positions include being a science, mathematics, and English teacher. He is involved with various community and educational organizations such as the Hawaii State Teachers Association.

Your Committee members diligently questioned the nominees regarding their vision and priorities regarding teacher standards in the State's public schools. The nominees demonstrated a commitment to proactively protect and improve the integrity of the Hawaii Teacher Standards Board. 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 Education and Military 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, 4. Noes, none. Excused, 2 (Chun Oakland, Hooser).

SCRep. 1906 Health on Gov. Msg. No. 820

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, HAWAII COUNTY SUBAREA

G.M. No. 820 DUANE M. ILSTRUP, for a term to expire 06-30-2009

Testimony in support of DUANE M. ILSTRUP was received from the State Health Planning and Development Agency. The nominee also submitted a written statement.

Your Committee finds that the nominee, a United States citizen, resides in Kailua-Kona, Hawaii. Mr. Ilstrup received a bachelor's degree in mathematics and physics from Augsburg College and earned his M.S. degree in biostatistics from the University of Minnesota. He served as an Associate Professor of Biostatistics at the Mayo Clinic for thirty-three years, retiring from that post in 2003. In addition, the nominee has been published extensively in a number of medical journals. Your Committee finds that the nominee brings experience in evaluating clinical, epidemiological, and administrative health care projects. Thus, your Committee finds that the nominee's extensive background in healthcare will benefit the Health Planning Council, Hawaii County Subarea.

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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1907 Health on Gov. Msg. No. 573

Recommending that the Senate advise and consent to the nomination of the following:

POLICY ADVISORY BOARD FOR ELDER AFFAIRS

G.M. No. 573 GARY SIMON, for a term to expire 06-30-2009

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Policy Advisory Board for Elder Affairs.

Your Committee received testimony in support of GARY SIMON from the Executive Office on Aging, St. Francis Community Health Services, the Executive Director and the Bereavement Coordinator from St. Francis Hospice, the Director of St. Francis Home Care Services, STAT Medical, and one individual.

Mr. Simon earned a B.S. in Chemistry from the University of Hawaii. He is presently the Director of St. Francis Hospice, a program of St. Francis Community Health Services. The program provides care, comfort, and support to the terminally ill and their loved ones in facing death with dignity and meaning. Mr. Simon has worked for St. Francis Hospice for fifteen years and is a former business manager and former office manager. His past experience also includes teaching chemistry, mathematics, and physics while serving on a Sierra Leone Ministry of Education for the United States Peace Corps. Mr. Simon's experience and perspective will be an asset to the Policy Advisory Board for Elder Affairs.

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, 3. Noes, none. Excused, 2 (Tsutsui, Whalen).

SCRep. 1908 Health on Gov. Msg. Nos. 577, 578 and 579

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE HEALTH COORDINATING COUNCIL

G.M. No. 577 LILI BRYAN-CONANT, for a term to expire 06-30-2009;

G.M. No. 578 JOANNE H. KEALOHA, for a term to expire 06-30-2009; and

G.M. No. 579 VIRGINIA PRESSLER M.D., M.B.A, F.A.C.S., for a term to expire 06-30-2006

Your Committee reviewed the personal histories, resumes, and the 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 LILI BRYAN-CONANT from the Department of Health. Ms. Bryan-Conant earned a B.A. in English from the University of California and a B.S. in Sociology from the University of Hawaii. She is presently a Senior Coordinator for Provider Services Kauai at Hawaii Medical Service Association (HMSA). Ms. Bryan-Conant has worked for HMSA for over fifteen years. In addition, she has worked for the Wilcox Memorial Hospital in Kauai and the Cancer Research Center in Honolulu. Ms. Bryan-Conant's affiliations include chairing the Home Care Advisory Committee for St. Francis Medical Center, and serving as former President of the American Heart Association.

Your Committee received testimony in support of JOANNE H. KEALOHA from the Department of Health, the Hawaii Government Employees Association, the International Longshore and Warehouse Union (ILWU) Local 142, and the Hawaii State AFL-CIO. Ms. Kealoha graduated from Kalani High School and earned a B.A. in Sociology from the University of Hawaii at Manoa. She also earned an M.S.W. from the University of California at Los Angeles. Ms. Kealoha is currently a social worker for the ILWU Local 42 and as such she is interested in access to and the availability of health resources throughout Hawaii. Ms. Kealoha's past experience includes working for HMSA, Jamal Inc., and the State Department of Social Services and Housing. Her present position with the Statewide Health Coordinating Council and the West Oahu Subarea Council make her thoroughly familiar with the issues facing the Council. Ms. Kealoha's other affiliations include Aloha United Way, Hawaii Meals on Wheels, and the State Rehabilitation Council.

Your Committee received testimony in support of VIRGINIA PRESSLER, M.D., M.B.A., F.A.C.S., from the Department of Health and Hawaii Pacific Health. Dr. Pressler earned a B.A. in Social Psychology at Cornell University, and an M.B.A. and an M.S. in Physiology from the University of Hawaii. In addition, she received an M.D. from the University of Hawaii John A. Burns School of Medicine. Dr. Pressler was a research fellow in surgery at Brigham and Women's Hospital, Harvard Medical School. She also completed an integrated surgical residency program at the University of Hawaii. At present, Dr. Pressler is Vice-President of Service Line Development, Marketing & Government Relations for Hawaii Pacific Health. Her responsibilities include focusing on program development in women's health promotion and wellness, comprehensive cancer care, women's cardiac care, bone health, urogynecology, and other women's health issues. Her past experience includes serving as Deputy Director for Health Resources Administration at the Department of Health, as President and Chief Executive Officer of QPH Health doing business as HMSA Premier Plan, and The Queen's Health Systems.

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, 3. Noes, none. Excused, 2 (Tsutsui, Whalen).

SCRep. 1909 Health on Gov. Msg. No. 752

Recommending that the Senate advise and consent to the nomination of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, OAHU SERVICE AREA BOARD

G.M. No. 752 G. M. MIKE DURANT, for a term to expire 06-30-2008

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Mental Health and Substance Abuse, Oahu Service Area Board.

Your Committee received testimony in support of G. M. MIKE DURANT from the Department of Health and the National Alliance for the Mentally Ill - Oahu (NAMI).

Mr. Durant retired in 1992 as a general manager of Jorgensen Steel Company. A life-long resident of Hawaii, Mr. Durant served on the Board of Directors of Malama o Manoa as Treasurer for six years and currently serves on the Board of Directors of the Hawaiian Historical Society. He became involved with NAMI in 1999 after his son was diagnosed with a serious mental illness. Mr. Durant now serves as the President of NAMI - Oahu. In addition, he and his wife have co-facilitated a Journey of Hope support group for the last five 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, 3. Noes, none. Excused, 2 (Tsutsui, Whalen).

SCRep. 1910 Health on Gov. Msg. Nos. 753, 754, 755, 756, 757, 758, 759 and 760

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON MENTAL HEALTH

- G.M. No. 753 GARY L. BLAICH, M.D., for a term to expire 06-30-2008;
- G.M. No. 754 SUSAN A. COOPER, for a term to expire 06-30-2009;
- G.M. No. 755 LEIALOHA G.K. JENKINS, for a term to expire 06-30-2007;
- G.M. No. 756 ALVA O. KANEAIKALA, for a term to expire 06-30-2009;
- G.M. No. 757 KU'ULEI A. KILIONA, for a term to expire 06-30-2008;
- G.M. No. 758 COLLEEN KU'ULANI MIYASHIRO, for a term to expire 06-30-2007;
- G.M. No. 759 PAULA T.T. MORELLI, Ph.D., for a term to expire 06-30-2009; and
- G.M. No. 760 PIHANALANI N.E.J. NAPOLEON-GRAMBUSCH, for a term to expire 06-30-2007

Your Committee received testimony in support of the reappointment of GARY L. BLAICH, M.D. from the Department of Health. Dr. Blauch has been serving on the State Council on Mental Health since June 2003, through which he has advocated for parity, expanded funding for the Child and Adolescent Mental Health and the Adult Mental Health Divisions of the Department of Health, and for broadened, increased service to the patients and families they serve. He is a graduate of Dartmouth College and the University of Washington School of Medicine, and is a psychiatrist who has been board-certified in the specialties of neurology and psychiatry since 1994. Dr. Blauch has practiced psychiatry in Hawaii for thirty years. He has particular expertise working with the population of mentally ill patients with a substance abuse disorder (MISA). Dr. Blauch is an active volunteer with various organizations relating to his professional and community interests.

Your Committee received testimony in support of the appointment of SUSAN A. COOPER from the Department of Health and one individual. Ms. Cooper is a graduate of the William S. Richardson School of Law, and was involved with the Felix consent decree. She is presently the executive director of the Hawaii Families as Allies, a statewide nonprofit agency providing training, information, and support for self-advocacy and system transformation for families of children with emotional, mental, and behavioral challenges. As the parent of a child with a serious emotional disturbance, Ms. Cooper will provide the Council with parental and familial perspectives on mental illness.

Your Committee received testimony in support of the appointment of LEIALOHA G.K. JENKINS from the Department of Health. Ms. Jenkins earned a bachelor's degree in social work from Brigham Young University and currently is working toward her master's degree in social work at the University of Hawaii. She has been a case manager at the Department of Human Services since 2003. Ms. Jenkins' community service includes serving as the co-chair of the Ko'olauloa Community Children's Council since 2000, and as the Ko'olauloa Interagency co-chair since 2002.

Your Committee received testimony in support of the appointment of ALVA O. KANEAIKALA from the Department of Health. Ms. Kaneaiakala is a retired registered nurse, and the mother of two persistently mentally ill children. She is particularly interested in finding ways to encourage the involvement of the families and friends of the mentally ill, particularly the homeless mentally ill population.

Your Committee received testimony in support of the appointment of KU'ULEI A. KILIONA from the Department of Health and two individuals. Ms. Kiliona earned an associate's degree in interpersonal communications from Sacramento City College and a bachelor's degree in communications from California State University. She also has studied broadcast communications and psychology at the University of Hawaii and journalism at California Baptist College. Subsequent to becoming mentally and physically disabled, Ms. Kiliona has been an advocate of people with disabilities for more than seventeen years. Her volunteer activities include service on the Mental Health and Substance Abuse, Hawaii Service Area Board. In addition to her personal experiences and her advocacy work, Ms. Kiliona's appointment to the State Council on Mental Health would satisfy the statutory requirement that the various service area boards be represented on the Council.

Your Committee received testimony in support of the appointment of COLLEEN KU'ULANI MIYASHIRO from the Department of Health and three individuals. Ms. Miyashiro earned an associate's degree from Windward Community College and is pursuing a bachelor's degree in social work from Hawaii Pacific University. She has firsthand knowledge of the challenges facing families of mental health consumers, has volunteered in the community with organizations that provide mental health services, and headed the Social Work Club at Hawaii Pacific University.

Your Committee received testimony in support of the reappointment of PAULA T.T. MORELLI, Ph.D. from the Department of Health. Dr. Morelli earned a bachelor's degree in social science and a master's degree in social work from the University of Southern California, a bachelor's degree in art history from California State University, and her Ph.D. in social welfare from the University of Washington. She is licensed in clinical social work and marriage, child and family therapy in California, is licensed in social work in Hawaii, and is a professor of social work at the University of Hawaii. Dr. Morelli is actively involved with various organizations relating to her professional and community interests. She also has participated in numerous research and training projects with the Adult Mental Health and Child and Adolescent Mental Health Divisions of the Department of Health.

Your Committee received testimony in support of the appointment of PIHANALANI N.E.J. NAPOLEON-GRAMBUSCH from the Department of Health. Ms. Napoleon-Grambusch is an active member of Ko'olau Clubhouse, where she sits on the Education, Advocacy, and Dual Diagnoses Committee. She is especially keen to work with youth, especially dually diagnosed youth, because of

her personal experiences with mental illness and chemical dependency. Ms. Napoleon-Grambusch plans to relocate to Molokai, where she intends to work with the Maui-based Hale O Lanakila Clubhouse and the representative from the Maui-area Service Board to establish a clubhouse on Molokai.

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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1911 Commerce, Consumer Protection and Housing on Gov. Msg. No. 816

Recommending that the Senate advise and consent to the nomination of the following:

CABLE ADVISORY COMMITTEE

G.M. No. 816 KEITH ROLLMAN, for a term to expire 06-30-2008

KEITH ROLLMAN is director of the Office of Economic Development for the City and County of Honolulu. Mr. Rollman's professional experience has primarily been in the fields of marketing and communications, and has involved work with the television and broadcast industries and with technology companies serving the telecommunications industry.

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, 1 (Espero).

SCRep. 1912 Commerce, Consumer Protection and Housing on Gov. Msg. No. 819

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PROFESSIONAL ENGINEERS, ARCHITECTS, SURVEYORS, AND LANDSCAPE ARCHITECTS

G.M. No. 819 RILEY WILLIAM SMITH, P.E., for a term to expire 06-30-2009

The Mayor of Hawaii County, Kai Hawaii, Hawaii Leeward Planning Conference, and an individual testified in support of the nomination.

RILEY WILLIAM SMITH, P.E., holds a bachelor of science degree in civil engineering from the University of Southern California and is licensed in the State as a professional engineer. Mr. Smith's professional experience includes positions as project manager for Kaiser Development and PBR Hawaii, deputy chief engineer for Hawaii County, vice-president of project management for Parker Ranch, and regional manager for Sandwich Isles Communications. He is currently employed as vice-president for land and asset management for Parker Ranch. Additionally, the nominee serves as president of the Hawaii Society of Professional Engineers.

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, 1 (Espero).

SCRep. 1913 Commerce, Consumer Protection and Housing on Gov. Msg. No. 823

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF MEDICAL EXAMINERS

G.M. No. 823 WILLIAM G. OBANA, M.D., for a term to expire 06-30-2006

The medical director of The Queen's Medical Center Neuroscience Institute, chairman of the Department of Surgery of the John A. Burns School of Medicine, chief of surgery of The Queen's Medical Center, and chief of neurology and neurosurgery of The Queen's Medical Center testified in support of the nomination.

WILLIAM G. OBANA, M.D., holds a medical degree from the University of California and is a board-certified neurosurgeon. Dr. Obana has been licensed to practice medicine in the State since August 1992 and is currently engaged in the private practice of medicine. The nominee has been involved with quality of care issues through his work on the peer review committees in the Division

of Neurology and Neurosurgery and the Division of Trauma at The Queen's Medical Center. Additionally, Dr. Obana currently serves on the Medical Advisory Committee for the Regulated Industries Complaints Office and on the Claims Review Committee for the HAPI Physicians Indemnity Plan.

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, 1 (Espero).

SCRep. 1914 Higher Education on Gov. Msg. Nos. 488, 489, 490, 492, 493, 494, 495, and 496

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII COMMUNITY FOR NATIONAL AND COMMUNITY SERVICE

G.M. No. 488 JANICE S. BOND, for a term to expire 06-30-2009;

G.M. No. 489 ROBERT I. CROWELL, for a term to expire 06-30-2009;

G.M. No. 490 DENNIS M. DUNN, for a term to expire 06-30-2009;

G.M. No. 492 MaBEL FERREIRO-FUJIUCHI for a term to expire 06-30-2008;

G.M. No. 493 RYAN R. PERREIRA, for a term to expire 06-30-2009;

G.M. No. 494 LEE A. ROMBAOA, for a term to expire 06-30-2009;

G.M. No. 495 RALPH STUEBER, for a term to expire 06-30-2008; and

G.M. No. 496 TINA AULANI WILHELM, for a term to expire 06-30-2009

Your Committee received testimony in support of JANICE S. BOND from March of Dimes, Kalepa Sunrise Rotary Club, Kauai Commercial Company, Inc., Kauai Island Finance, Inc, Read to Me International Foundation, and one individual. The nominee is presently employed as a marriage license agent by the Department of Health and as a consultant by Creative Memories. The nominee received a Bachelor of Science degree from Kansas State Teachers College. The nominee has a background in education and community service and she has held various positions in education community Committee in the last twenty-eight years in Hawaii and the mainland. The nominee is being appointed to a new position. Your Committee notes from the nominee's written statement that her community involvement extends over twenty years as a dedicated volunteer.

Your Committee received testimony in support of ROBERT I. CROWELL from the Hawaii Commission for National and Community Service. The nominee is the Executive Vice President and Treasurer of the Bank of Hawaii. The nominee received a Bachelor of Arts degree from Whitman College, a Bachelor of Business Administration degree from the University of Hawaii, and a Master of Business Administration degree from the University of Hawaii. The nominee has a background in business and has held positions with Bank of Hawaii in the last thirty-six years in Hawaii and on the mainland. The nominee is being re-appointed and has served on the commission for the past seven years. Your Committee notes from the nominee's written statement that his extensive background in banking and finance will greatly contribute to the Commission.

Your Committee received testimony in support of DENNIS M. DUNN from the Hawaii Commission for National and Community Service. The nominee is presently employed as a director by the Department of the Prosecuting Attorney of the City and County of Honolulu. The nominee received a Bachelor of Science degree from the University of Hawaii. The nominee has a background in law and has held various positions in the legal field in the last thirty-four years in Hawaii and on the mainland. The nominee is being re-appointed. Your Committee notes from the nominee's written statement that he had been a member of the commission for seven years and his experience of being a member provided him with extensive education and enlightenment on the importance of national and community service.

Your Committee received testimony in support of MaBEL FERREIRO-FUJIUCHI from the Hawaii Commission for National and Community Service and Kauai Economic Opportunity, Inc. The nominee is the Chief Executive Officer of Kauai Economic Opportunity, Inc. The nominee received a Bachelor of Arts degree from Wayne State College, and has held various positions in education and business in the last thirty-five years in Hawaii. The nominee is a former director of the Commission and is seeking re-appointment. Your Committee notes from the nominee's written statement that her membership as a current board member and practical skills and knowledge will contribute to the success of the Commission.

Your Committee received testimony in support of RYAN M. PERREIRA from the AmeriCorps Hana Like Program, Heipua Kaopua, Project Kako'o, and one individual. The nominee is presently employed as a program counselor by the University of Hawaii Employment Training Center. The nominee received Bachelor of Science and Master of Science degrees from the University of Hawaii. The nominee has a background in education and counseling of disadvantaged, unemployed, underemployed, academically unprepared, and persons with disabilities and has held various positions in education and counseling in the last twelve years in Hawaii. The nominee is being appointed to a new position. Your Committee notes from the nominee's written statement that the nominee's

background, beliefs, education, experience, and character provide him with the tools to succeed as well as give him the opportunity to make a difference in the community.

Your Committee received testimony in support of LEE A. ROMBAOA from the Hawaii Commission for National and Community Service, First Hawaiian Bank, Clear Channel Radio, Jennetics, and one individual. The nominee is presently employed as a vacation owner consultant at the Outrigger Resort Club by Fairfield. The nominee has held various positions in real estate and public relations in the last twenty-one years in Hawaii and on the mainland. The nominee is being re-appointed. Your Committee notes from the nominee's written statement that she is an energetic, highly-motivated, successful, and enthusiastic person.

Your Committee received testimony in support of Dr. RALPH STUEBER from the Hawaii Commission for National and Community Service. The nominee is presently employed as a professor emeritus by the University of Hawaii. The nominee received Bachelor of Science, Master of Science, and doctorate degrees from the University of Wisconsin. The nominee has held various positions in education in the last forty-five years in Hawaii and on the mainland. The nominee is being re-appointed. Your Committee notes from testimony that the nominee's knowledge of community problems and needs and his commitment to community service and service learning have been instrumental to the Commission.

Your Committee received testimony in support of TINA AULANI WILHELM from Malama Hawaii and one individual. The nominee is presently employed as an assistant reserve coordinator by the National Oceanic and Atmosphere Administration/Northwestern Hawaiian Islands Coral Reef Ecosystem Reserve. The nominee received a Bachelor of Arts degree from the University of Southern California. The nominee has a background in land and natural resources and has held various positions in this field in the last ten years in Hawaii. The nominee is being appointed to a new position. Your Committee notes from the nominee's written statement that she believes her experience at the national, state, and community levels with service programs provides her with the unique perspective and skills that will enable her to contribute to the Commission.

As affirmed by the records of votes of the members of your Committee on Higher Education that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommend that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Sakamoto).

SCRep. 1915 Health on Gov. Msg. No. 699

Recommending that the Senate advise and consent to the nomination of the following:

DISABILITY AND COMMUNICATION ACCESS BOARD

G.M. No. 699 GLENN MORGAN, for a term to expire 06-30-2009

Your Committee reviewed the personal history, resume, and the statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Disability and Communication Access Board.

Mr. Morgan had an accident in high school that left him with a C3-C4 spinal cord injury. He still went on to earn a B.S.W. and a M.S.W. from the University of Hawaii. Mr. Morgan also received an Associate of Technical Arts degree in Mid-Management from Olympic College in Washington State and is a Microsoft Certified Systems Engineer. He is presently self-employed as a computer consultant focusing mainly on audio/video productions. He presently serves as Secretary of the State Traumatic Brain Injury Advisory Board and is a former Chair of the Mayor Advisory Committee for Equal Accessibility and the Campus Equal Access Task Force. Mr. Morgan testified that he will strive to make the lives of the disabled population a fuller and richer experience and looks forward to an opportunity to serve on the Board. Mr. Morgan's experiences will bring an important perspective to the 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 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 (Hanabusa, Whalen).

SCRep. 1916 Health on Gov. Msg. No. 702 and 703

Recommending that the Senate advise and consent to the nominations of the following:

EMERGENCY MEDICAL SERVICES ADVISORY COMMITTEE

G.M. No. 702 DAVID F. MOORE, for a term to expire 06-30-2009; and

G.M. No. 703 DANIEL E. SCHAAL, for a term to expire 06-30-2008

Your Committee reviewed the personal histories, resumes, 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 DAVID F. MOORE, M.D., from the Department of Health, American Medical Response, and two individuals. Dr. Moore earned his B.A. in Biology and Biochemistry with honors from the University of California, Berkeley and his M.D. from the University of California, Davis School of Medicine. Dr. Moore is Board Certified in Emergency Medicine by the American Board of Emergency Medicine and a graduate of the National Fire Academy Course on Mass Casualty Incidents. Dr. Moore is presently the State Medical Director for American Medical Response Ambulance and a staff emergency physician at Kaiser Permanente Hospital. He has an extensive and varied background in health care including experience as a District Medical Control Officer for 911 ambulance services on Kauai and as a Health Planning Consultant with the California State Department of Health. He is also a former Vice-Chair of the Kauai Emergency Medical Services Advisory Council. Your Committee finds that Dr. Moore is well qualified for the position.

Your Committee received testimony in support of DANIEL E. SCHAAL from the Department of Health. Mr. Schaal earned a B.S. in Physical Therapy and Physical Education from the University of New Mexico. He is currently a physical therapist with the Rehabilitation Center of Elele. Mr. Schaal has worked in a variety of rehabilitation settings over the years and strives to advance his skills as a physical therapist. His past experience includes working with Carrie Tingly Children's Hospital and the Veterans Affairs Medical Center SCI Unit in New Mexico. Mr. Schaal's experience and interest in rehabilitation will bring an important perspective to the 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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1917 Health on Gov. Msg. Nos. 817 and 818

Recommending that the Senate advise and consent to the nominations of the following:

DRUG PRODUCT SELECTION BOARD

G.M. No. 817 VENKATARAMAN BALARAMAN, for a term to expire 06-30-2005; and

G.M. No. 818 VENKATARAMAN BALARAMAN, for a term to expire 06-30-2009

Your Committee reviewed the personal history, resume, and the statement 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 VENKATARAMAN BALARAMAN from the Department of Health.

Dr. Balaraman earned a doctor of medicine degree in pediatrics at the University of West Indies, Jamaica. He is board certified by the American Board of Pediatrics in general pediatrics and neonatal-perinatal medicine. Dr. Balaraman is presently Director of Neonatology at Kapiolani Medical Center and an Associate Professor of Pediatrics at the University of Hawaii, John A. Burns School of Medicine. He also serves as a medical informaticist for Hawaii Pacific Health. Dr. Balaraman has authored and contributed to numerous medical studies. Dr. Balaraman's experience and specialized knowledge will complement the Board and serve as a valuable resource to help fulfill the Board's function of evaluating prescription drug safety and efficacy.

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 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 (Hanabusa, Whalen).

SCRep. 1918 Health No. Gov. Msg. No. 821

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, MAUI COUNTY SUBAREA

G.M. No. 821 VALERIE L. SIMONSEN, for a term to expire 06-30-2009

Your Committee reviewed the personal history, resume, and the statement submitted by the nominee, and finds the nominee to have the necessary qualifications to be appointed to the Health Planning Council, Maui County Subarea.

Your Committee received testimony in support of VALERIE L. SIMONSEN from the State Health Planning and Development Agency and three individuals.

Dr. Simonsen earned a Bachelor of Science in Biology from Montana State University and a Doctorate from the National College of Naturopathic Medicine. She practices naturopathic medicine at the Makana Lani Healing Center in Wailuku. Dr. Simonsen's past experience includes volunteering as an Emergency Medical Technician and working as a CPR and advanced first aid instructor. She also has experience as a Paradise Ride support physician for the Maui AIDS Foundation and as a medical trainer for the Twin Bridges

Volunteer fire department quick response unit. Dr. Simonsen is active in environmental issues such as the quality of the Maui upcountry water supply and has membership in several professional organizations.

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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1919 Human Services on Gov. Msg. No. 706

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON FATHERHOOD

G.M. No. 706 CALVIN T. CHINEN, for a term to expire 06-30-2005

Your Committee received testimony in support of CALVIN T. CHINEN from State Senator Norman Sakamoto and three individuals. Mr. Chinen received his bachelor's degree in social science from Wheaton College and his Master's in Divinity from Western Conservative Baptist Seminary. He is currently the Senior Pastor of Moanalua Gardens Ministry Church where he devotes his time to helping individual families. Mr. Chinen is also the Director and founder of United in Prayer Hawai'i and the Co-Director and Co-Founder of Transformation Hawaii. He initiated a men's ministry that focuses on the many unique experiences and challenges that men and fathers encounter in their lives. Mr. Chinen's caring and dedication to families and his ultimate goal of building a strong, healthy, and thriving community will make him an asset to the commission.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Trimble).

SCRep. 1920 Human Services on Gov. Msg. Nos. 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735 and 736

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE COUNCIL ON INDEPENDENT LIVING

- G.M. No. 723 WINNIFRED AOKI, for a term to expire 06-30-2008;
- G.M. No. 724 RACHEL CORDAY, for a term to expire 06-30-2008;
- G.M. No. 725 BARBARA FISCHLOWITZ-LEONG, for a term to expire 06-30-2008;
- G.M. No. 726 DARA Y. FUKUHARA, for a term to expire 06-30-2008;
- G.M. No. 727 FRANCINE M. KENYON, for a term to expire 06-30-2008;
- G.M. No. 728 VIRGINIA M. KLINE, for a term to expire 06-30-2008;
- G.M. No. 729 KEALOHA LAEMOA, for a term to expire 06-30-2008;
- G.M. No. 730 MARGARET LEVY-DOHANOS, for a term to expire 06-30-2005;
- G.M. No. 731 MARGARET LEVY-DOHANOS, for a term to expire 06-30-2008;
- G.M. No. 732 CHARLOTTE G. SMITH, for a term to expire 06-30-2008;
- G.M. No. 733 DIANA C. TIZARD, for a term to expire 06-30-2008;
- G.M. No. 734 ANDRICK C. TONG, for a term to expire 06-30-2008;
- G.M. No. 735 LINDA ANN WATSON, for a term to expire 06-30-2006; and
- G.M. No. 736 ED WEIL, for a term to expire 06-30-2008

All nominees received testimony in support from the Statewide Independent Living Council.

WINNIFRED AOKI received a degree in secondary education from the University of Hawaii and later returned to take classes in guidance and counseling. Ms. Aoki also received special training in home economics in daily living activities for the visually

impaired. She was a home economics teacher for over thirty-two years with the Department of Education and a volunteer teacher's aide at Dole Middle School. Ms. Aoki has also volunteered at several senior citizen homes in helping with social activities and the Girl Scouts. As a person who was previously disabled, she has a perspective that will help the council be more responsive to consumers. Ms. Aoki's dedication to the people within her community is an inspiration and one of the many reasons she will be an asset to the council.

RACHEL CORDAY received her MFA in theatre arts from the University of Colorado and a Ph.D. in expressive arts therapy from Summit University of Louisiana. Ms. Corday is also an ordained minister with the Church of Spiritual Humanism, a Certified Expressive Arts Therapist, and a Lifetime Diplomat with the National Institute of Expressive Therapy. She has been an activist with the National Alliance for the Mentally Ill for over fourteen years and has also written several books dealing with disabilities in hopes of helping others. Ms. Corday is a leading speaker and advocate for understanding the lives of those who suffer from brain disorders which cause serious mental illnesses. She would like to serve on the council to assist people with disabilities and help them live a healthier and more rewarding life. As a person with a disability, Ms. Corday has a unique perspective that will be an asset to the council.

BARBARA FISCHLOWITZ-LEONG received her bachelor's degree in english and sociology from Elmhurst College, her master's degree in education from George Washington University, and studied in the doctoral program in education at the University of Hawaii at Manoa. Ms. Fischlowitz-Leong is currently the Executive Director of the Assistive Technology Resources Centers of Hawaii. She has been a Career Counselor, ESL Teacher, Director of Counseling Services and Peace Corps Volunteer. Ms. Fischlowitz-Leong has been and continues to be active in organizations dealing with those who have disabilities. She has a background in agency development, management, policy development, advocacy, and funds administrations. Ms. Fischlowitz-Leong's abilities and career qualifications will make her a valuable asset to the council.

Your Committee received testimony in support of DARA Y. FUKUHARA from Krysler Consulting, Communications Pacific, and sixteen individuals. Ms. Fukuhara received her bachelor's degree in print journalism and a minor in english. She is presently employed as a Corporate Assistant Account Executive at Communications-Pacific Inc. As a person with disabilities, Ms. Fukuhara is able to share her perspective and experiences with the challenges that people with disabilities encounter. She is an advocate for herself and others, and this position will give her the opportunity to extend her knowledge and understanding to others with disabilities and the community. Ms. Fukuhara's background is compatible as well as beneficial to the council.

Your Committee received testimony in support of FRANCINE M. KENYON from four individuals. Ms. Kenyon received her bachelor's degree in psychology from Gallaudet University and her Master of Divinity from Wesley Theological Seminary. She is currently a data entry clerk working for S.O.S. Staffing Partners. Ms. Kenyon is a member of the Aloha State Association of the Deaf and, as a person with disabilities, will offer a unique perspective to the council. She would like to assure that public and private programs and services are fully accessible to people with disabilities, including deaf and hard-of-hearing people. Ms. Kenyon's knowledge and expertise in deafness-related issues qualifies her to serve as a valuable member of the council.

VIRGINIA M. KLINE received her bachelor's degree in business administration from Lake Forest College. Ms. Kline was previously employed at Pacific Aerospace Museum and for the last fifteen years has been a volunteer at Iolani Palace. She has volunteered at the Elks Club where she has been a member for over twenty-six years. As a person with a disability, Ms. Kline will offer a unique and desirable perspective to the council. She would like to help others with disabilities adjust to less productive lifestyles without compromising their values.

KEALOHA LAEMOA is presently a volunteer at the Molokai Salvation Army. As a person with disabilities, Ms. Laemoa will offer a valuable perspective to the council. She is dedicated to helping persons with disabilities. Ms. Laemoa would like to make sure that all islands are equally represented and advocates the promotion of independent living for disabled children and adults. Her goal is to become a contributing and productive member of society and the council, and promote the needs of the disabled.

Your Committee received testimony in support of MARGARET LEVY-DOHANOS from Mayor Harry Kim and five individuals. Ms. Levy-Dohanos received a fine arts degree and is certified in Adult Residential Care Home Operator "Visions" Training. Ms. Levy-Dohanos is presently working as a Home Health Aide and Home-Helper with Care Resources Hawaii, Bicil, and Metrocare. She also works in Hawaii Island Adult Care's Senior Helper Program and is a Community Voices Volunteer. Ms. Levy-Dohanos has an extensive background in home health care and has held various positions in health care in the past seven years in Hawaii. Her unique position as a Home Health Aide and friend to many persons with disabilities will allow her to make valuable contributions to the council. Your Committee notes the nominee's statement that she is dedicated to helping those with disabilities.

CHARLOTTE G. SMITH is a reappointment to the council. She received a Bachelor of Science degree in zoology and a Master of Science in physiology from the University of Illinois. Ms. Smith worked for twenty-six years at NASA in Houston and became the first paraplegic woman to earn a pilot's license. She has since served a term on the board of Maui Economic Opportunity and founded the Maui County Commission on Persons with Disabilities. Ms. Smith also serves as chair of SILC's Public Policy Committee. She believes that the council must do all they can to facilitate senior citizens living independently, and as a council member she will continue to advocate for the elderly. Her experiences and knowledge, as a person with a disability, will add a valuable perspective to the council.

Your Committee received testimony in support of DIANA C. TIZARD from the State Council on Developmental Disabilities and six individuals. Ms. Tizard received her bachelor's degree in child welfare, with minors in sociology and psychology from the University of Minnesota, and her Master in Education in counseling and guidance from the University of Hawaii College of Education. She has also done additional post-graduate studies in early childhood education and has taken continuing education courses in administration, public relations, and grant writing. Her past employment includes teaching Head Start on Molokai and serving as the Executive Director of the Hawaii State Developmental Disabilities Council. Ms. Tizard has spent most of her life working with children and people with disabilities. She hopes to work with the council as it addresses developing fiscal, personnel, and legislative

approaches to strengthening its structure, and to programmatically identify long-term and annual goals for the organization. Ms. Tizard will be a valuable asset to the council.

ANDRICK C. TONG received his Bachelor of Arts degree in sociology from the University of California at Santa Barbara and his master's in professional counseling from Argosy University in Hawaii. Mr. Tong is currently a Stockbroker for Wedbush Morgan Securities, Inc. and a sex offender Treatment therapist at John Howard Association. Through his work with CPS and the John Howard Association, as well as his studies in psychology, Mr. Tong understands how important independent living is to increase self-esteem and foster self-growth and rehabilitation. He is a reappointment who would like to continue helping those with disabilities live independently, be gainfully employed, and self-sufficient. Mr. Tong has and will continue to be an important contributor to the council.

Your Committee received testimony in support of LINDA ANN WATSON from two individuals. Ms. Watson received her Bachelor of Science degree in organizational behavior and M.Ed. in special education from Brigham Young University, Utah, and is currently attending the University of Hawaii at Manoa for her M.Ed. in counseling guidance. Ms. Watson is currently a volunteer Graduate Research Assistant for Dr. Milton Diamond at the John A. Burns School of Medicine at the University of Hawaii at Manoa. Her personal experiences and knowledge of disability legislation will make her an important asset to the council. Ms. Watson advocates to ensure that the rights and service needs of people with severe disabilities are addressed in state independent living centers.

ED WEIL is currently a trustee on the Mack Snyder Rau Foundation. As a person with a disability, Mr. Weil offers a unique and valued perspective. He has been living independently with a disability for almost fifteen years, and has a strong desire to help others live an independent life. Mr. Weil would like to help the council empower and embrace those who are candidates to live independently.

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, 2 (Kokubun, Trimble).

SCRep. 1921 Health on Gov. Msg. Nos. 709, 710, 711, 712 and 713

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE HEALTH COORDINATING COUNCIL

G.M. No. 709 ANDY P. ANCHETA M.P.H., for a term to expire 06-30-09;

G.M. No. 710 SUSAN K. FORBES Dr.P.H., for a term to expire 06-30-09;

G.M. No. 711 CREIGHTON LIU, for a term to expire 06-30-09;

G.M. No. 712 SARAJEAN TOKUNAGA, for a term to expire 06-30-09; and

G.M. No. 713 PATRICIA UYEHARA-WONG, for a term to expire 06-30-09

Your Committee reviewed the personal histories, resumes, 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 ANDY P. ANCHETA, M.P.H., from the State Health Planning and Development Agency (SHPDA) and one individual. Mr. Ancheta earned a M.P.H from the University of Hawaii at Manoa. He is currently the Oahu County Operations Manager and oversees the Communication Center for American Medical Response. Mr. Ancheta is active and knowledgeable in Oahu's emergency medical services system. He has accumulated twenty years of experience in the field. He was a co-recipient of the EMSC Childhood Injury Prevention Mini Grant and was awarded first place national honors for an oral presentation on cancer in minorities. Mr. Ancheta's knowledge and experience will make him a valuable contributor to the Council.

Your Committee received testimony in support of SUSAN K. FORBES, Dr.P.H. from SHPDA. Dr. Forbes is currently the President and Chief Executive Officer of Hawaii Health Information Corporation. She graduated from Stanford University with a B.A. in Anthropology and earned an M.A. and Dr.P.H. from the University of Hawaii at Manoa. Dr. Forbes is a member of various professional and community organizations such as the Rotary Club of Honolulu, the Patient Rights Task Force, and the Confidentiality Task Force. Dr. Forbes also lectures on strategic management at the University of Hawaii. Dr. Forbes is seeking reappointment to the Council. Her professional experience will be a vital asset to the Council.

Your Committee received testimony in support of CREIGHTON LIU from SHPDA, Innovative Network Solutions Inc., Maui Divers of Hawaii, and one individual. Mr. Liu is Director of Strategic Planning at Kaiser Permanente in Hawaii. He has earned a Bachelor's of Business Administration and is currently pursuing an Executive Master's of Business Administration from the University of Hawaii. Mr. Liu was a key participant with the SHPDA in the first redesign steps of the Hawaii Health Performance Plan. He also served on SHPDA's West Oahu Subarea Health Planning Council for eight years. Your Committee finds that he is well qualified for reappointment to the Council.

Your Committee received testimony in support of SARAJEAN TOKUNAGA from SHPDA. Ms. Tokunaga is the Vice President of Hui No Ke Ola Pono, co-founder of Friends of Maui Memorial Hospital, and Board Secretary of Akaku. She is also a past president of Hui Noeau and a member of SHPDA's Tri-isle Subarea Health Planning Council. Ms. Tokunaga is seeking reappointment to the Council. Her role as a key member of many community health initiatives makes her a valuable contributor to the Council.

Your Committee received testimony in support of PATRICIA UYEHARA-WONG from SHPDA, Maui Electric Company Ltd., Hawaii Electric Light Company Inc., and three individuals. Ms. Uyehara-Wong is the Vice-President of Hawaiian Electric Industries Inc. (HEI). She previously served as Vice-President of Corporate Excellence at Hawaiian Electric Company Inc. Ms. Uyehara-Wong graduated cum laude in Business Administration from Yale University and earned her Juris Doctorate from the University of Pennsylvania Law School. She is a member of the Hawaii State Bar Association and serves in various community service organizations. As the top human resources executive at HEI, the nominee is responsible for health benefit programs and the general welfare of the employees. Her role at HEI is well suited to the mission of the Council and her background in law and corporate governance will provide additional benefits.

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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1922 Health on Gov. Msg. Nos. 715 and 716

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, HAWAII COUNTY SUBAREA

G.M. No. 715 LORI CANNON-SALIS R.N., C.C.R.N., C.R.F.N., M.S.N., for a term to expire 06-30-09; and

G.M. No. 716 KARLSON PUNG, for a term to expire 06-30-09

Your Committee reviewed the personal histories, resumes, 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 received testimony in support of LORI CANNON-SALIS from the State Health Planning and Development Agency and one individual. Ms. Cannon-Salis earned a B.S.N and a M.S.N from the University of Phoenix. She is currently employed at Kona Community Hospital and an adjunct faculty member of Kapiolani Community College. Over the years she has worked as a staff nurse and a nurse manager in the critical care unit, an education director, a nurse manager in the emergency department, and a nursing supervisor. Her community service includes leadership positions with the American Heart Association and the March of Dimes. She has also participated in WalkAmerica and community stroke awareness programs. Ms. Cannon-Salis' knowledge and experience in the health care field make her an asset to the Council.

Your Committee received testimony in support of KARLSON PUNG from the State Health Planning and Development Agency. Mr. Pung attended the University of Hawaii at Hilo and Colorado Audio Institute. He graduated from the Emergency Medical Services program at Kapiolani Community College. He is currently a paramedic and operations manager for American Medical Response in Hilo. Mr. Pung is active in his community and serves as Vice-Chair of the Hawaii County Emergency Medical Service Advisory Committee. Mr. Pung is seeking reappointment to the Council, and as such is thoroughly familiar with the goals and responsibilities of the 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, 3. Noes, none. Excused, 2 (Hanabusa, Whalen).

SCRep. 1923 Labor on Gov. Msg. No. 721

Recommending that the Senate advise and consent to the nomination of the following:

HOISTING MACHINE OPERATORS ADVISORY BOARD

G.M. No. 721 ERNEST BALATINCZ STS CHST, for a term to expire 06-30-09

Testimony in support of ERNEST BALATINCZ was submitted by Associated Builders and Contractors, Inc., the National Safety, Health, and Environmental Committee of Associated Builders and Contractors, and four individuals.

Upon review of the background information provided by the nominee, your Committee finds that Mr. Balatincz is currently the Safety Director for Nova Group, Inc., which provides infrastructure construction services to federal government agencies. Mr. Balatincz possesses over twenty years of experience in the safety field, having run his own safety consultant business, working as a site

safety director, a safety engineer/consultant, and safety coordinator/field engineer for various private employers across the country. He has undergone extensive safety training and certification and is a member of national and local safety councils.

Your Committee finds that the nominee has accumulated valuable experience and knowledge regarding safety issues and has demonstrated a commitment to change and a willingness to work towards the specific goals of the Hoisting Machine Operators Advisory Board.

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, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 1924 Labor on Gov. Msg. Nos. 791 and 792

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII WORKFORCE DEVELOPMENT COUNCIL

G.M. No. 791 JAMES C. TOLLEFSON, for a term to expire 06-30-09; and

G.M. No. 792 GLENN H. YAMASAKI KIMURA, for a term to expire 06-30-08

JAMES C. TOLLEFSON is the President and Chief Executive Officer of the Chamber of Commerce of Hawaii. Mr. Tollefson earned degrees in psychology and business administration from Kansas State University. He has had a long history with the Chamber of Commerce of Hawaii, having served over the years as a member of the Executive Committee, a member of the Board of Directors, and as Chairman. He has also worked as the Executive Vice President of the Bank of Hawaii, and in varying capacities with First Interstate Bank, Sanwa Bank, and Trans World Airlines. Mr. Tollefson is actively involved in community and charitable organizations, including the Chamber of Commerce Military Affairs Council, the Board of Directors of the YMCA of Honolulu, the Hawaii Visitor and Convention Bureau Board, the Better Business Bureau Board, the Hawaii Economic Development Corporation Board, the Oahu Workforce Investment Board, and the Hawaii Institute for Public Affairs Board.

Testimony in support of the nominee was submitted by the Workforce Development Council and two private citizens.

GLENN H. YAMASAKI KIMURA is a Vice President of Bank of Hawaii in Maui. Mr. Kimura earned a bachelor's degree in Journalism with a minor in speech from the University of Hawaii at Manoa. He has served in varying capacities over the years with the Bank of Hawaii and as an Assistant Vice President with First Federal Savings & Loan Association of America. Mr. Kimura has remained actively involved in the community with the Maui County Council Boy Scouts of America, the Maui United Way, A Keiki's Dream, and the Maui County Workforce Investment Board.

Testimony in support of the nominee was submitted by the Workforce Development Council, the President of the Maui Chamber of Commerce, and one private citizen.

Your Committee finds that the nominees have accumulated valuable experiences and knowledge and have demonstrated a commitment to change and a willingness to work together towards the specific goals of the Council, including addressing the challenge of developing an adequately educated and qualified workforce within the State.

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, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 1925 Labor on Gov. Msg. No. 626

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII LABOR RELATIONS BOARD

G.M. No. 626 EMORY J. SPRINGER, for a term to expire 06-30-2011

Testimony in support of EMORY J. SPRINGER was submitted by the Mayor of the County of Hawaii, a Hawaii County Councilmember, the Director of Personnel for the County of Hawaii, the State of Hawaii Organization of Police Officers, the Oahu Board of Directors for the State of Hawaii Organization of Police Officers, the James Kealoha Estate, and five individuals.

Upon review of the background information submitted by the nominee, your Committee finds that Mr. Springer is a police officer for the County of Hawaii, where he has served for the past two decades. He also has union experience, serving as a shop steward for the United Public Workers and in varying capacities for the State of Hawaii Organization of Police Officers (SHOPO), including serving as the Chair for the Hawaii Chapter of SHOPO.

Hawaii has been well served by union representatives on the Hawaii Labor Relations Board. Chester Kunitake, whose term expires in June 2005, is an invaluable member of the current board and has served with great distinction and honor. His unique experiences under the merit system, in negotiations, and grievance arbitration is reflected in key decisions rendered by the Hawaii Labor Relations Board. Filling his shoes will be a real challenge.

Your Committee is confident that a rank and file member of two unions, a steward, and having served on a statewide union executive board, Emory Springer will represent and serve the interests of employees with equal distinction. He recognizes the importance of joint decision making which is fundamental to the purpose of chapters 89 and 377, Hawaii Revised Statutes.

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, 3. Noes, none. Excused, 1 (Ihara).

SCRep. 1926 Judiciary and Hawaiian Affairs on Jud. Com. No. 2

Recommending that the Senate consent to the nomination of the following:

DISTRICT COURT OF THE FIRST CIRCUIT

JENNIFER L. CHING

The nominee earned a bachelor's degree from Lewis and Clark College and a law degree from Lewis and Clark College-Northwestern School of Law. The nominee has been licensed to practice law in Hawaii since 1979. The nominee worked in private practice for three years at two local law firms before joining the Department of the Prosecuting Attorney for the City and County of Honolulu in 1982 as a Deputy Prosecuting Attorney. Since 1982, the nominee has worked in the Career Criminal Unit and has been named Team Captain of the Domestic Violence Branch as well as Supervisor of the Family Court Branch. Presently, the nominee is the Team Captain for the Juvenile Offender Team.

Your Committee received testimony in support of the nominee from the Hawaii State Bar Association, the Department of the Prosecuting Attorney from the City and County of Honolulu, twenty-six attorneys, and twenty-one individuals.

The Board of Directors of the Hawaii State Bar Association (HSBA) rated the nominee to be highly qualified. As part of the HSBA Board's procedure 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 has reviewed the personal history, resume, and statements submitted by the nominee and finds the nominee to have the necessary qualifications and legal experience to be appointed to the position of the 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 advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Ihara).