

FIFTY-NINTH DAY

Tuesday, May 1, 2007

The House of Representatives of the Twenty-Fourth Legislature of the State of Hawaii, Regular Session of 2007, convened at 10:20 o'clock a.m., with Vice Speaker Karamatsu presiding.

The invocation was delivered by Representative Lynn Finnegan, after which the Roll was called showing all members present with the exception of Representative Takamine, who was excused.

By unanimous consent, reading and approval of the Journal of the House of Representatives of the Fifty-Eighth Day was deferred.

GOVERNOR'S MESSAGES

The following messages from the Governor (Gov. Msg. Nos. 370 and 371) were received and announced by the Clerk and were placed on file:

Gov. Msg. No. 370, informing the House that on April 27, 2007, the following bill was signed into law:

H.B. No. 1414, HD 1, SD 2, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR DEPARTMENT OF TAXATION COUNTY SURCHARGE IMPLEMENTATION COSTS." (ACT 045)

Gov. Msg. No. 371, informing the House that on April 27, 2007, the following bill was signed into law:

S.B. No. 1441, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CERTIFICATION OF CHILD PLACING ORGANIZATIONS, CHILD CARING INSTITUTIONS, FOSTER BOARDING HOMES, AND ADOPTIVE HOMES." (ACT 046)

The following message from the Governor (Gov. Msg. No. 372) was announced by the Clerk and was received for possible consideration at a later date:

Gov. Msg. No. 372, transmitting H.B. No. 10, SD 1, without her approval and statement of objections relating to the measure as follows:

"EXECUTIVE CHAMBERS
HONOLULU
April 27, 2007

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 10

Honorable Members
Twenty-Fourth Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 10.

This bill would mandate that pharmaceutical companies, which voluntarily participate in the Hawaii Rx Plus program, provide rebates in addition to the discounted prescription prices that the manufacturers already provide to enrollees in the Hawaii Rx Plus program. It also requires the Department of Human Services to disclose information on drug manufacturing costs.

This bill is objectionable because its enactment will likely cause voluntary participation in the Hawaii Rx Plus program by prescription drug manufacturers to end. Approximately 112,000 Hawaii residents participate in the Hawaii Rx Plus program. Low-

income uninsured and underinsured residents who are enrolled in the Hawaii Rx Plus program and need prescription medications would be hurt by enactment of this legislation.

Second, this bill sets no mandatory level for the rebate. Thus, firms could make token offers and still be in compliance. Nor does the bill seem to recognize that the major reason why the rebates have not been successful is the limited volume of prescriptions written on a monthly basis under Hawaii Rx Plus.

Finally, the bill does not recognize the role the federal Centers for Medicare and Medicaid Services play in securing rebates for government-approved drug programs. Without the Centers for Medicare and Medicaid Services' approval, the Department of Human Services does not have the ability to impose a meaningful penalty on the prescription drug manufacturers that do not provide rebates.

My Administration supports the requirement of rebates from drug manufacturers but believes the rebates must be implemented in an appropriate and effective manner. My office proposed House Bill No. 1359, which is currently being considered in conference committee. This bill consolidates the current Medicare Part D State Pharmacy Assistance program and the Hawaii Rx Plus program under a single comprehensive Hawaii State Pharmacy Assistance Program. Once the Department obtains approval from the Centers for Medicare and Medicaid Services as a federally qualified state pharmaceutical assistance program, prescriptions purchased by Hawaii Rx Plus program enrollees will qualify for the same mandatory and supplemental rebates received by the Medicaid program. In addition, the market size of this consolidated program would be larger by the integration of the Hawaii Rx program into the State Pharmacy Assistance Program.

Should the Legislature send me a bill that incorporates a comprehensive approach such as that embodied in House Bill No. 1359, ensuring that the State has appropriate authority to secure pharmaceutical rebates and which will not discourage manufacturer participation in the Hawaii Rx Plus program, then I would be able to sign that measure.

For the foregoing reasons, I am returning House Bill No. 10 without my approval.

Respectfully,
/s/
LINDA LINGLE
Governor of Hawaii"

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. No. 868 through 881) were received and announced by the Clerk and were placed on file:

Sen. Com. No. 868, transmitting H.C.R No. 28, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF TRANSPORTATION TO STUDY THE FEASIBILITY OF REQUIRING VEHICLE IGNITION INTERLOCK DEVICES FOR CONVICTED DRUNK DRIVING OFFENDERS," which was adopted by the Senate on April 27, 2007.

Sen. Com. No. 869, transmitting H.C.R No. 46, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING A SUNRISE REVIEW ON THE REGISTRATION OF PROVIDERS OF DEBT-MANAGEMENT SERVICES," which was adopted by the Senate on April 27, 2007.

Sen. Com. No. 870, transmitting H.C.R No. 69, H.D. 2, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE

ADOPTION OF THE UNITED NATIONS' CONVENTION ON THE RIGHTS OF THE CHILD," which was adopted by the Senate on April 27, 2007.

Sen. Com. No. 871, transmitting H.C.R. No. 81, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE GOVERNOR TO APPROVE AND AUTHORIZE THE ESTABLISHMENT OF STATE-PROVINCE RELATIONS OF FRIENDSHIP BETWEEN THE STATE OF HAWAII OF THE UNITED STATES OF AMERICA AND THE PROVINCE OF CAGAYAN OF THE REPUBLIC OF THE PHILIPPINES," which was adopted by the Senate on April 27, 2007.

Sen. Com. No. 872, transmitting H.C.R. No. 83, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE BOARD OF EDUCATION TO ASSESS THE EXTENT TO WHICH SUPPLEMENTAL ACADEMIC ACTIVITIES ARE INCLUDED IN THE A PLUS AFTER-SCHOOL PROGRAM," which was adopted by the Senate on April 27, 2007.

Sen. Com. No. 873, transmitting H.C.R. No. 85, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE UNITED STATES CONGRESS TO PASS THE PROPOSED EMPLOYEE FREE CHOICE ACT," which was adopted by the Senate on April 27, 2007.

Sen. Com. No. 874, transmitting H.C.R. No. 187, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY RESPITE CARE POLICIES AND PROGRAMS IN OTHER STATES AND THE EXECUTIVE OFFICE ON AGING TO CONDUCT AN INVENTORY OF RESPITE CARE SERVICES IN HAWAII," which was adopted by the Senate on April 27, 2007.

Sen. Com. No. 875, transmitting H.C.R. No. 188, H.D. 2, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY OTHER STATES' ADULT PROTECTIVE SERVICES AND COMPARE THEM TO HAWAII'S ADULT PROTECTIVE SERVICES," which was adopted by the Senate on April 27, 2007.

Sen. Com. No. 876, transmitting H.C.R. No. 194, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE SENATE COMMITTEE ON JUDICIARY AND LABOR AND THE HOUSE OF REPRESENTATIVES COMMITTEE ON LABOR TO CONVENE A JOINT HEARING ON THE LABOR FORCE REQUIREMENTS OF THE PROPOSED TURTLE BAY RESORT EXPANSION AND OTHER POSSIBLE IMPACTS ON THE VIBRANT AND GROWING NORTH SHORE OF OAHU," which was adopted by the Senate on April 27, 2007.

Sen. Com. No. 877, transmitting S.C.R. No. 226, entitled: "SENATE CONCURRENT RESOLUTION ESTABLISHING A JOINT SENATE-HOUSE INVESTIGATIVE COMMITTEE TO INVESTIGATE THE SECURITY OF RECORDED DOCUMENTS, PRIVATE COMPUTER ACCESS AND TAMPERING OF SUCH DOCUMENTS, AND THE OPERATIONS AND MANAGEMENT OF THE BUREAU OF CONVEYANCES," which was adopted by the Senate on April 27, 2007.

Sen. Com. No. 878, dated, April 27, 2007, informing the House that the Senate has on April 26, 2007, reconsidered its action taken on April 25, 2007, in disagreeing to the amendments proposed by the House to the following Senate Concurrent Resolution and have moved to agree to the amendments and that said resolution was this day adopted in final form:

S.C.R. No. 102, SD 1, HD 1

Sen. Com. No. 879, dated April 27, 2007, informing the House that the Senate has on April 26, 2007, reconsidered its action taken on April 12, 2007, in disagreeing to the amendments proposed by the House to the following Senate Bill and has moved to agree to the amendments, and that said bill has this day passed Final Reading:

S.B. No. 98, "RELATING TO EDUCATION."
SD 1, HD 1

Sen. Com. No. 880, dated April 27, 2007, informing the House that the Senate has on April 26, 2007, reconsidered its action taken on April 10, 2007, in disagreeing to the amendments proposed by the House to the following Senate Bill and has moved to agree to the amendments, and that said bill has this day passed Final Reading:

S.B. No. 784, "RELATING TO DRIVER LICENSING."
SD 1, HD 2

Sen. Com. No. 881, dated April 27, 2007, informing the House that the following bills have this day passed Final Reading:

S.B. No. 1047, "RELATING TO HIGHWAY SAFETY."
HD 2, CD 1

S.B. No. 1410, "RELATING TO INSURANCE."
SD 1, HD 1, CD 1

S.B. No. 920, "RELATING TO CONDOMINIUMS."
SD 1, HD 1, CD 1

At 10:25 o'clock a.m., Representative Say requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:26 o'clock a.m.

Representative Say moved that S.C.R. No. 226 be adopted, seconded by Representative B. Oshiro.

Representative Finnegan rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I rise with some reservations on SCR No. 226. I just have short comments. I know that this has to do with the confirmation that did not happen, of the Director of DLNR. I've only read some of what went on and some of it had to do with an investigation that actually, Director Peter Young, requested on his own Department, the Bureau of Conveyances. I just don't want this particular Resolution to have any type of negative treatment, as if this were pertaining to him, when he was the one that actually initiated the investigation. That's all my comments are for. And I wanted to thank the Speaker for pointing out that we were taking this up at this time. Thank you."

Representative Caldwell rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, I would like to disclose a conflict. The firm that I'm a partner in, one of their major clients is Title Guaranty & Escrow. They may be the subject of this Resolution. Two of my former partners are General Counsel and Associate General Counsel over at Title Guaranty, and many of the family members that own that company are close personal friends. I believe I do have a conflict."

The Chair then ruled:

"You may be excused."

Representative Ward rose, stating:

"I would like to disclose a conflict. It's a conflict between what the people of Hawaii wanted and what the Senate wanted. And now what is resulting is this. When you throw mud, you're going to get mud back in your face. Mr. Speaker, this is with great reservations ..."

Representative B. Oshiro rose to a point of order, stating:

"Point of order, Mr. Speaker. He's not asking for a ruling on a conflict. He's giving a speech."

Vice Speaker Karamatsu: "Madame Clerk, could you check the statement, the last part of the statement? Thank you."

At 10:29 o'clock a.m., Representative Takai requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:31 o'clock a.m.

Representative Ward rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I stand corrected. I should not have stood on the basis of a conflict of interest. I should have said that I stand with strong reservations because this measure is in conflict with the will of the people of Hawaii who wanted Peter Young reappointed, and with which now he has initiated an investigation, which now we are going to have our fingerprints on, and the mud by which we are throwing at this issue is going to come back upon us. That was what I previously wished to state. Thank you very much."

Representative Takai rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I rise in support with some reservations. Just a couple of reservations, the first one being that procedurally, I do have some concerns when we pass substantive resolutions like this, this one being a Senate Concurrent Resolution that did not have full debate and discussion through our Committee process.

"And, number two, I think that this particular measure, based on what I know about it, will convene an investigative committee with full subpoena powers. A Joint Investigative Committee, both House and Senate. And if you take a look at the Constitution, I think the Constitution already provides the Senate with subpoena powers and the ability to do this.

"I go back a few years ago when we had the Special Joint Investigative Committee on Felix, and that took a lot of time and energy and that was a Joint Committee, but we fully supported it and it was endorsed by everyone from the start of the Session, I believe. And as we moved through, we understood that we had to move on this jointly. I just think that the Senate has been wrapped up in this issue for quite a while now. We haven't been privy to much of the discussion and I don't necessarily think that we have to be dragged into this, as well. Thank you, Mr. Speaker."

Representative Thielen rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I would like to express my grave reservations, as well, and have them based on much of what the prior speaker just said. I am disturbed that we have not had a hearing on this side so the public could weigh in on this. And I am afraid that it may be an after-the-fact vendetta from the Senate. Thank you."

Representative Ching rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I have reservations based on a number of the arguments of the previous speaker from Kailua. Thank you."

Representative Meyer rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I'm rising in support with some reservations. The title of this investigation seems to be dealing just mainly with the problems at the Bureau of Conveyances, which has

been a longstanding problem. I've got some concerns about the makeup of the Investigative Committee and I hope that the Minority will have sufficient membership on that so that we'll have some kind of balanced representation. Thank you, Mr. Speaker."

Representative Pine rose to speak in support of the measure with reservations, stating:

"I rise with reservations, Mr. Speaker. I apologize. I only got to the bottom of page 2. At the bottom of page 2, I'm quite disturbed by the last paragraph, and I don't like its implications and how it reads. It says:

Whereas, despite the ongoing investigations by the Department of the Attorney General and Ethic Commission, the Legislature is highly concerned with the security of these recorded documents, private computer access and potential tampering of these documents, as well as the overall personnel and fiscal management of the Bureau of Conveyances.

"Basically, this paragraph reads to me that this Legislature does not trust the ongoing investigations of the Department of Attorney General and the State Ethics Commission to keep these documents private. I just wouldn't want to see this Legislature passing resolutions with this type of language that basically says our intentions that we really don't trust these investigations that are going on. I think that's just wrong. I do understand the concern. However, I do believe that the Attorney General and the State Ethics Commission are positions of honor that we have placed in the State of Hawaii, and I think just with that paragraph alone, the tone of this Resolution is very insulting."

Representative B. Oshiro rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in support. Just very briefly. I think I need to counter some of the characterizations of this Resolution. Everybody knows who anybody who has done transactional work with the Bureau of Conveyances knows that it's a very problematic system, and that's been ongoing for several years. It's not necessarily attributable to one director. I don't think we're pointing fingers. But what we really need to do is realize that there is a huge backlog at that Department. It is dysfunctional.

"The Land Court and the regular Bureau of Conveyances often have this turf battle going on between them. And, really, we need to make sure that our system is going to be sound, because what this is talking about is the clearness of title. It's making sure that people, when they have their property, are assured that whatever is recorded is proper and that it's clean. That is a primary purpose, I think, of why we need to do this Resolution and Investigative Committee.

"Now, I think, some characterizations have been made that we don't trust the Attorney General or the Ethics Commission. But I think that's actually an overbroad statement because what we are doing at the Legislative Branch is making sure that if there are policy needs that have to happen, if there are additional resources, if there are changes to the law, if there are actual overarching core functions that need to be changed, then that is something the Legislature needs to undertake, and we will only be able to do that if we really spend the time and investigate this.

"As one person who had been on the Felix Investigative Committee, I can tell you that the tone and tenor of a hearing, when you have the subpoena power, when you have people testifying under oath, is dramatically different than anything you can do during the Legislative Session or interim, when people are just sitting there and giving their information. That is what we need if we are going to get to the core root of the problem. We need to have people in front of us accountable answering under oath, knowing that their testimony will be recorded and may be used against them if they are providing false statements. That is the kind of information we need if we are going to fix this system. Thank you very much."

Representative Souki rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I speak with some reservations. First of all, I think we're all aware that for years the Bureau of Conveyances has been understaffed and as legislators, including me, we supported taking money away from the Bureau of Conveyances for our special projects. The money from the conveyance tax originally was supposed to be for the Bureau of Conveyances, to support the Bureau of Conveyances. We've been tapping them all these past years for special projects and so they find themselves without sufficient staff.

"Now, of course, they could come back to the Legislature and ask for additional dollars, which I really don't know whether they did or not, but it's not because we weren't aware of the problem. So in some respect, we are culpable in the problems that we have there, and this is just kind of an 'eye opener' for the Members here. Sometimes if you point fingers, you'd better look at yourself. Thank you very much."

Representative Ward rose to respond, stating:

"Mr. Speaker, as the good Representative from Maui, as the keeper of the culture reminds this body, that there have been more egregious difficulties, a need for investigation in the past. For example, at the airport. Millions of dollars were missing. It makes the charges for this look petty, but there was no investigation. So, why now? Why are we rushing? When, in fact, why are we putting this issue at the forefront of the agenda. We haven't even had introductions yet.

"So, there seems to be a rush to make sure that we get this out front and center, that we made an investigation after going against the will of the people, and not appointing Peter Young to the Department of Land and Natural Resources. Thank you."

Representative Bertram rose to speak in opposition to the measure, stating:

"I rise in opposition. I've heard all the discussion and this is the first I've actually seen of it this morning. It just seems there is already an investigation going on. And I agree with the Representative from Wailuku that a lot of this is our own doing. It should really be left to the investigation that's already taking place and let them find out what's going on and then we could take the next steps, which could be, hopefully, giving them more money and more support. And, so, I rise in opposition."

Representative Morita rose to speak in support of the measure with reservations, stating:

"Thank you. I also have some serious reservations about the Resolution and would like to take the words of the speaker from Maui and the speaker from Pearl City as my own," and the Chair "so ordered." (By reference only.)

Representative Rhoads rose to speak in support of the measure, stating:

"In support. Responding to the Representative of Queen's Gate. Maybe we should have investigated some of the things that went on at the airport, but just because we didn't investigate it when we should have before, it doesn't mean we shouldn't investigate now.

"The allegations that have been made are very serious and if this body doesn't step in and do something, along with our Senate counterparts, I think we're falling down on our duty and I support this Resolution. Thank you."

Representative Nishimoto rose in support of the measure with reservations, and asked that the remarks of Representatives Takai and Souki be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Lee rose in support of the measure with reservations, and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Lee's written remarks are as follows:

"I am with reservations. The recent confirmation hearings in the Senate for the Director of DLNR were conducted with sometimes inappropriate decorum. I felt that it was more like an inquisition than a hearing. I have no strong opinions about the wisdom of the proposed Investigative Committee, but rather question the timing—are we giving our approval to bad behavior of a legislative body by joining?"

Representative Marumoto rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I also vote aye, with reservations, and would like to have the words of the Chairman of Transportation taken as my own. This has been a longstanding problem. It's been decades. Thank you," and the Chair "so ordered." (By reference only.)

Representative Finnegan rose, stating:

"Thank you, Mr. Speaker. In regards to the discussion, I'd like to change my vote from with reservations to a no vote. The power in this Resolution is quite strong. And in regards to the process, I'd rather have it that we have had a full discussion on this prior to today."

Representative Wakai rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Ward rose, stating:

"Mr. Speaker, I would like to change my with reservations vote to a no vote as well. And for the record, I would like to state that I represent the area from Hawaii Kai to Kalama Valley, and not Queen's Gate, as the gentleman from the Chinatown does not represent Hotel Street. He represents Downtown. Just for the record, Mr. Speaker."

Representative Berg rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Sonson rose, stating:

"I'm glad I'm the last person to stand up and so I'll make it very short. This is a very important Resolution. Whether we vote yes or no, the Senate's going to go through with this. I think it is incumbent upon us as the other half of the Legislature to participate; to at least be there and take part in the process.

"If you read the Resolution carefully, there's goals stated in there what we need to accomplish, and I think that we need to be there, whatever process that the Senate's going to go through to achieve these goals and we have not said our piece. Like the Chair of Education once said, 'If you are not at the table, you are part of the menu', and I wouldn't want the Senate to be looking at me in that manner. Thank you very much."

The motion was put to vote by the Chair and carried, and S.C.R. No. 226 entitled: "SENATE CONCURRENT RESOLUTION ESTABLISHING A JOINT SENATE-HOUSE INVESTIGATIVE COMMITTEE TO INVESTIGATE THE SECURITY OF RECORDED DOCUMENTS, PRIVATE COMPUTER ACCESS AND TAMPERING OF SUCH DOCUMENTS, AND THE OPERATIONS AND MANAGEMENT OF THE BUREAU OF CONVEYANCES," was adopted with Representatives Bertram, Finnegan and Ward voting no, and with Representative Caldwell being excused.

INTRODUCTIONS

The following introductions were made to the members of the House:

Representative Ward introduced East-West Center and Kapiolani Community College students from East Timor, Mr. Jacinto Da Silva Caldas Belo and Mr. Helder Da Costa. They were accompanied by Ms. Jennifer Liu of Kapiolani Community College.

Representative Yamashita introduced Mrs. Mary and Mr. Spencer Nelson of Albuquerque, New Mexico. There were accompanied by their friend, Ms. Lois Tambalo, Office Manager of Representative Yamashita.

Representative Rhoads introduced former Senator, Rev. Bob Nakata, Ms. Carol Anzai, President of the Kukui Gardens Resident Association, and many residents of Kukui Gardens.

Representative Marumoto introduced her friend, Mr. Bill Green of Kahala Shell Service Station, and Ms. Melissa Pavlicek.

Representative Marumoto introduced the 'Flower Arrangement Ladies', Ms. Mae Gushikuma, Ms. Miwa Miura, Ms. Gladys Blondin, and Ms. Ethel Toyota, and thanked them for their flower arrangements in the State Capitol over the past 20 years.

Representative Thielen introduced environmentalists, Ms. Kat Brady, and Mr. Henry Curtis.

At 10:50 o'clock a.m., Representative B. Oshiro requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:43 o'clock a.m.

Representative Waters introduced the 'Honorary Mayor of Waimanalo,' Mr. Hayward Kalima.

ORDER OF THE DAY

SUPPLEMENTAL CALENDAR #1

At this time, the Chair announced:

"As you know, the Senate President and the Speaker waived the Friday midnight deadline for the filing of Committee Reports and Conference Drafts for certain measures which were agreed upon in public on Friday evening. I want to take this opportunity to explain the procedural reasons why these reports and proposed drafts were not filed on Friday night, and the reasons why the President and the Speaker waived the deadline.

"Back in January of this year, the Senate President and the Speaker prepared an internal legislative timetable setting April 27th as the last day to file fiscal bills for constitutional decking purposes prior to Final Reading. On April 4th of this year, the President and the Speaker signed Conference Committee Guidelines that provided in paragraph 11(c) that all Conference Committee Reports for fiscal bills should be filed by 11:30 p.m. on Friday, April 27th.

"However, several measures were being negotiated up to the last few minutes before midnight on Friday night. Several Conference Committees, even though they had reached agreement on the substance of their measures, did not have time to prepare and adequately review the Conference Reports in final form of the Conference Drafts prior to the filing deadline. Therefore, the President and the Speaker exercised their powers in Rule 13 of the Conference Committee Guidelines for an exception to this deadline for these measures, which were agreed upon in public. They allowed

these measures to be filed with the respective Clerk's offices prior to 12:00 noon, Saturday, April 28th.

"The President and the Speaker felt that since the Conferees had reached timely agreement on the bills allowing these measures to die based on an internal procedural deadline for filing the requisite paperwork with the Clerk's office in each Chamber was not in the best interest of the people of Hawaii. Rather, they felt it important to exercise the discretion that the guidelines gave them to waive that deadline and insure that important initiatives, such as tax relief, dam safety, children's health care, and the future of Kahuku Hospital would reach the Floor of both Chambers for Final Reading as the Conference Committees intended.

"I wish to emphasize that previous Legislatures, when facing similar situations in the past, have followed the same procedures we will be following on these measures. The Conference Reports and Conference Drafts for the measures received by 12:00 noon on Saturday, April 28th, are listed on today's Supplemental Order of the Day. Please note that these measures and any floor amendments appropriately offered and acted upon today on these measures will receive the required 48-hour notice in final form as required by the Constitution and will be before this Chamber for Final Reading on Thursday, May 3rd.

"The Chair will now entertain any floor amendments to any item listed on the Supplemental Order of the Day."

Representatives Yamashita and Chong, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 709, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 121) recommending that S.B. No. 709, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 121 and S.B. No. 709, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT," was deferred for a period of 48 hours.

Representatives Green and M. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 810, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 122) recommending that S.B. No. 810, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 122 and S.B. No. 810, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WAIMANO RIDGE," was deferred for a period of 48 hours.

Representatives Green, Shimabukuro and Lee, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1115, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 123) recommending that S.B. No. 1115, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 123 and S.B. No. 1115, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PERINATAL CARE," was deferred for a period of 48 hours.

Representatives Green, Shimabukuro and Mizuno, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1170, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 124) recommending that S.B. No. 1170, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 124 and S.B. No. 1170, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILDREN," was deferred for a period of 48 hours.

Representatives Evans, Sonson and Har, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 932, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 125) recommending that S.B. No. 932, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 125 and S.B. No. 932, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO A COMPREHENSIVE OFFENDER REENTRY SYSTEM," was deferred for a period of 48 hours.

Representatives Shimabukuro, Green and M. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 104, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 134) recommending that H.B. No. 104, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 134 and H.B. No. 104, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," was deferred for a period of 48 hours.

Representatives Shimabukuro, Green, Takumi and Rhoads, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 531, HD 3, SD 2, presented a report (Conf. Com. Rep. No. 135) recommending that H.B. No. 531, HD 3, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 135 and H.B. No. 531, HD 3, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILDREN," was deferred for a period of 48 hours.

Representatives Morita and Carroll, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 226, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 136) recommending that H.B. No. 226, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 136 and H.B. No. 226, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GREENHOUSE GAS EMISSIONS," was deferred for a period of 48 hours.

Representatives Herkes and Magaoay, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 90, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 137) recommending that H.B. No. 90, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 137 and H.B. No. 90, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," was deferred for a period of 48 hours.

Representatives Tsuji, Morita and Brower, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 899, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 138) recommending that H.B. No. 899, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 138 and H.B. No. 899, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INTEGRATED STRATEGIES FOR STATEWIDE FOOD AND ENERGY CROP PRODUCTION," was deferred for a period of 48 hours.

Representatives Tsuji and Brower, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1221, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 139) recommending that H.B. No. 1221, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 139 and H.B. No. 1221, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," was deferred for a period of 48 hours.

Representatives Waters and Tokioka, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1211, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 140) recommending that H.B. No. 1211, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 140 and H.B. No. 1211, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FAMILY COURT," was deferred for a period of 48 hours.

Representatives Sonson and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 855, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 141) recommending that H.B. No. 855, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 141 and H.B. No. 855, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION," was deferred for a period of 48 hours.

Representatives Sonson, Shimabukuro and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 833, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 142) recommending that H.B. No. 833, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 142 and H.B. No. 833, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT," was deferred for a period of 48 hours.

Representatives Sonson and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1292, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 143) recommending that H.B. No. 1292, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 143 and H.B. No. 1292, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," was deferred for a period of 48 hours.

Representatives Sonson and M. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1567, SD 1, presented a report (Conf. Com. Rep. No. 144) recommending that H.B. No. 1567, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 144 and H.B. No. 1567, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE OFFICERS AND EMPLOYEES EXCLUDED FROM COLLECTIVE BARGAINING AND MAKING APPROPRIATIONS AND OTHER ADJUSTMENTS," was deferred for a period of 48 hours.

Representatives Sonson and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 751, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 145) recommending that H.B. No. 751, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 145 and H.B. No. 751, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY," was deferred for a period of 48 hours.

Representatives Sonson and M. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1572, SD 1, presented a report (Conf. Com. Rep. No. 146) recommending that H.B. No. 1572, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 146 and H.B. No. 1572, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," was deferred for a period of 48 hours.

Representatives Sonson and M. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1569, SD 1, presented a report (Conf. Com. Rep. No. 147) recommending that H.B. No. 1569, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 147 and H.B. No. 1569, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," was deferred for a period of 48 hours.

Representatives Sonson and M. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1568, SD 1, presented a report (Conf. Com. Rep. No. 148) recommending that H.B. No. 1568, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 148 and H.B. No. 1568, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," was deferred for a period of 48 hours.

Representatives Evans and Har, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1345, HD 2, SD 3, presented a report (Conf. Com. Rep. No. 149) recommending that H.B. No. 1345, HD 2, SD 3, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 149 and H.B. No. 1345, HD 2, SD 3, CD 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR NATURAL DISASTERS," was deferred for a period of 48 hours.

Representatives Evans and Har, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 831, HD 2, SD 1, presented a report (Conf.

Com. Rep. No. 150) recommending that H.B. No. 831, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 150 and H.B. No. 831, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO VETERAN BURIAL GRANTS," was deferred for a period of 48 hours.

Representatives Takumi, Sonson and M. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 24, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 151) recommending that H.B. No. 24, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 151 and H.B. No. 24, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TEACHERS," was deferred for a period of 48 hours.

Representatives Souki, B. Oshiro and Lee, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1757, HD 1, SD 3, presented a report (Conf. Com. Rep. No. 152) recommending that H.B. No. 1757, HD 1, SD 3, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 152 and H.B. No. 1757, HD 1, SD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," was deferred for a period of 48 hours.

Representatives Sonson and M. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1171, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 153) recommending that H.B. No. 1171, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 153 and H.B. No. 1171, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," was deferred for a period of 48 hours.

Representatives Takumi, Ito and M. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 19, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 154) recommending that H.B. No. 19, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 154 and H.B. No. 19, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was deferred for a period of 48 hours.

Representatives Morita, Chang and Carroll, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1003, HD 3, SD 2, presented a report (Conf. Com. Rep. No. 155) recommending that H.B. No. 1003, HD 3, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 155 and H.B. No. 1003, HD 3, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," was deferred for a period of 48 hours.

Representatives Green, Shimabukuro, Herkes and Mizuno, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1359, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 156) recommending

that H.B. No. 1359, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 156 and H.B. No. 1359, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE PHARMACY ASSISTANCE PROGRAM," was deferred for a period of 48 hours.

Representatives Green, Shimabukuro and Lee, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 55, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 157) recommending that H.B. No. 55, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 157 and H.B. No. 55, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO YOUTH SUICIDE PREVENTION," was deferred for a period of 48 hours.

Representatives Green, Shimabukuro and Mizuno, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 807, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 158) recommending that H.B. No. 807, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 158 and H.B. No. 807, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAREGIVING," was deferred for a period of 48 hours.

Representatives Green and M. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 843, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 159) recommending that H.B. No. 843, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 159 and H.B. No. 843, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO KAHUKU HOSPITAL," was deferred for a period of 48 hours.

Representatives Green, Chang and Mizuno, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1477, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 160) recommending that H.B. No. 1477, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 160 and H.B. No. 1477, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RURAL PRIMARY HEALTH CARE TRAINING," was deferred for a period of 48 hours.

Representatives Green, Chang and Mizuno, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 367, HD 1, SD 3, presented a report (Conf. Com. Rep. No. 161) recommending that H.B. No. 367, HD 1, SD 3, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 161 and H.B. No. 367, HD 1, SD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SUBSTANCE ABUSE," was deferred for a period of 48 hours.

Representatives Green and M. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1368, SD 1, presented a report

(Conf. Com. Rep. No. 162) recommending that H.B. No. 1368, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 162 and H.B. No. 1368, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOSPITAL AND MEDICAL FACILITIES SPECIAL FUND," was deferred for a period of 48 hours.

Representatives Tsuji, Yamashita and Brower, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1220, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 163) recommending that H.B. No. 1220, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 163 and H.B. No. 1220, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL MARKETING," was deferred for a period of 48 hours.

Representatives Tsuji and Brower, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 400, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 164) recommending that H.B. No. 400, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 164 and H.B. No. 400, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," was deferred for a period of 48 hours.

Representatives Tsuji, Ito and Brower, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 399, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 165) recommending that H.B. No. 399, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 165 and H.B. No. 399, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," was deferred for a period of 48 hours.

Representatives Yamane and Manahan, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1435, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 166) recommending that H.B. No. 1435, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 166 and H.B. No. 1435, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE OF HAWAII ENDOWMENT FUND," was deferred for a period of 48 hours.

Representatives Yamane, Evans and Manahan, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 575, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 167) recommending that H.B. No. 575, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 167 and H.B. No. 575, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCIES," was deferred for a period of 48 hours.

Representatives Yamane, Herkes and Manahan, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1866, HD 3, SD 2,

presented a report (Conf. Com. Rep. No. 168) recommending that H.B. No. 1866, HD 3, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 168 and H.B. No. 1866, HD 3, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MIXED MARTIAL ARTS," was deferred for a period of 48 hours.

Representatives Yamane and M. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1719, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 169) recommending that H.B. No. 1719, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 169 and H.B. No. 1719, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX," was deferred for a period of 48 hours.

Representatives Yamane and Manahan, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1352, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 170) recommending that H.B. No. 1352, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 170 and H.B. No. 1352, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT ESTABLISHING A COMMISSION TO PLAN FOR THE FIFTIETH ANNIVERSARY OF HAWAII STATEHOOD," was deferred for a period of 48 hours.

Representatives Morita and M. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1718, HD 2, presented a report (Conf. Com. Rep. No. 171) recommending that S.B. No. 1718, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 171 and S.B. No. 1718, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR ELECTRICAL GENERATION ON THE ISLAND OF MAUI," was deferred for a period of 48 hours.

Representatives Takumi, Sonson and Lee, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 686, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 172) recommending that S.B. No. 686, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 172 and S.B. No. 686, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATIONAL ASSISTANTS," was deferred for a period of 48 hours.

Representatives Chang, Takumi and Lee, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 688, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 173) recommending that S.B. No. 688, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 173 and S.B. No. 688, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was deferred for a period of 48 hours.

Representatives Takumi and Lee, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1614, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 174) recommending that S.B. No. 1614, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 174 and S.B. No. 1614, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was deferred for a period of 48 hours.

Representatives Takumi and M. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1820, SD 1, HD 2, presented a report (Conf. Com. Rep. No. 175) recommending that S.B. No. 1820, SD 1, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 175 and S.B. No. 1820, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF EDUCATION," was deferred for a period of 48 hours.

Representatives Takumi, Chang, Sonson, Yamashita and M. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1931, SD 2, HD 3, presented a report (Conf. Com. Rep. No. 176) recommending that S.B. No. 1931, SD 2, HD 3, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 176 and S.B. No. 1931, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was deferred for a period of 48 hours.

Representatives Souki, Yamashita, McKelvey and M. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1133, SD 3, HD 1, presented a report (Conf. Com. Rep. No. 177) recommending that S.B. No. 1133, SD 3, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 177 and S.B. No. 1133, SD 3, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," was deferred for a period of 48 hours.

Representatives Shimabukuro, Herkes and Rhoads, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 600, HD 2, presented a report (Conf. Com. Rep. No. 178) recommending that S.B. No. 600, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 178 and S.B. No. 600, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LEASEHOLD CONVERSION," was deferred for a period of 48 hours.

Representatives Yamashita, Souki and M. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1034, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 179) recommending that S.B. No. 1034, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 179 and S.B. No. 1034, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT

RELATING TO TAXATION," was deferred for a period of 48 hours.

Representatives Chang, Yamashita, Yamane and M. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1922, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 180) recommending that S.B. No. 1922, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 180 and S.B. No. 1922, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CREATIVE MEDIA," was deferred for a period of 48 hours.

Representatives Yamashita and M. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 317, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 181) recommending that H.B. No. 317, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 181 and H.B. No. 317, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL EMPLOYMENT ORGANIZATIONS," was deferred for a period of 48 hours.

Representatives Yamashita and Sagum, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 310, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 182) recommending that H.B. No. 310, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 182 and H.B. No. 310, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TECHNOLOGY," was deferred for a period of 48 hours.

Representatives Yamashita, Takumi, Sonson and M. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1670, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 183) recommending that H.B. No. 1670, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 183 and H.B. No. 1670, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE INGENUITY CHARTER," was deferred for a period of 48 hours.

Representatives Yamashita, Ito and M. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1083, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 184) recommending that H.B. No. 1083, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 184 and H.B. No. 1083, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY," was deferred for a period of 48 hours.

Representatives Yamashita and Lee, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1659, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 185) recommending that H.B. No. 1659, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 185 and H.B. No. 1659, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," was deferred for a period of 48 hours.

Representatives Yamashita, Magaoay, Waters, Chong and M. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1270, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 186) recommending that H.B. No. 1270, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 186 and H.B. No. 1270, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE PLANNING," was deferred for a period of 48 hours.

Representatives Chang, Takumi and Sagum, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 767, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 187) recommending that H.B. No. 767, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 187 and H.B. No. 767, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE RUNNING START PROGRAM FOR COLLEGE PREPARATION," was deferred for a period of 48 hours.

Representatives Chang and Sagum, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 777, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 188) recommending that H.B. No. 777, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 188 and H.B. No. 777, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII EDUCATOR LOAN PROGRAM," was deferred for a period of 48 hours.

Representatives Chang, Takumi and Tokioka, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1014, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 189) recommending that H.B. No. 1014, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 189 and H.B. No. 1014, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was deferred for a period of 48 hours.

Representatives Green and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1764, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 190) recommending that H.B. No. 1764, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 190 and H.B. No. 1764, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF REVENUE BONDS TO ASSIST HAWAII HEALTH SYSTEMS CORPORATION OR ANY OF ITS REGIONAL SUBSIDIARY CORPORATIONS," was deferred for a period of 48 hours.

Representatives Evans and Har, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 914, SD 2, HD 1, presented a report (Conf.

Com. Rep. No. 191) recommending that S.B. No. 914, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 191 and S.B. No. 914, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MENTAL HEALTH ISSUES OF COMMITTED PERSONS," was deferred for a period of 48 hours.

Representatives Evans and Har, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1174, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 192) recommending that S.B. No. 1174, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 192 and S.B. No. 1174, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INCARCERATED PARENTS," was deferred for a period of 48 hours.

Representatives Takumi, Chang and M. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 613, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 193) recommending that S.B. No. 613, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 193 and S.B. No. 613, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was deferred for a period of 48 hours.

Representatives Takumi, Tsuji, Yamashita and Brower, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 885, SD 2, HD 3, presented a report (Conf. Com. Rep. No. 194) recommending that S.B. No. 885, SD 2, HD 3, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 194 and S.B. No. 885, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was deferred for a period of 48 hours.

Representatives Takumi and M. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 603, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 195) recommending that S.B. No. 603, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 195 and S.B. No. 603, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was deferred for a period of 48 hours.

Representatives Shimabukuro, Ito and M. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1917, SD 3, HD 2, presented a report (Conf. Com. Rep. No. 196) recommending that S.B. No. 1917, SD 3, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 196 and S.B. No. 1917, SD 3, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING," was deferred for a period of 48 hours.

Representatives Nakasone, Green and Tokioka, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1792, SD 3, HD 3,

presented a report (Conf. Com. Rep. No. 197) recommending that S.B. No. 1792, SD 3, HD 3, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 197 and S.B. No. 1792, SD 3, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION," was deferred for a period of 48 hours.

Representatives Yamashita and Sagum, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 907, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 198) recommending that S.B. No. 907, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 198 and S.B. No. 907, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AEROSPACE DEVELOPMENT," was deferred for a period of 48 hours.

Representatives Yamashita and M. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1631, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 199) recommending that H.B. No. 1631, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 199 and H.B. No. 1631, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY BUSINESS INVESTMENT TAX CREDIT," was deferred for a period of 48 hours.

Representatives Green, Shimabukuro and Mizuno, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1008, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 200) recommending that H.B. No. 1008, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 200 and H.B. No. 1008, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILDREN'S HEALTH CARE," was deferred for a period of 48 hours.

Representatives Green, Sonson and Mizuno, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 212, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 201) recommending that H.B. No. 212, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 201 and H.B. No. 212, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH CARE," was deferred for a period of 48 hours.

Representatives Chang and Lee, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1529, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 202) recommending that H.B. No. 1529, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 202 and H.B. No. 1529, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LEGISLATIVE SCHOLARSHIP PROGRAMS AT THE UNIVERSITY OF HAWAII," was deferred for a period of 48 hours.

Representatives Yamashita, Chang, Sonson and M. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1365, SD 2, HD 3, presented a report (Conf. Com. Rep. No. 203) recommending that S.B. No. 1365, SD 2, HD 3, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 203 and S.B. No. 1365, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE INNOVATION ECONOMY," was deferred for a period of 48 hours.

Conf. Com. Rep. No. 143 and H.B. No. 1292, H.D. 1, S.D. 2, C.D. 1:

[Note: Floor Amendment No. 18 was received and subsequently withdrawn before being offered.]

Conf. Com. Rep. No. 152 and H.B. No. 1757, H.D. 1, S.D. 3, C.D. 1:

At this time, Representative Souki offered Floor Amendment No. 19, amending H.B. No. 1757, H.D. 1, S.D. 3, C.D. 1, as follows:

SECTION 1. House Bill No. 1757, H.D. 1, S.D. 3, C.D. 1 (RELATING TO TRANSPORTATION), is amended by amending section 2 to read as follows:

"SECTION 2. Chapter 237, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§237- Exemption of sale of alcohol fuels. (a) There shall be exempted from and excluded from the measure of the taxes imposed by this chapter all of the gross income or gross proceeds arising from the sale of alcohol fuels, as defined in subsection (b), for consumption or use by the purchaser and not for resale.

(b) For the purposes of this section, "alcohol fuels" means neat biomass-derived alcohol liquid fuel or a petroleum-derived fuel and alcohol liquid fuel mixture consisting of at least ten volume per cent denatured biomass-derived alcohol commercially usable as a fuel to power aircraft, seacraft, spacecraft, motor vehicles, or other motorized vehicles.

(c) A producer, wholesaler, or retailer of alcohol fuels shall pass any savings realized from this exemption on to the end consumer. Any producer or wholesaler who violates this subsection shall be subject to a fine of \$100,000. Notwithstanding any law to the contrary, a violation of this subsection shall be deemed an unfair or deceptive act or practice in violation of and enforceable under chapter 480.

(d) The director of taxation shall adopt rules pursuant to chapter 91 necessary to administer this section."

At 11:48 o'clock a.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:49 o'clock a.m.

Representative Souki moved that Floor Amendment No. 19 be adopted, seconded by Representative B. Oshiro.

Representative Souki rose to speak in support of the proposed floor amendment, stating:

"Yes, Mr. Speaker, this bill needs to be amended to remove all references to 'profit' that you have in the prior draft of H.B. No. 1757 on page 4. The word 'profit' in there would give an implication of the gas cap, where anything above the June 30th profit area would be suspected of going beyond the exemption that we are providing, and they could then be subject to a penalty of \$100,000. So this measure would clear that up and would remove all references to 'profit' in this measure."

Representative Yamashita rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, may I have a ruling on a potential conflict? I am a partner in a gas station that sells alcohol fuels," and the Chair ruled, "no conflict."

Representative Ward rose, stating:

"Mr. Speaker, I rise with ... it's not a reservation. A question. As long as we're not doing price fixing and we're taking profit out of the context of then not passing it on. I hope that we're passing on, or something in the Committee Report makes it very clear that this is not going to be where 'profit' becomes a bad word. And corporations that do make a profit will hire people, and are not going to be maligned by this. My point being that if we're 'word-smithing' with an amendment, that we do it carefully, and that we not do it in such a way to denigrate the word, 'profit'. Thank you, Mr. Speaker."

The Chair then addressed Representative Ward, stating:

"Please state your position, Representative Ward."

Representative Ward, stated:

"In support, with reservations."

Representative Souki rose to respond, stating:

"Yes, Mr. Speaker, I believe to the contrary. The removal of the word, 'profit' is to provide for the dealers to continue to earn as much profit as they can. The word, 'profit' in the bill right now would provide for a mini gas cap. It would mean if you go beyond the profit in the future, then you will be suspect and subject to the fine. That's one of the reasons. And this is to help the business person, my friend, and not to hamper their ability to make a profit."

Representative Ward, rose to respond, stating:

"Mr. Speaker, a rose by any other name. Thank you."

Representative Meyer rose to speak in support of the proposed floor amendment, stating:

"Thank you, Mr. Speaker. I'm rising in strong support of the amendment. I did receive numerous e-mails. The original language was fairly problematic and it set up service station owners to be very defensive. To me it looked like they could be found guilty of not passing on the savings just by a slight difference in the price. So I think that this will take care of that problem. Thank you, Mr. Speaker."

The motion that Floor Amendment No. 19, amending H.B. No. 1757, H.D. 1, S.D. 3, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," be adopted, was put to vote by the Chair and carried.

At 11:53 o'clock a.m., the Chair noted that Floor Amendment No. 19 was adopted, and that H.B. No. 1757, H.D. 1, S.D. 3, C.D. 2, would be placed on the calendar for action on Thursday, May 3, 2007.

Conf. Com. Rep. No. 176 and S.B. No. 1931, S.D. 2, H.D. 3, C.D. 1

At this time, Representative Takumi offered Floor Amendment No. 16, amending S.B. No. 1931, S.D. 2, H.D. 3, C.D. 1, as follows:

SECTION 1. Senate Bill No. 1931, S.D. 2, H.D. 3, C.D. 1 is amended by amending sections 1 and 2 to read as follows:

"SECTION 1. (a) There is established an educational workforce working group within the department of labor and industrial relations for administrative purposes only. The chairperson of the workforce development council or the chairperson's designee shall convene the first meeting of the educational workforce working group no later than August 1, 2007, at which time the members shall select a chair, to examine and address the following issues:

- (1) How well the workforce needs of Hawaii are currently being met;
- (2) How prepared the State is to meet the workforce needs of the future;
- (3) What recommendations can be made to improve Hawaii's educational system to fulfill the workforce needs of the future;
- (4) What is the current relationship between the public schools and emerging industries;
- (5) What percentage of high school students participate in any form of vocational or professional training outside of the school setting;
- (6) What aspects of high school curriculum, standards, and assessment strategies have a direct relationship to the State's future workforce needs;
- (7) What are the challenges or impediments to creating a more direct relationship between schools and economy-driving industries of the State;
- (8) How might autonomous schools-within-schools, magnet schools, specialized schools, and charter schools be better used to create more direct links between high schools and economy-driving industries of the State; and
- (9) How might the size of public schools, the distribution of discretionary funding, the decentralized authority of school community councils or charter school local school boards, and other organizational reforms be better used to satisfy the workforce development needs of the information and technology age.

(b) The educational workforce working group shall submit a report on its findings and recommendations regarding the issues set forth in subsection (a), including any recommendations and proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2008.

(c) The membership of the educational workforce working group shall be as follows:

- (1) Two representatives appointed by the president of the senate;
- (2) Two representatives appointed by the speaker of the house of representatives;
- (3) The director of business, economic development, and tourism or the director's designee;
- (4) The superintendent of education or the superintendent's designee;

(5) Two representatives from the University of Hawaii system; provided that at least one shall be the chancellor of a community college;

(6) Two high school principals appointed by the superintendent of education from the high school principals leadership group;

(7) The executive director of the Hawaii P-20 council or the executive director's designee;

(8) The chairperson of the workforce development council or the chairperson's designee;

(9) The president and chief executive officer of Enterprise Honolulu or the president and chief executive officer's designee;

(10) The president of the Hawaii Science and Technology Council or the president's designee;

(11) The president and chief executive officer of the Hawaii Community Foundation or the president and chief executive officer's designee; and

(12) The executive director of the Honolulu Community Action Program or the executive director's designee.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$25,000 or so much thereof as may be necessary for fiscal year 2007-2008 for the educational workforce working group.

The sum appropriated shall be expended by the department of labor and industrial relations for the purposes of this part."

Representative Takumi moved that Floor Amendment No. 16 be adopted, seconded by Representative B. Oshiro.

Representative Takumi rose to speak in support of the proposed floor amendment, stating:

"Thank you very much, Mr. Speaker. This is a technical, friendly amendment that was suggested by the Senate leadership. It merely changes the expending agency in this bill from the Department of Business, Economic Development, and Tourism, to the Department of Labor and Industrial Relations. Thank you."

Representative Ward rose to speak in opposition to the proposed floor amendment, stating:

"Mr. Speaker, I think this is a bit more than a technical, nonsubstantive amendment and I rise in opposition. Having sat through the testimony, hearing the Department of Labor saying that they don't want it, and DBEDT is the more logical, professional, competent and qualified area to do this, I am rather surprised that suddenly this would appear on the Floor as a technical, nonsubstantive amendment. Unless, of course, DLIR has contacted us or somebody or someone can state that they have agreed to do this, because the consensus was this is DBEDT's baby. It's the best thing that they could do because they have the wherewithal, not only professionally, but the machinery, and the mathematical techniques that are needed for this.

"So, I really question how this can be a technical, nonsubstantive, friendly amendment, and just because the Senate did it, doesn't mean that we should agree with it. So, I take this as very suspect and without the agreement or the consensus of the Departments in this State. Thank you."

Representative Pine rose to speak in opposition to the proposed floor amendment, stating:

"Yes, just in opposition, Mr. Speaker. I'll have to concur with the previous speaker. It is not a technical amendment, and the reason I'm opposing this is because it really didn't go through the correct process.

"Just for the information of the body, what happened in this process was that on March 22 at 8:30 a.m., there was a Joint Committee on Labor and Public Employment and the Economic Development and Business Concerns Committee. And on that day, the Director of DBEDT had said repeatedly, he has been asking this Legislature to please put this Council into DBEDT. He felt that with all the new things we're doing here at the Capitol with economic development and combining with the workforce, it was the best merge for this to happen. And so all the members of the Committee on Labor and Public Employment and the Committee on Economic Development and Business Concerns voted aye. There were no reservations or noes.

"This also passed out in the Finance Committee, as well. It also passed out in Final Reading, as well in this form. And so, now, in the eleventh hour, after it also passed out of Conference Committee despite all these people voting in favor in keeping this in the DEBDT Department, now we're changing in the eleventh hour as a technical amendment. I just have to disagree with that, and that's why I'm voting no."

Representative Marumoto rose to speak in opposition to the proposed floor amendment, stating:

"Mr. Speaker, based on the comments from the previous two speakers, I will be voting no on this amendment. Thank you."

Representative Ching rose to speak in opposition to the proposed floor amendment, stating:

"Thank you. Similar comments. I'll be voting no based on the arguments that were set forth by the Representative from Ewa Beach. Thank you."

Representative Finnegan rose to speak in opposition to the proposed floor amendment, stating:

"Thank you. Please note my no vote, Mr. Speaker. I do feel that the proper department to be guiding this along is the department that is looking into the future for this. Thank you."

Representative Meyer rose and asked that the Clerk record a no vote for her on the proposed floor amendment, and the Chair "so ordered."

At 11:58 o'clock a.m., Representative Sonson requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:04 o'clock p.m.

Representative Thielen rose to speak in opposition to the proposed floor amendment, stating:

"Mr. Speaker, I'd like to also cast a no vote for the reasons expressed by my colleagues. Thank you."

The motion that Floor Amendment No. 16, amending S.B. No. 1931, S.D. 2, H.D. 3, C.D. 1, entitled: "A BILL FOR AN ACT RELATING EDUCATION," be adopted, was put to vote by the Chair and carried, with Representatives Ching, Finnegan, Marumoto, Meyer, Pine, Thielen and Ward voting no.

At 12:04 o'clock p.m., the Chair noted that Floor Amendment No 16 was adopted, and S.B. No. 1931, S.D. 2, H.D. 3, C.D. 2, would be placed on the calendar for action on Thursday, May 3, 2007.

Conf. Com. Rep. No. 182 and H.B. 310, H.D. 2, S.D. 2, C.D. 1:

At this time, Representative Caldwell offered Floor Amendment No. 20, amending H.B. 310, H.D. 2, S.D. 2, C.D. 1, as follows:

SECTION 1. House Bill No. 310, H.D. 2, S.D. 2, C.D. 1 (RELATING TO TECHNOLOGY), is amended by adding a new section 3 to read:

"SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$50,000 or so much thereof as may be necessary for fiscal year 2007-2008 for the purpose of supporting the work of the Hawaii broadband task force established in section 2.

The sum appropriated shall be expended by the office of the auditor for the purposes of this Act."

Representative Caldwell moved that Floor Amendment No. 20 be adopted, seconded by Representative B. Oshiro.

Representative Caldwell rose to speak in support of the proposed floor amendment, stating:

"Thank you, Mr. Speaker. Mr. Speaker, I offer this amendment. It's a technical amendment providing for a \$50,000 appropriation out of the general fund. Simple as that. Thank you very much, Mr. Speaker."

The motion that Floor Amendment No. 20, amending H.B. 310, H.D. 2, S.D. 2, C.D. 1 entitled: "A BILL FOR AN ACT RELATING TO TECHNOLOGY," be adopted, was put to vote by the Chair and carried.

At 12:05 o'clock p.m., the Chair noted that Floor Amendment No 20 was adopted, and that H.B. 310, H.D. 2, S.D. 2, C.D. 2, would be placed on the calendar for action on Thursday, May 3, 2007.

Conf. Com. Rep. No. 186 and H.B. No. 1270, H.D. 2, S.D. 2, C.D. 1:

At this time, Representative Caldwell offered Floor Amendment No. 21, amending H.B. No. 1270, H.D. 2, S.D. 2, C.D. 1, as follows:

SECTION 1. House Bill No. 1270, H.D. 2, S.D. 2, C.D. 1 (RELATING TO STATE PLANNING), is amended as follows:

1. By adding a new section 5 to read:

"SECTION 5. There is appropriated out of the statewide geospatial information and data integration special fund created in section 2 of this part the sum of \$500,000 or so much or so much thereof as may be necessary for fiscal year 2007-2008 and the same sum or so much thereof as may be necessary for fiscal year 2008-2009 for the purposes of the statewide geospatial information and data integration special fund.

The sums appropriated shall be expended by the office of planning of the department of business, economic development, and tourism for the purposes of the statewide geospatial information and data integration special fund."

2. By renumbering section 5 as section 6, section 6 as section 7, section 7 as section 8, and section 8 as section 9.

Representative Caldwell moved that Floor Amendment No. 21 be adopted, seconded by Representative B. Oshiro.

Representative Caldwell rose to speak in support of the proposed floor amendment, stating:

"This is another technical amendment. It increases the expenditure ceiling to \$500,000. That's it. Technical. Thank you."

Representative Thielen rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, I want to disclose a potential conflict. My daughter is the Director of the Office of Planning," and the Chair ruled, "no conflict."

The motion that Floor Amendment No. 21, amending H.B. No. 1270, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STATE PLANNING" was put to vote by the Chair and carried.

At 12:06 o'clock p.m., the Chair noted that Floor Amendment No 21 was adopted, and that H.B. No. 1270, H.D. 2, S.D. 2, C.D. 2, would be placed on the calendar for action on Thursday, May 3, 2007.

Conf. Com. Rep. No. 197 and: S.B. No. 1792, S.D. 3, H.D. 3, C.D. 1:

At this time, Representative Tokioka offered Floor Amendment No. 22, amending S.B. No. 1792, S.D. 3, H.D. 3, C.D. 1, as follows:

SECTION 1. Senate Bill No. 1792, S.D. 3, H.D. 3, C.D. 1, is amended by amending section 2 as follows:

1. Page 5, lines 9 and 17: By deleting the word "regions" and inserting "regional systems".

2. Page 5, line 17: By deleting the word "region" and inserting "regional system".

3. Page 6, line 1: By adding "by the corporation" following the word "added" and adding the word "system" following the word "regional".

4. Page 6, line 5: By deleting the word "region" and inserting "regional system".

5. Page 7: By deleting lines 6 through 11 and inserting: "Four members shall be appointed by the governor within thirty days from a list of eight individuals nominated by the regional public health facility management advisory committee within fifteen days of the effective date of this Act. These individuals may be medical and health care ..."

6. Page 7, line 22; page 8, lines 3, 11 and 15; and page 9, line 9: By deleting "region" and inserting "regional system".

7. Page 10, line 20: By deleting the word "The" and inserting "Each".

8. Page 11, line 2: By deleting the word "region" and inserting "regional system".

9. Page 11, lines 14 and 15: By deleting the word "The" and inserting "Each"; deleting the phrase "the regional chief executive officer's" and inserting "their"; and changing "designee" to "designees".

10. Page 11, line 19: By deleting the word "region" and inserting "regional system".

SECTION 2. Senate Bill No. 1792, S.D. 3, H.D. 3, C.D. 1 is amended by amending section 10 at page 26, line 22; and page 27, lines 1 and 2, as follows: By deleting the word "region" and inserting "regional system".

SECTION 3. Senate Bill No. 1792, S.D. 3, H.D. 3, C.D. 1 is amended by amending section 17 at page 42, line 18, as follows: By deleting the word "region" and inserting "regional system".

SECTION 4. Senate Bill No. 1792, S.D. 3, H.D. 3, C.D. 1 is amended by amending section 18 at page 43, line 15, as follows: By deleting the word "regions" and inserting "regional systems".

SECTION 5. Senate Bill No. 1792, S.D.3, H.D. 3, C.D. 1 is amended by amending section 19 as follows: "By amending section 323F-3(a) and (b), Hawaii Revised Statutes, to read as follows:

"(a) The corporation shall be governed by a ~~[thirteen-member]~~ ~~fifteen-member~~ board of directors ~~[which]~~ that shall carry out the duties and responsibilities of the corporation.

(b) ~~[Ten]~~ Twelve members of the corporation board shall be appointed ~~[by the governor]~~ as follows:

- (1) ~~[One member from region I who resides]~~ Two members from regional system I who reside in the city and county of Honolulu[;] shall be appointed by the governor from a list consisting of four individuals, two individuals submitted by the speaker of the house of representatives and two individuals submitted by the president of the senate within fifteen days of the effective date of this Act; provided that this list shall not include physicians;
- (2) ~~[One member from region II who resides]~~ Two members from regional system II who reside in the county of Kauai[;] shall be appointed by the governor from a list consisting of four individuals, two individuals submitted by the speaker of the house of representatives and two individuals submitted by the president of the senate within fifteen days of the effective date of this Act; provided that this list shall not include physicians;
- (3) ~~[One member from region III who resides]~~ Two members from regional system III who reside in the county of Maui[;] shall be appointed by the governor from a list consisting of four individuals, two individuals submitted by the speaker of the house of representatives and two individuals submitted by the president of the senate within fifteen days of the effective date of this Act; provided that this list shall not include physicians;
- (4) ~~[One member from region IV who resides]~~ Two members from regional system IV who reside in the eastern section of the county of Hawaii[;] shall be appointed by the governor from a list consisting of four individuals, two individuals submitted by the speaker of the house of representatives and two individuals submitted by the president of the senate within fifteen days of the effective date of this Act; provided that this list shall not include physicians;
- (5) ~~[One member from region V who resides]~~ Two members from regional system V who reside in the western section of the county of Hawaii[;] shall be appointed by the governor from a list consisting of four individuals, two individuals submitted by the speaker of the house of representatives and two individuals submitted by the president of the senate within fifteen days of the effective date of this Act; provided that this list shall not include physicians;
- (6) ~~[One member from region II who resides in the county of Kauai or from region III who resides in the district of Hana or on the island of Lanai; provided that in no event shall the member be appointed from the same region for two consecutive terms; and]~~ Two additional members who reside in the State shall be appointed by the governor.

~~[(7) Four at-large members who reside in the State.]~~

~~The eleventh member shall be the chairperson of the executive public health facility management advisory committee, who shall serve as an ex officio, voting member.~~

~~The twelfth member,] The thirteenth and fourteenth members, who shall serve as [a] voting [member,] members, shall be [a physician] physicians with active medical staff privileges at one of the corporation's public health facilities. The physician [member] members shall each serve a term of two years. The initial physician [member] members shall be from [region] regional system II, and subsequent physician members shall come from [regions] regional systems IV, III, and V respectively. The physician member [position] positions shall continue to rotate in this order. The physician [member] members shall be appointed to the corporation board by a simple majority vote of the members of the executive public health facility management advisory committee] two-thirds majority vote of the corporation board from a list of qualified nominees submitted by the public health facility management advisory [committee for the region from which the physician member is to be chosen.] committees or by any regional system board. If for any reason a physician member is unable to serve a full term, the remainder of that term shall be filled by a physician from the same [region.] regional system.~~

~~The [thirteenth] fifteenth member shall be the director of health or the director's designee, who shall serve as an ex officio, voting member.~~

Appointments to the corporation board, with the exception of the chairperson of the executive public health facility management advisory committee and the regional physician member, shall be made by the governor, subject to confirmation by the senate pursuant to section 26-34. ~~[Prior to the transfer date, the public health facility management advisory committees appointed pursuant to section 323-66 for each county may recommend names to the governor for each position on the corporation board designated for a region which corresponds to its county. After the transfer date, the public health facility management advisory committees appointed pursuant to section 323F-10 for each region may make such recommendations to the governor. The appointed board members shall serve for a term of four years; provided that upon the initial appointment of the first ten members:~~

- ~~(1) Two at-large members shall be appointed for a term of two years;~~
- ~~(2) Three at-large members shall be appointed for a term of three years; and~~
- ~~(3) Five regional members shall be appointed for a term of four years.]~~

~~The appointed board members shall serve for a term of four years; provided that the first member appointed from each regional system shall be appointed for a term of two years.~~

Any vacancy shall be filled in the same manner provided for the original appointments. The corporation board shall elect its own chair from among its members. Appointments to the corporation board shall be as representative as possible of the system's stakeholders as outlined in this subsection.

SECTION 6. Senate Bill No. 1792, S.D. 3, H.D. 3, C.D. 1 is amended by amending section 20 at page 49, lines 14 and 17 by deleting the words "region's" and "region" and inserting "regional system's" and "regional system", respectively.

SECTION 7. Senate Bill No. 1792, S.D. 3, H.D. 3, C.D. 1 is amended by amending section 23 as follows:

1. Page 53, line 3: By deleting the word "region" and inserting "regional system"

2. Page 53, lines 4 and 5: By inserting the word "system" after "regional".

3. Page 53, line 18: By deleting "regions" and inserting "regional systems".

4. Page 54, line 19: By deleting the phrase ", either directly or through" and adding "and" before the word "any".

5. Page 55, lines 7 and 12; page 56, line 9; page 57, line 20; page 58, line 8; and page 60, line 11: By deleting the word "region" and inserting "regional system".

6. Page 56, line 5: By adding the word "and" after "interest;".

7. Page 59, lines 11, 12, and 15: By deleting the word "regions" and inserting "regional systems"; and at line 10, by deleting the word "region's" and inserting "regional system's".

8. Page 58, line 18; page 59, lines 1 and 17; page 60, line 1; page 63, line 9; and page 74, lines 4 and 6: By adding the word "system" after "regional".

9. By amending section 323F-7 (a)(11), Hawaii Revised Statutes, to read as follows:

~~"(11) Suing and being sued; provided that only the corporation may sue or be sued; and provided further that the corporation and regional system boards shall enjoy the same sovereign immunity available to the State;"~~

10. Page 62, line 3; page 63, line 11; page 64, line 17; page 65, lines 6 and 22; page 66, lines 9, 11, and 12; page 67, line 14; page 68, line 4; page 70, line 9; page 71, line 12; page 72, line 7; and page 73, lines 13, 15, and 19; and page 74, line 3; page 76, line 19; page 80, lines 12 and 13; page 81, lines 15 and 16: By deleting the word "region" or "regions" and inserting "regional system" or "regional systems", as the case may be.

11. Page 74, line 9: By deleting the word "and" and inserting "and 103D," following "41D,".

SECTION 8. Senate Bill No. 1792, S.D. 3, H.D. 3, C.D. 1 is amended by amending section 30 as follows:

Page 84, line 21; page 86, lines 4, 10, 18, 19, and 21; and page 87, lines 2 and 8: By deleting the word "region" or "regions" and inserting "regional system" or "regional systems", as the case may be.

SECTION 9. Senate Bill No. 1792, S.D. 3, H.D. 3, C.D. 1 is amended by amending section 31 at page 88, line 17, by deleting the word "region" and inserting "regional system".

SECTION 10. Senate Bill No. 1792, S.D. 3, H.D. 3, C.D. 1 is amended by amending section 35 as follows:

1. Page 91, lines 7, 13, 20; page 92, lines 4 and 7; and page 94, line 13: By deleting the word "region" or "regions" and inserting "regional system" or "regional systems", as the case may be.

2. Page 94, line 7: By inserting the phrase "is developed," prior to the word "the".

3. Page 94, line 10: By inserting the phrase ", as of April 1, 2007," prior to the word "and".

4. Page 94, line 14, by inserting the word "system" prior to the word "board".

SECTION 11. Senate Bill No. 1792, S.D. 3, H.D. 3, C.D. 1 is amended by amending section 36 at page 95, line 2, by inserting "and before July 1, 2007," before the word "shall".

SECTION 12. Senate Bill No. 1792, S.D. 3, H.D. 3, C.D. 1 is amended by amending section 41 as follows:

"SECTION 41. This Act shall take effect on July 1, 2007; provided that[:

- (1) ~~Section 19 shall take effect on January 1, 2009;~~
- (2) ~~Section 16 and section 323F-7(e)(30)(B), Hawaii Revised Statutes, shall be repealed on January 1, 2009, and the statutes amended in those sections shall be reinstated in the form they were in before the adoption of this Act; and~~
- (3) ~~The] the amendments made to section 323F-7(c)(15), Hawaii Revised Statutes, in section 23 of this Act shall not take effect if H.B. No. 1764 in any form passed by the legislature, regular session of 2007, becomes an Act.~~

Representative Tokioka moved that Floor Amendment No. 22 be adopted, seconded by Representative B. Oshiro.

Representative Tokioka rose to speak in support of the proposed floor amendment, stating:

"Yes, Mr. Speaker, thank you. I think with all of the deliberation that we've had on this one particular item, I think everybody who has gone through it realizes that this piece of the bill is a vital part of it. I think all of the Members who were involved in it from one side or the other feel that this is an important item. I'll just go over the proposed revisions as briefly as I can, Mr. Speaker.

"What it does, what it requests to do, is to change the Board makeup. And what this will do for the regional system in the City and County of Honolulu, it will change it from one member to two members. In the regional system on Kauai, it will change it from one member to two members. In the regional system of Maui, it will change it from one member to two members. In the regional system from East Hawaii, it will change it from one member to two members. In the regional system of West Hawaii, it will change it from one member to two members.

"Four at-large members will be deleted, and the 13th and 14th members will be physicians. And the final member, Mr. Speaker, will be a member designated by the Director of Health as an ex-officio voting member.

"This also, Mr. Speaker, gives the Board a lot more autonomy and it also gives them a waiver of the procurement process. So, that's the amendment, Mr. Speaker. Thank you very much."

Representative Herkes rose, stating:

"I believe the amendment also changes the effective date."

Representative Marumoto rose to speak in opposition to the proposed floor amendment, stating:

"Thank you, Mr. Speaker. It sounds like this would make the Board a more equitable representation calling for two from each regional district, and I'm glad to see that.

"But, on the other hand, I must rise in opposition because these 10 or 11 amendments were laid down on our desks. We convened about 20 minutes ago and we have not had time to adequately digest these amendments. True, some were technical, but on the other hand, this one, No. 22, is a 97-page bill, and just the enumerated descriptions runs to at least four pages, five, maybe six. It's a little too much to digest too quickly, and for fear of voting for something that I do not know what it's about, I must vote no. Thank you very much."

At 12:11 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:12 o'clock p.m.

The Chair then stated:

"Members, we are going to take a recess and have lunch until 1:00, for Minority Members and also Majority Members. So, recess subject to the call of the Chair."

At 12:12 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:15 o'clock p.m.

Representative Meyer rose to speak in opposition to the proposed floor amendment, stating:

"I'm rising in opposition to this amendment. The way these amendments have been made, it would be changing the way the Board members are selected. It takes the Governor entirely out, then it asks the Speaker of the House and the President of the Senate to come up with names within fifteen days of the effective date of this Act.

"It appears that the intention is to get rid of the Board members that are there now as soon as possible and put in people that are of the liking of the Legislative leaders. I don't see that that's an improvement to the underlying bill. Of course, I have a problem with the underlying bill as well, but I will be voting no on this amendment."

Representative Ward rose to speak in opposition to the proposed floor amendment, stating:

"Mr. Speaker, I rise in opposition. Mr. Speaker, this is a good bill, but with a bad way of getting around. What is good about it in that it has pushed people on both sides of the issue time, and time again. In the eleventh hour, when we did the Conference Committee on Friday night, came in controversial. Now here we've got another amendment on top of that amendment which is eleventh hour. I'm not sure whether we know where we're going, or we're not sure what we're supposed to be doing, or who's driving this train, but it seems to be getting worse rather than better.

"And my suggestion is that the latest is, the Governor's not very happy with even this change and I think we're, the three branches of government, have to be somewhat in a consensus with what we're going to do with it because it's all of our hospital system.

"So with that, I would hope the good Representative who's led this charge and defended the faith of the HHSC will say a few things. And I don't mean to put him on the spot, but probably the most authoritative speaker on this is Dr. Josh Green. And I yield to him if he would be so kind to say something."

Representative Green rose to speak in support of the proposed floor amendment with reservations, stating:

"I guess I've been called out a little bit. Thank you, though. I stand up in support with reservations of the amendment. I think there are some good things that are happening with this amendment. I do appreciate the work to get equal representation from every region. I think that's very important as we proceed toward Regional Boards. I do reserve final judgment on the bill until Thursday.

"I'm just not positive if the pace is right, getting to this end that we do want, which is local control for all of the regions. That's what, I think, matters to me most. So I do want to see the good work that everyone's put into this to yield that fruit, which is a safe and

productive health care system that doesn't have any major problems in its transition. So I will be thinking a lot about this bill in the next 48 hours, and so I'll be voting with reservations on the amendment recognizing the good work, but also still looking at the whole to see if it's going to improve matters. Thank you."

Representative Finnegan rose to speak in opposition to the proposed floor amendment, stating:

"Thank you, Mr. Speaker. I fluctuate between going with reservations and no, but I'll go ahead and say no. The reason why I'm saying no is, there's a slight possibility that I may not be here on Thursday to actually see the outcome of the amendment and get some feedback. But this particular issue has gone from being a good bill, to a not so good bill, and it really is putting HHSC as our State system for hospitals, which is a huge decision that all of us have to make. And going back and forth between whether or not it's good for the system.

"Mr. Speaker, the direction that it's heading is probably better, but I have to admit that the process was one of much confusion, with the allowances that both the Senate President and the Speaker had made because of course, this is a difficult bill. So it went to the last hour. But through that there were different, aside from the actual amendments that you see here, or the amendments that ended up on the website, that there were other amendments floating around which we tried to keep in sync with.

"So at this point in time, it's such a confusing issue on whether or not the words are representative of keeping the Hawaii Health Systems Corporation in a good situation to not hurt other hospitals or our Statewide system. I am very much for local control, but I do think that as we move forward that it deserves more open debate. Because of the many changes it makes it difficult to decide on this particular bill. Thank you."

Representative Takai rose to speak in opposition to the proposed floor amendment, stating:

"Thank you, Mr. Speaker. I rise in opposition to this floor amendment. Thank you. I wanted to first of all thank the Representative who introduced this particular floor amendment for at least addressing some of the concerns raised after the Conference Committee deliberations and the report out as CD 1. However, I cannot support anything right now in terms of a floor amendment if I don't support the underlying bill.

"And I know the discussion for the underlying bill will come up on Thursday, but it doesn't make sense to me at this point if I am going down on the underlying bill, that I support this floor amendment. So to be consistent, and I'm not reserving my final vote to Thursday. I'm already going to vote down on the final bill. So to be consistent, I will have to not support this floor amendment. Thank you, Mr. Speaker. My vote is no."

Representative Herkes rose to speak in support of the proposed floor amendment, stating:

"Thank you, Mr. Speaker. Mr. Speaker, in strong support. In response to one of the earlier speakers, we know exactly where we're going with HHSC. We're trying to get local control over the hospitals and I represent two of them in the System. The Big Island has five of them.

"There have been numerous problems over the years with the management of HHSC. It's got a bloated bureaucracy here in Honolulu. By statute, I think that they're supposed to be limited to thirteen people here, and they've got over a hundred. For example, Kona Hospital was charged for an attorney and they didn't even know it. HHSC has five attorneys and one of the problems that the hospitals have is, they don't get any financial reports. They have absolutely no idea what their operating costs are.

"Over the years we've had numerous people within the system asking to be anonymous, complaining about the CIP that's going to hospitals that the hospitals don't want or need it. I know of a CFO at one of our hospitals that was discharged. She was discharged because she wouldn't falsify documents. She wouldn't falsify an overstatement of revenues. In order to shut her up, they gave her severance on the condition that she sign a letter of confidentiality. That's happened two or three times. The HHSC Board allows the Chief Executive Officer to spend up to a half a million dollars without prior approval.

"Look at the abuses that the Legislative Auditor has pointed out on the procurement side. The month before they were brought in, kicking and screaming, to the procurement system, they extended the contract with Clinical Labs for five years. That's millions and millions of dollars without any consideration of going to bid at all.

"Mr. Speaker, I could talk about an hour on the irregularities in the current management of HHSC which includes their Board, because they don't seem to want to take control of it. A few years ago, there was some question about the amount of money that goes to the HHSC. And as a Big Island group when we went around the island, we were followed by HHSC people, demanding the release of the money, although there were very serious concerns about that funding. I was going to speak to the Kona-Kohala Chamber, and a member of the HHSC Board, in front of two other people, told me that if I did not support HHSC's funding, that he would start a grassroots campaign against Representative Takamine and myself.

"Talk to the Legislative Auditor sometime. She's still trying to do the audit for HHSC for this year, which is due Friday and they won't give her the figures. She'll probably get the figures Thursday which is not appropriate. Talk to her. Go back and read some of her audits about HHSC and the irregularities that have been going on for years. It's high time that we put some control into the local level into the hospitals themselves, and it's about time that we have a new Board controlling HHSC. Thank you."

Representative McKelvey rose to speak in support of the proposed floor amendment, stating:

"In strong support, Mr. Speaker. May I have the comments of the previous speaker entered into the Journal as if they were my own? And I'd just like to say from our perspective, we only have one hospital in Maui and that's it. You know, as one of those people who are trying to facilitate a hospital or a facility in West Maui where there's only one road to the third largest generator of TAT revenue in the State, it is crucial we have some sort of local autonomy.

"I hear all this, 'Well we're in strong support of local control, but ... We don't ... You know ...' It's lip service. Do you not trust us? Do you not trust us to run our own hospital? Do you not trust us to be able to handle our decisions locally to do what's in the best interest of our people? We'll never get a second hospital. We'll never get a West Maui facility unless there's some sort of local autonomy that allows our people to do that.

"And from my perspective, this isn't a condemnation of the State system. It's an improvement. That's all it is. It's an improvement. Representation is fair and equal. I want to thank the introducer of the floor amendment for really 'beefing up' this regional Board system so there is equal representation. And all we're asking for is your support, especially from those in Honolulu who have many facilities to go to, to basically let us survive. To let us improve our healthcare system. So our people don't have to be turned away at the waiting room, Mr. Speaker. If the good Representative from Kihei was here, he could tell you the story of a lady who was turned away with her husband from the emergency room, and how her husband died.

"This is a crisis now in Maui and all we're asking for is the ability to be able to basically take control of our decisions and to improve our local system until we can meet these healthcare needs in these areas. So anyway, I hope we can support this because it's not about a

battle. It's not about vindication. It's simply about local control, decision-making and the Neighbor Islands. And we desperately need this. Thank you."

Representative B. Oshiro rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, I ask for a ruling on a potential conflict of interest. At my law firm, I represent HHSC on procurement matters," and the Chair ruled, "no conflict."

Representative Thielen rose to speak in support of the proposed floor amendment with reservations, stating:

"Thank you. Mr. Speaker, I'm rising with reservations and plan to do a lot more studying of this issue before Thursday. I just wanted to comment. Doesn't the same thing, the local control, apply to our schools? Thank you."

Representative Sagum rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, I'd like to disclose a potential conflict. I am on the HHSC Management Advisory Committee for Kauai. Thank you," and the Chair ruled, "no conflict."

Representative Green rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, just a ruling on a potential conflict. I'm an ER doctor on the Big Island," and the Chair ruled, "no conflict."

Representative Morita rose to speak in support of the proposed floor amendment with reservations, stating:

"Thank you, Mr. Speaker. I rise with some reservations on this measure. While I recognize and support adding another Board member for the Kauai region, giving the smaller regions an equal footing in the Corporate Board, I appreciate that. But I do have some concerns which relate to the underlying bill about the Board's structure and I think the 'proof is in the pudding'. That we need to ensure that we have good Board members that understand the role of the Corporate umbrella, and that the whole situation doesn't devolve into the regions competing and fighting against each other for limited funding. So I do have grave concerns about that, but again it all depends on who are the members selected on this Board."

Representative Finnegan rose to respond, stating:

"Thank you, Mr. Speaker. Second time in opposition. I just had to add a little bit more to my argument. Thank you, Mr. Speaker. HHSC, you know, there's always two sides of every story and sometimes when you're at the Capitol, there's all kinds of allegations which are sometimes it's hard to confirm. I think we have the responsibility of taking it slowly and making sure that we understand that different allegations can be proven.

"HHSC has had a financial audit and has already had one for this year by an outside firm, Deloitte and Touche. This is the ninth consecutive clean audit. And when we talk about these kinds of things, and with no material weaknesses, so what I want to say about that is just basically, we have this other outside audit that has been done. I'm not saying that you go and you just believe everything that they say, but you cannot discredit that. And you have to take all of this information and say if you're going to make such a huge decision, that you take into account all of these different types of information and you move forward with that. I think from testimony that we received from other islands, even though they are against, even though they are in support of adding equal representation to the Corporate Board or the Regional Board, I forget which one, but they also said that they believe that this is premature; premature for the system as a whole.

"So in regards to that, I still stand in opposition Mr. Speaker, and I'll be looking forward, should I be here on Thursday, to complete the discussion.

Representative Pine rose and asked that the Clerk record an eye vote with reservations for her on the proposed floor amendment, and the Chair "so ordered."

Representative Tsuji rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, I would like to have a ruling on a potential conflict of interest. I am a former Board member of the Board of HHSC," and the Chair ruled, "no conflict."

Representative Belatti rose to speak in opposition to the proposed floor amendment, stating:

"I rise in opposition and I'd like to adopt the comments of the Representative of Pearl City and make a few comments as well. I'm very concerned that the way that these amendments have been brought to us, the way that the CD 1 was brought to us at the 11th hour does not provide the transparency that we need for this process. This question of the State hospital system is far, far too great with its fiscal implications and the implications it has for individual patients on all islands. And I'm always reminded by the fact that yes, I'm a Representative of my district, but I am also a statewide Representative.

"So as I stated, I would like to adopt the words of the Representative from Pearl City, and I have serious concerns about the underlying bill. And I'm in opposition to this floor amendment."

Representative Ching rose to speak in opposition to the proposed floor amendment, stating:

"Thank you, Mr. Speaker. I'm just very concerned because I don't think I have all of the information that I need to make a correct vote on this. I need to talk to more people and I'd like to find out more about what has been said in allegations and such. So at this point because it is an important decision, I do have to register my no vote."

Representative Tokioka rose to respond, stating:

"Thank you, Mr. Speaker. Because of the discussion on the concern with the last minute amendment. The amendment was drafted and presented because of the concerns from many, many people who came to the meetings with the Health and Human Services Committees, and in Finance, that they wanted more representation. When they saw the first draft, they didn't feel comfortable with that. So as far as transparency, the amendment came from those discussions.

"There was a comment that was made about the Board members and the community hospitals being able to talk to the Legislature, and to lobby for their hospitals. From my understanding, they have a gag rule and they're not allowed to talk to us. And I think that's a concern. That's a big concern. You know, we have hospitals on Kauai and my question was, 'Have you come to us with your list?' Well, they can't do that. So this gives them more autonomy at their level, Mr. Speaker.

"Another concern I have is, I'm not sure, because this is my first year here, but I'm not sure if any particular hospital has lobbyists that come that we give money to, to lobby for and against the things that we do here at the Legislature. And that's part of this package and that's part of the concerns from many in this Legislature.

"So thank you Mr. Speaker for the second opportunity, and I ask for everyone's strong support."

Representative Takai rose to respond, stating:

"Thank you, Mr. Speaker. I rise again in opposition. And I just wanted to mention a few things on the debate in Second Crossover. I made mention about breaking up the State system and empowering regionals. And I know that there's tremendous concerns on the Neighbor Islands and the rural communities regarding the lack of adequate representation and the lack of decision-making authority that they feel they don't have right now under the current structure.

"But I also mention that my biggest concern is that we need to go back ten years ago to look at why we created the HHSC. And the reason was, we were bleeding. We were bleeding red. Big red. And I'm just concerned as we move forward what we're going to see ten years from now. And I don't want to have a situation where ten years from now, the Legislature, whoever's still here, regrets this decision because there are some efficiencies in a Statewide system that need to be preserved and protected. I submit to you that I think this proposal and the underlying measure is, once again, going down this slippery slope of empowering these regionals, but at the same time destroying the efficiencies of the State system.

"I know someone brought up the idea of local School Boards and whatnot, and in the discussion on Second Cross, I brought up the discussion that we've had on numerous occasions, regarding the University of Hawaii system. There's a reason for keeping systems like this intact, and I think we need to focus on that and realize that this is so important to us as lawmakers. What is the concern with moving a little bit more slowly on this, taking a look at it and not relying on eleventh hour decisions or floor amendments today to fix a bill that many people had major concerns on? Why don't we take a step back and review this, and work on it through the interim and come back with a much better proposal. I'm just really concerned about what we're trying to do and what this will mean to the State of Hawaii in the next few years."

Representative Ward rose to respond, stating:

"Mr. Speaker, a few more comments in the opposition. In consideration of the slippery slope of autonomy, it's also has occurred that we are as elected Representatives. We are not lobbyists. But I can see the 'food fight' if these become regional corporations. I want for my island, my money for my hospital, and competing with the rest. I fear that that could be a very negative development for what otherwise is a systemwide, islandwide system by which we all are pushing for. Of course, if we just want to empower the Neighbor Islands, that's another issue.

"But I think this is putting too much on Neighbor Island Representatives and having each of their hospitals come in to do the Finance Committee testifying, going in to the Health Committee and testifying, that is going to be a considerable amount of confusion, one competing against the other, etc. And someday those are going to be represented by the Minority Party, and some of these we know by CIPs and other things are not very well funded. And do we want to have a hospital system so politicized? Polarized according to your party affiliation depends on how much money you get to fix your wing that's deteriorating, or that it is eaten by termites. I don't think we want that, Mr. Speaker. That's just another caution about empowering people and turning elected Representatives into lobbyists."

Representative Caldwell rose to call for the question, stating:

"Mr. Speaker, I call for a question. We've had a lot of debate on this. We're just talking about the amendment now. We're going to have the vote on the main bill on Thursday. So I call for the question."

Representative B. Oshiro seconded the motion, and the motion to call for the previous question was carried.

The motion that Floor Amendment No. 22, amending S.B. No. 1792, S.D. 3, H.D. 3, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH SYSTEMS

CORPORATION" was put to vote by the Chair and carried, with Representatives Belatti, Ching, Finnegan, Marumoto, Meyer, Takai and Ward voting no.

At 1:39 o'clock p.m., the Chair noted that Floor Amendment No. 22 was adopted, and that S.B. No. 1792, S.D. 3, H.D. 3, C.D. 2, would be placed on the calendar for action on Thursday, May 3, 2007.

LATE INTRODUCTION

The following introduction was made to the members of the House:

Representative Thielen introduced 'Flat Stanley' who was sent by her grandson, a fifth grade student in New Jersey.

At 1:41 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:42 o'clock p.m.

ORDINARY CALENDAR

CONFERENCE COMMITTEE REPORTS

Conf. Com. Rep. No. 22 and: S.B. No. 1803, SD1, HD1, CD1:

At this time, Representative Herkes offered Floor Amendment No. 14, amending S.B. No. 1803, SD1, HD1, CD1, as follows:

SECTION 1. Senate Bill No. 1803, SD1, HD1, CD1, is amended by amending section 1 to read as follows:

"SECTION 1. Section 431:2-201.5, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) All group health issuers shall offer all small group health plans to all small employers whose employees live, work, or reside in the group health issuer's service areas; provided that the commissioner may exempt a group health issuer if the commissioner determines that the group health issuer does not have the capacity to deliver services adequately to enrollees of additional groups given its obligation to existing employer groups[-]; and provided further that the commissioner shall exempt from this subsection group health plans offered to small employers that employ only one employee, if the group health issuer offers the small employer groups at least one small group health plan that meets the requirements of chapter 393, and upon the determination by the commissioner that the group health issuer has the capacity to adequately deliver services to enrollees of the additional groups, subject to its obligations to existing employer groups."

Representative Herkes moved that Floor Amendment No. 14 be adopted, seconded by Representative B. Oshiro.

Representative Herkes rose to speak in support of the proposed floor amendment, stating:

"Mr. Speaker, these changes are operative language changes. It's a friendly technical amendment made by the House and Senate leadership. Thank you."

Representative Finnegan rose to speak in opposition to the proposed floor amendment, stating:

"Thank you, Mr. Speaker. In opposition. It might seem odd to vote against a friendly technical amendment Mr. Speaker, but I don't

believe and I don't think ever do we actually consider changing, 'may' to 'shall' as a technical amendment throughout the Session. A lot of people actually throughout the Session get really, really upset about the difference between 'may' and 'shall'. Say if we did that with our prisoners reentering into the community and we told the Public Safety Department that they 'may' do some of these things. There's a big difference between 'may' and 'shall'. And that's why I'm standing up in opposition for this particular amendment.

"This amendment basically changes 'may' to 'shall', and previously when we had offered an amendment on this particular bill, in the past, we basically said there's an insurance company and they're doing some good for small companies or sole proprietors. They're offering some benefits and they call it, 'bundling', putting in different kinds of insurance into one bundle or package that the sole proprietor or small company can purchase. When you do that, there are times when you're actually going against our laws that we have in existence today.

"What this does is it says that the Commissioner shall exempt from this subsection. And it basically says he doesn't have to determine on whether or not you should or shouldn't be exempt from the law. It says that he has to exempt an insurance company, and that's where I would say I am against this floor amendment. I liked it better the way it was, to have the Commissioner take in the information and basically say yes, no, or I think there's legitimate reason, instead of just doing a blanket. And then again, if it does pass this way, it does end up being a solution for maybe just one company, which I've been pretty consistent in saying that we not do something for just one person, not for one company, and trying to stick to making laws that are more beneficial to the whole. So Mr. Speaker, I rise in opposition to this measure."

Representative Herkes rose to respond, stating:

"In support. The amendments have the Insurance Commissioner's support. This bill applies to all health insurers. We took out the requirement of 30% of the business, so it applies to everybody who's in this business. Thank you."

Representative Green rose in support of the proposed floor amendment and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Green's written remarks are as follows:

"Approximately 10% of Hawaii's population are medically uninsured. A significant portion of the uninsured are workers not covered by Hawaii's pre-paid Health Care Act, particularly self-employed workers. It is estimated that about 11,950 self-employed workers are uninsured.

"The Hawaii Uninsured Project also reports that approximately 13,300 part-time workers and 46,500 self-employed workers currently have health insurance. Many of these workers are subscribers of individual plans provided by Hawaii's insurers. Because individual plans and group health plans with one or few number of employees are not part of larger employee pools, health insurance premiums for individual plans are generally more expensive than large group health plans. Larger employee group health plans are able to more effectively spread the health risk amongst their employees to better manage the cost and administration of coverage. The cost of health insurance, particularly for self-employed workers, single employee corporations or partnerships, and small business group health plans with few number of employees are of significant concern to Hawaii's business and general community.

"One of the reasons for higher premiums of individual plans results from impediments to insurers more cost-effectively combining various health-related benefits under the same policy. Although at least one small insurer has combined benefits under a single policy for seventeen years, the Hawaii Insurance Commissioner has recently

chosen to interpret Hawaii law as prohibiting combining different types of health and sickness insurance benefits within the same policy. The Insurance Commissioner's position will necessarily increase costs that will be passed onto consumers through increased premiums.

"It is the goal and intent of SB 1803 to expand access to health insurance by allowing broader coverage for less cost. SB 1803 targets coverage to self-employed workers and businesses with one or few employees. It is the Legislature's intent to encourage the existing practice by smaller accident and sickness insurers to "bundle" different classes of insurance, such as health, dental, and vision together, thereby continuing the historical acceptance of this practice by small insurers who lack coercive power in the marketplace. In these circumstances, bundling provides broader healthcare coverage in single unified policies, ultimately resulting in lower overall premiums, fostering greater competition within the Hawaii insurance marketplace, and providing consumers with greater flexibility, coverage and pricing options."

Representative Meyer rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. The word I got was the Commissioner did not like 'shall', and on that basis I'm voting no."

Representative Ching rose and asked that the Clerk record a no vote for her on the proposed floor amendment, and the Chair "so ordered."

The motion that Floor Amendment No. 14, amending S.B. No. 1803, SD1, HD1, CD1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH INSURANCE" as put to vote by the Chair and carried, with Representatives Ching, Finnegan and Meyer voting no.

At 1:46 o'clock p.m., the Chair noted that Floor Amendment No. 14 was adopted, and that S.B. No. 1803, SD1, HD1, CD2, would be placed on the calendar for action on Thursday, May 3, 2007.

Conf. Com. Rep. No. 43 and S.B. No. 1066, SD 2, HD 2, CD 1:

At this time, Representative Finnegan offered Floor Amendment No. 17, amending S.B. No. 1066, SD 2, HD 2, CD 1, as follows:

SECTION 1. Senate Bill No. 1066, Senate Draft 2, House Draft 2, Conference Draft 1 is amended by amending Section 1 to read as follows:

"§150A-A Inspection, quarantine, and eradication service fee and charge. (a) There is imposed a fee for the inspection, quarantine, and eradication of invasive species contained in any marine commercial container shipment, foreign or domestic, that is brought into the State. The fee shall be computed on the basis of \$1 for each twenty-foot equivalent unit per container. The department shall collect the fee at the port of disembarkation and deposit the fee into the pest inspection, quarantine, and eradication fund under section 150A-B.

§150A-B Pest inspection, quarantine, and eradication fund. (a) There is established in the state treasury the pest inspection, quarantine, and eradication fund, into which shall be deposited:

- (1) Legislative appropriations for inspection, quarantine, and eradication services;
- (2) Service fees, charges, and penalties collected under section 150A-A;
- (3) Federal funds received for pest inspection, quarantine, and eradication programs;

(4) Grants and gifts;

(5) All interest earned or accrued on moneys deposited in the fund; and

(6) Any other moneys made available to the fund.

(b) The moneys in the pest inspection, quarantine, and eradication fund shall be expended by the department for the operation of pest inspection, quarantine, eradication, and monitoring programs, related facilities, and the execution of emergency remedial measures when pests are detected in the course of inspection and quarantine activities by the department."

Representative Finnegan moved that Floor Amendment No. 17 be adopted, seconded by Representative Meyer.

Representative Finnegan rose to speak in support of the proposed floor amendment, stating:

"Thank you, Mr. Speaker. Some may say that introducing this floor amendment is quite silly being that it won't be adopted in the Senate, and therefore you must vote for the underlying bill so that it can pass through and be sent up to the Governor. I would like to argue that we have a responsibility in the House to make sure that we pass out a bill that is a good bill, or at least that is a bill that has some action to it.

"This bill currently is defective. The reason why it's defective, I'm sure all of you have already been told, is that we impose a fee for inspection, and then we ask the Department to collect the fee, and then it said it needs to be deposited into the Pest Inspection Quarantine and Eradication Fund. Pest Inspection. And then it goes and says that there's going to be established a Pest Control. I'm not sure if I got that backwards. I'm sorry, I'm reading the amendment.

"But basically what it is, is we're putting in the money into a special fund and say it's called special fund A, and then we establish special fund B. So basically, if we're collecting the money, we're supposed to put it in special fund A, that doesn't exist, and then we establish special fund B. I say that at least we can say that we're offering an amendment that corrects that problem and if it kills the bill because it's not the same language as the Senate, we can say that we didn't pass out a defective bill.

"What we're doing now is we're saying yes, we agree. It's a defective bill, but we're going to let it pass so that the Governor can veto it for whatever, because we can't do anything with the bill anyway. So the reason why I offer this amendment is probably to make a statement that we should do our job and stop a defective bill from moving forward when we see it. So Mr. Speaker, I offer this amendment and I hope to get the support on our Floor."

Representative Caldwell rose to speak in opposition to the proposed floor amendment, stating:

"Mr. Speaker, brief comments in opposition. We hear the Minority Leader loud and clear. We are concerned, Mr. Speaker, that this would kill the bill, and our goal is to get a good bill up to the Governor, as good as possible and hope that she will not veto it and allow it to go into law. They can start to implement this program, which is a very noble program. I think everyone on this Floor would support it in terms of protecting our islands, our environment from invasive species by assessing a fee of one dollar, or two dollars, depending on the size of the container.

"I think the language is clear enough for the Executive to understand what we're trying to accomplish here, and that in the long run, it's better to get a bill up than to come back next year. Thank you very much, and I encourage everyone to vote this amendment down."

The motion that Floor Amendment No. 17, amending S.B. No. 1066, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INVASIVE SPECIES" as put to vote by the Chair and failed to carry, with Representative Green being excused.

Conf. Com. Rep. No. 67 and: H.B. No. 964, H.D. 1, S.D. 2, C.D. 1:

At this time, Representative Sonson offered Floor Amendment No. 13, amending H.B. No. 964, H.D. 1, S.D. 2, C.D. 1, as follows:

SECTION 1. House Bill No. 964, House Draft 1, Senate Draft 2, Conference Draft 1, is amended as follows:

1. By amending the definition of "substance abuse on-site screening test" in section 1 to read:

""Substance abuse on-site screening test" means a portable substance abuse test that meets the requirements of the United States Food and Drug Administration for commercial distribution [~~and is approved by the director for such pre-employment screening.] or is manufactured by a facility that is minimally certified as meeting the ISO 13485 standard established by the international organization for standardization and which may be used by an employer in the workplace."~~

2. By renumbering the second section 3 as 4, and section 4 as 5.

Representative Sonson moved that Floor Amendment No. 13 be adopted, seconded by Representative B. Oshiro.

Representative Sonson rose to speak in support of the proposed floor amendment, stating:

"Thank you very much, Mr. Speaker. This is another technical amendment. What happened is that the bill that was decked, the CD 1 that was decked, did not represent the agreement of the Conferees. Some language was omitted.

"If you take a look at the floor amendment, starting on the fourth line, it starts, 'substance abuse test that ...' in the definition of 'substance abuse,' it omitted this particular portion stating, '... meets the requirement of the United States Food and Drug Administration for commercial distribution'. So we're reinserting that language into this CD 2, which corrects the problem that occurred. Thank you very much, Mr. Speaker."

Representative Bertram rose to speak in opposition to the proposed floor amendment, stating:

"I rise in strong opposition. I understand the idea of the amendment and I appreciate what they're trying to do, but the underlying bill is onerous. It's also defective in the sense of still trying to weed out certain people because of certain drugs that they may or may not have taken. So the whole idea is that we need to get away from this whole thing, rather than find how we actually chase down the culprits. We're changing it from a 'rope around the neck' to maybe a 'nylon around the neck,' but it's still the same. Thank you."

The motion that Floor Amendment No. 13, amending H.B. No. 964, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SUBSTANCE ABUSE" was put to vote by the Chair and carried, with Representative Bertram voting no.

At 1:54 o'clock p.m., the Chair noted that Floor Amendment No. 13 was adopted, and that H.B. No. 964, H.D. 1, S.D. 2, C.D. 2, would be placed on the calendar for action on Thursday, May 3, 2007.

At 1:54 o'clock p.m., Representative Herkes requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:55 o'clock p.m.

Conf. Com. Rep. No. 96 and: H.B. No. 928, H.D. 1, S.D. 2, C.D. 1

At this time, Representative Shimabukuro offered Floor Amendment No. 15, amending H.B. No. 928, H.D. 1, S.D. 2, C.D. 1, as follows:

SECTION 1. House Bill No. 928, H.D. 1, S.D. 2, C.D. 1, is amended by amending section 4 to read as follows:

"SECTION 4. Section 346-53, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

(c) The director, pursuant to chapter 91, shall determine the rate of payment for domiciliary care, including care provided in licensed developmental disabilities domiciliary homes, community care foster family homes, and certified adult foster homes, to be provided to recipients who are eligible ~~[either]~~ for Federal Supplementary Security Income~~[-]~~ or public assistance ~~[in accordance with state standards]~~, or both. The director shall provide for level of care payment as follows:

- (1) For ~~[those]~~ adult residential care homes classified as facility type I, licensed developmental disabilities domiciliary homes as defined under section 321-15.9, community care foster family homes as defined under section 346-331, and certified adult foster homes as defined under section 321-11.2, the state supplemental payment shall not exceed ~~[\$621.90; and]~~ \$641.90;
- (2) For ~~[those]~~ adult residential care homes classified as facility type II, the state supplemental payment shall not exceed ~~[\$729.90; and]~~ \$749.90; and
- (3) For skilled nursing facilities and intermediate facilities, the state supplemental payment shall not exceed \$20.

If the operator does not provide the quality of care consistent with the needs of the individual to the satisfaction of the department, the department may remove the recipient to another facility.

The department shall handle abusive practices under this section in accordance with chapter 91.

Nothing in this subsection shall allow the director to remove a recipient from an adult residential care home or other similar institution if the recipient does not desire to be removed and the operator is agreeable to the recipient remaining, except where the recipient requires a higher level of care than provided or where the recipient no longer requires any domiciliary care."

Representative Shimabukuro moved that Floor Amendment No. 15 be adopted, seconded by Representative B. Oshiro.

Representative Shimabukuro rose to speak in support of the proposed floor amendment, stating:

"Thank you, Mr. Speaker. This is a friendly technical amendment made by the House and Senate leadership. According to DHS, this is necessary for the personal needs allowance because not every recipient qualifies to receive the full \$50 depending on their income sources. The State payment portion could be less than \$50. So it's a technical amendment that is needed."

The motion that Floor Amendment No. 15, amending H.B. No. 928, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SOCIAL SERVICES" was put to vote by the Chair and carried.

At 1:55 o'clock p.m., the Chair noted that Floor Amendment No. 15 was adopted, and that H.B. No. 928, H.D. 1, S.D. 2, C.D. 2, would be placed on the calendar for action on Thursday, May 3, 2007.

Conf. Com. Rep. No. 100 and: H.B. No. 1004, H.D.2, S.D.1, C.D.1

At this time, Representative Caldwell offered Floor Amendment No. 23, amending H.B. No. 1004, H.D.2, S.D.1, C.D.1, as follows:

SECTION 1. House Bill No. 1004, H.D.2, S.D.1, C.D.1 (RELATING TO CONSUMER ADVOCACY), is amended by amending section 6 to read as follows:

"SECTION 6. There is appropriated out of the public utilities commission special fund the sum of \$30,000 for fiscal year 2007-2008 and the sum of \$30,000 for fiscal year 2008-2009 to be deposited into the compliance resolution fund."

SECTION 2. House Bill No. 1004, H.D.2, S.D.1, C.D.1 (RELATING TO CONSUMER ADVOCACY), is amended by amending section 9 to read as follows:

"SECTION 9. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000 or so much thereof as may be necessary for fiscal year 2007-2008 for research and support services necessary to protect Hawaii consumers by developing additional deterrents for identity theft, and in particular those related to the compromise of electronic data and information, and social security numbers in public records.

The sum appropriated shall be expended by the office of the auditor for the purposes of this part."

Representative Caldwell moved that Floor Amendment No. 23 be adopted, seconded by Representative B. Oshiro.

Representative Caldwell rose to speak in support of the proposed floor amendment, stating:

"Mr. Speaker, very briefly this is another friendly technical amendment agreed to between House and Senate leadership. What it does is it appropriates \$100,000 in general fund money, and not Compliance Resolution Fund money. That's it."

The motion that Floor Amendment No. 23, amending H.B. No. 1004, H.D.2, S.D.1, C.D.1, entitled: "A BILL FOR AN ACT RELATING TO CONSUMER ADVOCACY" was put to vote by the Chair and carried, with Representative Say being excused.

At 1:57 o'clock p.m., the Chair noted that Floor Amendment No. 23 was adopted, and that H.B. No. 1004, H.D.2, S.D.1, C.D. 2, would be placed on the calendar for action on Thursday, May 3, 2007.

Conf. Com. Rep. No. 114 and S.B. No. 148, S.D. 2, H.D. 1, C.D. 1:

At this time, Representative Caldwell offered Floor Amendment No. 24, amending S.B. No. 148, S.D. 2, H.D. 1, C.D.1, as follows:

SECTION 1. Senate Bill No. 148, S.D.2, H.D.1, C.D.1 (RELATING TO INCOME TAX CREDIT), is amended by amending section 1 as follows:

"SECTION 1. The legislature finds that Article VII, section 6, of the Constitution of the State of Hawaii requires the legislature to provide a tax refund or tax credit when certain factors are met. The legislature finds that these factors have been met for the second year in a row and that the legislature is constitutionally required to provide a tax credit or tax refund to taxpayers.

The purpose of this Act is to provide for a one-time income tax credit to satisfy constitutionally mandated requirements."

SECTION 2. Senate Bill No. 148,S.D.2,H.D.1,C.D.1 (RELATING TO INCOME TAX CREDIT), is amended by consolidating sections 2, 3, and 4 into section 2 with amendments to read as follows:

"SECTION 2. (a) There shall be allowed for each resident individual taxpayer for the taxable year 2007, a refundable one-time general income tax credit that shall be deducted from income tax liability computed under chapter 235, Hawaii Revised Statutes; provided that no refunds or payments on account of the tax credits allowed by this section shall be made for amounts less than \$1.

(b) There shall be allowed to a husband and wife who file a joint return a one-time general income tax credit in accordance with the following table:

If the adjusted gross income is: The credit shall be:

Under \$5,000	\$160
\$5,000 and over but under \$10,000	150
\$10,000 and over but under \$15,000	140
\$15,000 and over but under \$20,000	130
\$20,000 and over but under \$30,000	120
\$30,000 and over but under \$40,000	110
\$40,000 and over but under \$50,000	100
\$50,000 and over but under \$60,000	90
\$60,000 and over	0.

(c) There shall be allowed to every taxpayer filing a head of household tax return a one-time general income tax credit in accordance with the following table:

If the adjusted gross income is: The credit shall be:

Under \$5,000	\$140
\$5,000 and over but under \$10,000	130
\$10,000 and over but under \$15,000	120
\$15,000 and over but under \$20,000	110
\$20,000 and over but under \$30,000	100
\$30,000 and over but under \$40,000	90
\$40,000 and over but under \$50,000	80
\$50,000 and over but under \$60,000	70
\$60,000 and over	0.

(d) There shall be allowed to every (1) unmarried individual (other than a surviving spouse, or the head of household) and (2) married individual filing a separate tax return a one-time general income tax credit in accordance with the following table:

If the adjusted gross income is: The credit shall be:

Under \$5,000	\$65
\$5,000 and over but under \$10,000	55
\$10,000 and over but under \$15,000	45
\$15,000 and over but under \$20,000	35
\$20,000 and over but under \$30,000	25
\$30,000 and over	0.

SECTION 3. Senate Bill No. 148,S.D.2,H.D.1,C.D.1 (RELATING TO INCOME TAX CREDIT), is amended by renumbering section 5 as section 3 and amending it as follows:

"SECTION 3. (a) Each taxpayer that claims the one-time general income tax credit shall have been a resident of the state, as defined in section 235-1, Hawaii Revised Statutes, for at least nine months regardless of whether the resident was physically in the state for nine months.

(b) The one-time general income tax credit shall not be available to:

- (1) Any person who has been convicted of a felony and who has been committed to prison and has been physically confined for the full taxable year;
- (2) Any person who would otherwise be eligible to be claimed as a dependent but who has been committed to a youth correctional facility and has resided at the facility for the full taxable year; or
- (3) Any misdemeanant who has been committed to jail and has been physically confined for the full taxable year.

(c) The tax credit claimed by a resident taxpayer pursuant to this Act shall be deductible from the taxpayer's individual income tax liability for the taxable year 2007. If the tax credit claimed by a resident taxpayer exceeds the amount of income tax payment due from the resident taxpayer, the excess of credits over payments due shall be refunded to the resident taxpayer; provided that a tax credit properly claimed by a resident individual who has no income tax liability shall be paid to the resident individual.

(d) All claims for tax credits under this Act, including any amended claims, shall be filed on or before the end of the twelfth month following the close of the taxable year for which the credits may be claimed. Failure to comply with this filing requirement shall constitute a waiver of the right to claim the credit.

(e) A husband and wife who do not file a joint tax return, shall only be entitled to claim the one-time general income tax credit to the extent that they would have been entitled to the one-time general income tax credit had they filed a joint tax return.

(f) The tax refund paid to a resident taxpayer pursuant to this Act shall not be included in the resident taxpayer's gross income.

(g) For the purpose this Act, "adjusted gross income" means adjusted gross income as defined by the Internal Revenue Code."

SECTION 4. Senate Bill No. 148,S.D.2,H.D.1,C.D.1 (RELATING TO INCOME TAX CREDIT), is amended by adding a new section 4 to read:

"SECTION 4. This Act implements the provisions of article VII, section 6, of the Constitution of the State of Hawaii, enacted by the 1978 constitutional convention, which reads as follows:

"DISPOSITION OF EXCESS REVENUES

Section 6. Whenever the state general fund balance at the close of each of two successive fiscal years exceeds five percent of general fund revenues for each of the two fiscal years, the legislature in the next regular session shall provide for a tax refund or tax credit to the taxpayers of the State, as provided by law."

SECTION 5. Senate Bill No. 148,S.D.2,H.D.1,C.D.1 (RELATING TO INCOME TAX CREDIT), is amended by renumbering section 6 as section 5.

Representative Caldwell moved that Floor Amendment No. 24 be adopted, seconded by Representative B. Oshiro.

Representative Chong rose to speak in support of the proposed floor amendment, stating:

"Thank you, Mr. Speaker. I stand in strong support. This is a technical amendment suggested by the Department of Taxation to clarify the language in the bill. A lot of it is some technical language by Tax, from Adjustable Gross Income, to Adjusted Gross Income. Also, it is clarifying and strengthening the residency requirement and other items."

The motion that Floor Amendment No. 24, amending S.B. No. 148, S.D. 2, H.D. 1, C.D. 1: "A BILL FOR AN ACT RELATING TO INCOME TAX CREDIT" was put to vote by the Chair and carried, with Representative Say being excused.

At 1:59 o'clock p.m., the Chair noted that Floor Amendment No. 24 was adopted, and that S.B. No. 148, S.D. 2, H.D. 1, C.D. 2, would be placed on the calendar for action on Thursday, May 3, 2007.

At 1:59 o'clock p.m., Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:07 o'clock p.m. with Speaker Say presiding.

SUSPENSION OF RULES

On motion by Representative B. Oshiro, seconded by Representative Finnegan and carried, the rules were suspended for the purpose of considering bills on Final Reading and Third Reading on the basis of a modified consent calendar. (Representatives Nakasone and Tokioka were excused.)

ORDINARY CALENDAR

UNFINISHED BUSINESS

Conf. Com. Rep. No. 93 and H.B. No. 500, HD 1, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 500, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Lee

Representative M. Oshiro rose to speak in support of the measure, stating:

"Mr. Speaker, thank you very much. I rise in support. I'd first like to thank the leadership and all the Committee Chairs for providing the framework for the budget. The many hours spent putting together proposals to help all our communities is appreciated and much welcomed.

"Mr. Speaker, I'd also like to thank the efforts of the members of the Finance Committee, both Majority and Minority members. Mr. Speaker, we started the journey in January right after the New Year. Members spent three weeks leading up to Opening Day in lengthy budget briefings, asking tough questions that helped to prioritize where taxpayers' dollars would be spent.

"Mr. Speaker, I thank the Finance committee staff for all their hard work and time dedicated to analyzing the details of the budget and all the other bills that affect the budget. If I might, Mr. Speaker, acknowledge their work and them, individually. They are: Nandana Kalupahana, Committee Clerk; Michael Ng, Budget Chief; Eric Nouchi, Budget Supervisor; Brian Hallett, CIP Specialist; Budget Analysts, Leslie Goo, Robin Kindred, Jacob Nakasone, Alana Taniguchi and Blake Yoshiura.

"We also have Randall Hiyoto as our Research Chief; Stacey Tagala as our Research Supervisor; and Researchers, Jordann Ares and Danny Vasconcellos.

"Last but not least, the Front Office staff led by Jo Hamasaki, Finance Committee Specialist; Tracy Kubota, Administrative Services Manager; Legislative Aides, Tiffany Bumanglag, Anna Donald and Sallie Hamada. And Mr. Speaker, our 'IL' legislative aides from the Richardson School of Law, Tracey Kubota and Dawn Nakagawa. Mr. Speaker, if we could we give them a round of applause please.

"Mr. Speaker, I'd like to acknowledge and thank the tremendous contribution of Vice Chair Lee. Not only did she make sure that the Committee was well fed and hydrated, but she also helped manage and run all the Committee hearings and provided valuable insight into the legislation we passed, both in bills and in budget.

"And finally Mr. Speaker, I'd like to thank Chair Baker and Vice Chair Tsutsui of the Senate Ways and Means Committee and their members and staff for their hard work in helping to craft this final version of the biennium budget for all of us.

"And now Mr. Speaker, I present to you the top ten reasons to vote for the budget.

"Number ten: it provides \$190 million more to the Department of Education for items such as student transportation, food services and utility costs.

"Number nine: it provides 90 million more dollars for the University of Hawaii including items such as the Nursing Program at UH Manoa and the College of Pharmacy at UH Hilo.

"Number eight: \$195 million more for health and human services programs including Medicaid, QUEST, adult mental health and early intervention services.

"Number seven: it provides \$68 million more for homeless services, and kitchen unit replacements in public housing. Vacant unit turnaround for public housing, and deposits into the Rental Housing Trust Fund.

"Number six: it provides \$10.6 million to help critical community hospitals in Hana, Waianae, Molokai, Wahiawa and Kahuku."

Representative Karamatsu rose to yield his time, and the Chair, "so ordered."

Representative M. Oshiro continued, stating:

"Thank you, Vice Speaker. And the number five reason to support the budget Mr. Speaker: it provides \$17.8 million more for expansion of EMS services and purchase of emergency equipment such as ambulances and defibrillators.

"Number four: this budget provides over \$7.6 million in our war against invasive species that includes the purchase of the Invicta Manifest System to target high risk shipments for inspection, money to eradicate the coqui frog, funding to fight the bee mite infestation and more DOCARE Officers to enforce our environmental laws.

"Number three: \$8.4 million more to our Charter Schools.

"The Number two reason to support this budget: \$50 million in cash for the repair and maintenance of our public schools.

"And Mr. Speaker, the number one reason why my colleagues should vote for this budget: this budget, Mr. Speaker, is \$17.4 million less than the budget submitted by the Governor to this Legislature. Thank you very much."

"Representative Shimabukuro rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I also rise in strong support. I rise to speak in support of House Bill 500, in particular, the portion that deals with human services and housing. Together these two major areas account for a healthy percentage of the total funds we're appropriating through this biennium budget bill.

"Another way of looking at what we are doing in these categories, although on a diminished scale, is look at the distribution of this year's surplus. Of this amount, \$75 million or 11% is in our housing and homeless package. Overall, when combined with funding for

health programs, human services account for \$195 million or 28% of the surplus dollars.

"I'm especially pleased today to report to my colleagues that much has been accomplished in our ongoing effort to meet the challenges of the housing crisis throughout our islands. The appropriation will enable both our State Housing Finance and Development Corporation, and Public Housing Authority to plan, develop and fund more affordable housing units in the private sector, make badly needed improvements in our public housing projects, and provide temporary shelter and support services for those of our people who unfortunately do not having housing of any kind.

"Specifically, this budget provides \$8.7 million for homeless services. For FY 2007 and 2008, \$15 million will be deposited into the Rental Housing Trust Fund, making low interest grants or loans available to developers of affordable rental housing units. Over the biennium, more than \$10 million will go to public housing for repairs and energy efficiency and to expedite the rental of vacant units.

"In addition Mr. Speaker, I may add that SB 1917 which we have also passed out of Conference, adds an additional \$6 million for homeless services and keeps the Rental Housing Trust Fund share of the conveyance tax at 50% for another year. And those revenues are estimated at \$14 million a year by the way, from the RHTF, the Conveyance Tax.

"I'm also happy to report that the bill before us strongly supports the efforts of the Department of Human Services to provide critical services to those least able to provide for themselves. There's approximately \$100 million for QUEST and Medicaid services. For Temporary Assistance for Needy Families, we've added \$4.5 million for the first budget year for Purchase of Service contracts that will strengthen families, teach life skills and improve the employability of low-income families.

"Of those in need, our children are the most vulnerable. Our budget includes a half million dollars more than the Administration's budget request to fund CPS or Child Protective Services. We have also made sure that youth in foster homes, Safe House programs and correctional facilities are given the help they need during their critical formative years.

"Mr. Speaker and colleagues, I believe there's a lot more to be done, now and in the future to meet the housing and daily living needs of our most needy citizens. This budget points us in the right direction and provides a solid foundation for the work that lies ahead. Thank you."

Representative Ward rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I rise also to commend the staff and thank them, but I am with reservations. The staff did a tremendous job and the Chair of Finance also. Someday the system will trust even the members to make some of the decisions that staff does, but that's another issue on a different day.

"My reservations, Mr. Speaker, have to do with when we give our word in the profession we're in, we should keep it. Our word is our bond and when we break it, people tend to think or may distrust us. And what I'm referring to is when we started this Session, we said we were going to fix everything in terms of affordable housing, homelessness, all of those things, public housing. And what seems to have taken place is that we have fallen short to the extent that I want to give a few examples.

"I'm assuming I'm reading off of the same budget because regarding the amount of money that the Governor asked for the Rental Housing Trust Fund was \$50 million. This budget gives \$15 million. That's a \$35 million cut. I'm not sure that's something we should be proud of. The Governor also asked for \$15 million in the Dwelling Unit Revolving Fund and got zero. That's another big hit.

What with a few other infrastructure requests that were refused, it totals out to be for that group, \$148 million which the Governor requested, with \$29 million being delivered.

"Now let me move on to public housing and homelessness. The Governor requested \$15 million to fix the elevators. Are elevators are an important issue? Well it's something that the Department of Justice and HUD has been directing us to do short of some legal action, and Governor had asked for \$15 million and got \$5 million. A \$10 million cut. Sometimes I guess we have to use the Marie Antoinette, 'If they can't have bread, let them eat cake.' If they can't do the elevator, let the poor walk. And I think if we don't repair those elevators, that's exactly what we're going to be doing with the poor. Making them walk up those three and four story areas.

"I think in terms of repair and renovation, we can see another example. \$40 million was requested to get the housing units that are sitting there vacant, and people are saying, 'You've got a housing crisis. These things are empty. You've got to fix them.' Which we said we're willing to. The Governor asked for \$40 million to fix it, and instead of the \$40 million, she got \$20. Fortunately for the homeless services, as the Chair previously spoke of, almost all of that was given as the Governor requested, short only of \$4 million, and that's very good news.

"The security budget of \$2.8 million and \$2.4 million was also totally given, which is good news. But taken as a whole, Mr. Speaker, the Governor asked this body to resolve that crisis. This body, in various press releases and congresses said that they will resolve it. But much like her tax rebates amounts of \$300 million, getting \$100 million, basically everything's been cut by two-thirds. That means we're going to have to revisit it. That means we have to be very clear about what we intend to do in 2008, because once we tell the public that we're going to do this and we don't do it, then our credibility, then our sense of drawing people to the voting booths, then drawing people to have confidence in this Legislature, is lessened.

"Having said that Mr. Speaker, it's a good budget in many other areas which I don't have time to speak about, but these are the few things that I have reservations with."

Representative Pine rose to speak in support of the measure with reservations, stating:

"Yes, Mr. Speaker. In support with just a couple reservations. And I do want to commend the Finance Chair and the staff. I know this isn't an easy task, working on the budget and especially with this many Representatives in the room wanting their own share. It's not easy to appease us all. But I just want to comment on a potential conflict. That I do work for a homeless shelter and there's a lot of homeless appropriations in this budget," and the Chair ruled, "no conflict."

Representative Pine continued, stating:

"Well, I do want to kind of expand on that. I really had actually the blessing of working in the homeless community and I've learned so much and have discovered that so many of the people that work in the homeless shelters and in the homeless community are clearly people that can be making a lot more money than they're making now. And I think my concern is what I've been hearing in the homeless provider population is their frustration with the Legislature, making them come back year after year to beg for the same monies that they need because the homeless population is growing. And in fact they need even more money.

"I think when we do not take this more seriously as a problem that we must fund for many years until the problem goes away, it's going to be very frustrating for the homeless community. What I mean by that is, here's an example of what I've observed happening in the whole homeless provider community. Basically, IHS will get funded for a year for particular services. And every single person that is

funded under that particular item knows that they don't have a job in a year. And sometimes the funds get shifted and then another homeless provider gets the contract and then that person moves over to that other place. And this is going on from homeless provider, to homeless provider. And let me just explain what it's like being a possible family getting help.

"For example, a particular family got off the streets in Waianae and the father had several heart attacks and this is what led them to their homelessness. And what had happened is they did get help from one shelter, but that person was funded for only another three months. Then that person that was helping these people to get better, to get the medical care, to get them emotionally prepared to do the things that they need to get out of homelessness, that provider or caseworker left because they really just couldn't take not knowing if they had a job in the future anymore. And so we've created this kind of culture in the homeless provider community that no one has a secure job, so why have these big plans to really help the homeless population for the future when we only know we have enough funding for a year.

"So I'm just kind of pleading with this body. Next year, let's take this subject so seriously and make a commitment for maybe six years so these providers can truly solve this problem and help the people that we are trying to help."

Representative Marumoto rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I'm rising in favor of the budget. And there's some very good things in it. And people who are receiving the money from it are very grateful. However, I rise to point out one deficiency.

"Apparently, the Department of Transportation requested \$21 million in each year of the biennium to supplement their maintenance program. They've had massive problems in Waimea, in the Makapuu area. They have to fix Ala Moana Boulevard, the Pali Highway had issues during the last big rain. And they feel that the base budget of the Highway Fund is insufficient to handle many of the problems that they will have to deal with. And I don't know how they're going to deal with all the problems that they have to face, so I had hoped that the money would be found in the budget. If we have a chance to add it in sometime in the future, I do hope that we will consider their pleas.

"We receive a lot of complaints about potholes and people really don't know the difference between City and State streets, but we've got to deal with both and how can we expect the Department of Transportation to fix potholes and keep up with the traffic demands if we don't fund them. Thank you very much."

Representative Green rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I just have very brief comments in support. Just proud from the health perspective to look at this budget and see a large investment in increased reimbursements across the board, especially in the Medicaid realm which was mentioned earlier by the Human Services Chair. That's going to provide reimbursements to all of our facilities.

"We've been talking about the healthcare crisis and from my standpoint, that was the single biggest thing we could do as legislators. Invest in the basic healthcare needs for the whole State without excluding anyone. So I think that was terrific addition to the budget.

"And I would also mention that the investment in the training program, both on Oahu and now the expansion over to Hilo to train primary care physicians is a really shrewd investment because those providers will stay in Hawaii, they'll provide basic healthcare at all of our facilities and it's really going to set us up well for the future.

"So I just would like to commend the Finance Committee and all the Representatives for making this investment."

Representative Takai rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I rise in support of this measure. Thank you. I also extend my kudos, congratulations, to the Chair of the Finance Committee and its members and everyone else who played a role in this budget.

"Mr. Speaker, I do though have a comment to make and it concerns something that we did a few days ago on Second Crossover. And it's tied into this budget and I'll make the connection right now and it has to do with the UH Medical School. In the budget, we still see, which is good, an additional \$3.6 million for the first year and a \$3.9 million add for the second fiscal year. That's all good. In fact, those two figures were in the budget as it left the House and it was a signal to all that this House supports and continues to support the UH Medical School.

"On Second Cross, we passed SB 1283, SD 2, HD 2 against my concerns. And during that discussion, I pointed out that this particular measure that we were contemplating a few days ago would increase the amount of money going to the School of Medicine for operating costs. In fact, I mentioned that the University did a refinancing of the bonds, and for the first payment in fiscal year '08, it's going to be about \$6.6 million.

"We understand, also, that the Tobacco Trust Fund is going to see a tremendous increase in funding starting from next fiscal year. So, my concern then, and it's still my concern now, because by the way, Mr. Speaker, this particular measure that was supposed to be negotiated in Conference and we were supposed to work on this tied in with the budget, it in fact, went straight up to the Governor. So, my concern now is that in addition to the \$3.6 million in the first fiscal year that we already said that the University's Medical School will receive, I believe that they're going to see an additional windfall close to maybe five or six million. That's on top of what we're already giving them. That's what that bill says.

"I just wanted to mention something as we move forward, because I think we need to continue to monitor this. During the discussions that day, the Finance Chair mentioned that the purpose of moving the bill forward was to allow us to debate and discuss this measure tied in with the general fund appropriation and the operating budget, and we were going to possibly supplant general funds for the amount realized in the Tobacco Special Fund. Unfortunately, that didn't happen, and now I'm sorry to say both bills are going up the way we had sent it out. We just need to monitor this, Mr. Speaker, because I think left unchecked, it's not good for us. Thank you."

Representative Cabanilla rose to speak in support of the measure, stating:

"In support, Mr. Speaker. I want to thank the Chair of the Finance Committee, as well as the Members. This is the most comprehensive, across the board coverage that I've seen. It touches all aspects of our State. It has appropriations for schools, colleges, workforce development, transportation, and I'm grateful that we now have funding for the Ewa Makai Middle School. More importantly, Mr. Speaker, there's now an appropriation for the Nursing School at Leeward Community College, something that I've been crying about for the last three Sessions and I'm very grateful for that.

"Also, there's more appropriations for transportation. I would like to see more, however I'm very grateful that we did not raid the Highway Fund. And with that, I leave my comments there."

Representative Lee rose to speak in support of the measure, stating:

"Mr. Speaker, I stand in strong support of the budget and I'd like to actually insert my written comments into the Journal, but I would like to make a few additional comments.

"One thing that wasn't mentioned when we talked about housing was the strong support that the budget gives to women's domestic violence shelters. This is a critical form of housing that we have supported well in the budget. This is going in the opposite direction to the trends in Washington. Family planning monies have been restored to the budget after an absence of over 10 years and this takes us out of dead last place in the nation in this category, so that's a really important change. Victim's services had been given an increase in funding in this budget showing a recognition of the many needs of crime victims in our communities. So, this is really very special.

"The budget is truly one that recognizes human needs and the Herculean effort to secure its completion should be recognized. The Finance staff literally worked nonstop all Session, sacrificing sleep and recreation, yet maintaining a helpful and cheerful demeanor. Their expertise in financial analysis coupled with their willingness to share information and teach others was amazing.

"Last, the Finance Chair should be commended not only for his 16 hour days, but also for his commitment to produce a fiscally responsible budget providing for the future of Hawaii with an eye to possible fluctuations of the State's future financial condition. His tenacity has been incredible. I urge my colleagues to support this measure. Thank you."

Representative Lee's written remarks are as follows:

"Mr. Speaker, I am in strong support of HB 500 HD1 SD1 CD1.

"Last year, the Legislature seized an unprecedented opportunity to invest strategically in the State's future. Strong revenue projections allowed for the investment of capital in critical areas of need, particularly in the area of education.

"This year, by again dedicating a significant amount of funding to the public education system, the House of Representatives has crafted a budget that invests in our State's greatest resource – its people.

"Hawaii's public school system served 179,000 students across the state in the 2006-2007 school year. Again, this year, the House has provided DOE with generous funds to provide quality education to our students.

"The majority of this increase goes toward fixed costs such as debt service and fringe benefits for employees, but the House also funded several key initiatives that support efforts to improve student achievement which were not included in the Governor's proposed budget.

"While they aren't all glamorous, basic needs are fundamental to a solid education system. The House fulfilled the critical need to pay for such costs.

"UH is an important component of our public education system, and instrumental in charting the course of Hawaii's future. To affirm its commitment to Higher Education, the House has funded Higher Education in ways sufficient to develop the workforce needed for Hawaii's future. A case in point is the \$1.7 million allotted to the UH-Manoa School of Nursing.

"The House stands behind the UH community colleges in their mission to ensure access to quality post-secondary education for all residents of Hawaii. The community colleges prepare students for basic job skill training and ongoing workforce and development as well.

"Communities on Oahu will be safer because the amounts appropriated for EMS services have been increased, and funds to replace 2 of the 10 year-old lifpaks and worn out ambulances are included.

"In addition, the community hospitals have been supported – recognizing the struggles inherent in healthcare today.

"The budget strongly supports women's domestic violence shelters continued existence, and going opposite to the trend in Washington DC, family planning monies have been restored to the budget, taking us out of dead last place in the nation in this category.

"Victim services have also been given an increase in funding, showing recognition of the many needs crime victims have in our State.

"The budget is truly one which recognizes human needs, and the Herculean effort to secure its completion should be recognized. The Finance staff literally worked non-stop all Session sacrificing sleep and recreation, yet maintaining a helpful and cheerful demeanor. Their expertise in financial analysis coupled with their willingness to share information and teach others was amazing.

"Last, the Finance Chair should be commended not only for his 16 hour days, but also for his commitment to produce a fiscally responsible budget, providing for the future of Hawaii with an eye to possible fluctuations in the State's future financial condition. His tenacity has been incredible.

"I urge my colleagues to support this measure. Thank you."

Representative Meyer rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I'm rising in support with a few reservations. First, I want to say that this was really a pleasure working under our new Finance Chairman and with his very able Vice Chair who never complains, is pleasant at all times, and sits there for hours on end. It was just a good working relationship. The budget has so many pieces in it, just million of balls in the air, and many, many good things in there, and, of course, we are all 51 different people, so, we don't all see things the same way.

"I guess the biggest disappointment for me looking at over a \$700 million surplus was the really fairly small amount of tax relief that came out of the budget at the end. I would love to see things work a little differently in the last few days of the Legislature. This past Friday night you had scores of bills that had money in them and it was just now becoming final and people were beginning to see what might go into those bills. But in Room 309, I felt like maybe 70% of the people were in the dark, shouting out, 'Three million the first year, three million the second year'. I mean, you know, 'What was that? Two hundred fifty thousand? Was that one year or two?' There's got to be a better way to do this. And then, of course, the tax relief is always kind of at the end there with what will be left. Who would be disappointed if they don't get this? What's the most important thing?

"So, I'm not saying it's an easy process. Easy to criticize when you're not sitting in that seat. But when you are representing a district and as others have said, we also represent all the people in the State, you want to be as knowledgeable as you can be. And it is very difficult to really get a firm picture of what's happening even when you have been part of the Finance Committee and you have been there for the whole Session. And at the end you're just going, 'Oh, I'm not sure what happened.'

"But I had hoped for a lot more. The Governor had proposed \$340 million. I think one of the major things that she and the Director of Taxation had been pushing for is to raise that standard deduction which would take a lot of the people in the low income bracket right off the rolls. They wouldn't pay any taxes at all. Now, those very people, in order for them to get a tax rebate, even those that don't file

now, will have to file a long form in order to get that rebate. I don't think that was what the writers of our State Constitution meant when they created that section that talks about mandatory rebate. Many people will think they're going to get a check. They're not. It's a bit of a slap in the face, Mr. Speaker."

The Chair addressed Representative Meyer, stating:

"Representative Meyer, you will have an opportunity to address those comments at another time in regards to the measure that will be before this body. Could you confine your remarks now to just the budget bill, House Bill 500?"

Representative Meyer responded, stating:

"Well, the thing is that the tax relief comes out of the budget. So, it is very much related."

Speaker Say: "But you have another opportunity to talk about that particular issue, the constitutionality of the rebate. But please proceed."

Representative Meyer continued, stating:

"Thank you, Mr. Speaker. I will wrap it up. It's just that I think that the middle class, our bill talked about \$60,000, but middle class is like two people working maybe like \$80,000 up to a \$100,000. So for those people we have said, 'You don't get a rebate.' And that's one of my problems. Thank you, Mr. Speaker."

Representative Har rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I rise in strong support. House Bill 500, H.D. 1, S.D. 1, C.D. 1, appropriates \$135 million for the University of Hawaii West Oahu, of which \$35 million will be issued in general obligation bonds. I have always said the government needs to live up to its commitment to the residents of the Leeward Coast residing in the Second City, which would include a world class university.

"House Bill 500 shows our commitment to the people of the State of Hawaii, the University of Hawaii System, and, particularly, the residents of the Leeward Coast by allowing the vision of UH West Oahu to finally come to fruition.

"I want to thank the members of the Finance Committee, our fearless Chair and Vice Chair, the Finance staff, and the Senate Ways and Means Committee for their hard work on this budget and for helping to make the dream of UH West Oahu a reality. Thank you, Mr. Speaker."

Representative Souki rose to speak in support of the measure, stating:

"Mr. Speaker, just a few words, and I'm speaking in favor of the budget. As you all know, I am a former Finance Chairman, as you are aware. And I'm very impressed with this Finance Chairman that we have here in his first year. I am equally impressed also with his able Vice Chair and the members. And of course, one who is never mentioned, but is always behind the scene, is Representative Bob Nakasone. What would we do without Bob and CIP? Thank you all in the Finance Committee, and thank you to the staff sitting up there. Aloha."

Representative Shimabukuro rose to respond, stating:

"Thank you, Mr. Speaker. I just wanted to respond briefly to some of the claims that the Legislature only funded two-thirds of the needs for homeless and housing compared to the Governor's request. I just wanted to point out there are many items that were not requested by the Governor that were funded in bills and grants-in-aid, other measures, but are a part of our whole financial package.

"First of all, we have the \$25 million GO bonds for Kukui Gardens in House Bill 667. We have several measures in House Bill 928 which provides homeownership funds for the very low income in public housing in Section 8. House Bill 835 for the Kunia Plantation workers provides much needed funds for their relocation and shelter. We have money for Safe House shelters for troubled youth, just to name a few.

"Then there's many, many grants-in-aid, just to name a few. HCCC, which has a homeless shelter out in Waianae is getting a grant-in-aid. Nanakuli Housing Corporation, Nanakuli Hawaiian Homestead Association, Habitat for Humanity. And then just to remind the body, like I said before, \$75 million of the surplus went towards housing and homeless, and \$195 million to health and human services. So, the Legislature, no doubt, put a high priority on the homeless and the needy. Mahalo."

Representative Caldwell rose to speak in support of the measure, stating:

"Mr. Speaker, brief comments in support. We've heard a lot of accolades about the Chair and Vice Chair. No doubt they've done a great job. Also, the staff of Finance. But we shouldn't forget that we have a fresh crop of freshmen, both Minority and Majority, who have sat on this Committee and really worked hard and there's a lot of proof in terms of strength to this budget and the support they've given to their Chair and Vice Chair and they deserve a lot of credit, too.

"Another thing we heard, Mr. Speaker, is a lot about we didn't spend enough money or we spent too much money, depending on what program we talked about. And to all of us, I think that signals a good budget. In the end I think the Finance Committee looked very carefully and showed fiscal constraint and responsibility. They wanted to make sure that whatever money was spent would be spent well, and that we wouldn't overspend so that in the out years, particularly, if the economy softens, and we've heard discussions in the past couple of days of softening in this economy, both the national one through the fed and the local one, that we're not going to have to come back and cut programs that we funded.

"So, I think it says a lot about fiscal constraint and responsibility. It's always easy to give away money. Always easy, and it's hard to hold back for the rainy day. And that's what they've done here. Thank you very much, Mr. Speaker."

Representative Bertram rose to speak in support of the measure, stating:

"Yes, I rise in tepid support. I guess we really couldn't vote this down because we wouldn't have any money. But I do understand, all these numbers and the whole idea of rebates, as well as the surpluses and all that. I know for the common person, because I feel I am one, and this goes straight over my head. I have no idea what all these millions are and where they're going. But we did the best we could, but we're not the only player at the table. We're not the only people with money or with power, and that's where we really, really fell down.

"I keep hearing what the government can do or what they can't do. Well, we can't be the only player, we just can't. So, in Kihei, we may get a new high school built by a private developer if the State allows them. We may get. This House passed a CON reform, which would have allowed a \$350 million brand new, privately run public hospital. And it was turned down by others. When we start letting go of these reigns of power or who makes these decisions, and open ourselves to other ways of doing things that actually encourages private investment. We're always going to be in the same discussion. Half a million there, five hundred here, like she was talking about. Five hundred, twenty-five thousand. When we're not including the very people who have the money.

"So, Mr. Speaker, I hope we can work next year for a no-cost item as part of the solution and as regulatory reform. In our Certificate of Need, in planning, in road construction, every single one of these things can benefit from private-public partnerships. And until we step forward and make regulatory reform a major issue, we are going to be having the same discussion probably until I'm old too. Thank you."

Representative Finnegan rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I'm in support with some reservations. Mr. Speaker, I do, of course, want to basically say that I appreciate all the hard work of the Finance Chair and everyone that was involved. Just a couple of things that I did want to mention is overall, without trying to do nitpicking on programs or where we spent the money, overall one of the things or themes that I thought happened in the State budget is we're doing a lot this year and we're waiting next year to find out where we're going to be. And so a lot of things that were suggested by the Governor in the out year, the second year, did not get funded.

"And I can understand the reasoning because basically you're just saying, 'Well, we've got to find out where we're going to be? What are the Council on Revenue projections? As they change, and let's take a more fiscally responsible position.' But I would also argue that the fiscal responsible position is in the biennium, there's two years, and I believe that we do it in two years because what it does is it gives some stability. It gives some stability and the ability to plan. And that's why we don't have a, 'let's just take one year at a time' approach. So, overall, the theme of saying we're going to do a certain amount this year and we'll wait and see for next year really hinders, I think, a lot of the things and a lot of the future for the departments, the nonprofits, or whomever may be affected by it.

"For instance, and here's where I'm a little confused, too. In speaking with some of the folks that took a look at the homeless and housing part of the budget, there are three things that kind of look like its being transferred in, transferred out, or from interdepartmental transfers, and the three different things have to do with very important infrastructure that supports many affordable housing units. So, I would have preferred it if the language was just straightforward. Yes, this is what we're going to do.

"However, it looks like the money is going to go in one place, and possibly, interdepartmental transfer. I don't know why, but that's what's going on. This is the East-West Collector Road for Kapolei; Waiahole water, \$2.5 million; and the North Kona water, as well. The affordable projects that that supports, the affordable housing that that supports is 1,100 units at Keahuolu Planned Community; 2,600 units for the Department of Hawaiian Home Lands in the Lai Opua Project. And on Oahu, there's a development of 2,138 housing units. And of that, you have 1,138 single family DHHL homes and 1,000 HHFDC units, which include 600 affordable multi-family rental units.

"So, Mr. Speaker, it's not that I'm saying that it's not funded, but because it's not quite doing it directly, that there could be problems with the actual money getting to where it needs to be and the actual implementation of getting these projects done. I'm concerned about that.

"In talking about planning out one year, two years, the Representative from Hawaii Kai mentioned the elevators that was a strong need. The elevator needs are so strong, and, basically, now, you're going to go, okay, we've committed \$5 million out of this \$15 million, and now you have to basically pick and choose which one, because we're not sure if we're going to get the other \$10 million. I understand, like I said, the constraints with the money, but I'm not sure that doing that overall theme of, fund now, some, with no kind of commitment towards even next year, not even the out years of two, three, four years out. But just next year, I think, is difficult for departments as well as nonprofits to handle."

Representative Ching rose to yield her time, and the Chair, "so ordered."

Representative Finnegan continued, stating:

"Thank you, Representative. Another thing is we also talked about the, the Chair of Finance talked about \$20 million in CIP, and this was for what the Governor had called repair and renovation at public housing. For many years now there have been a lot of discussion about vacant units. Puuwai Momi is in my district and there at least a year ago, there was, at least a year ago, there was almost a whole building that didn't have renters in there, and it was because there needed to be some renovation and repair. We did, in this budget, fund \$20 million. The request was for \$20 million this year and \$20 million in the next year. And when we don't do that, we don't plan, we don't know how much we can actually get done within this two-year period. I think it is our responsibility to do that.

"And, on top of that, I have to step back and take a look at it and say, 'Okay, we are putting all of this money into repair and maintenance for the DOE,' and we want to do that. We also are putting another, I think it was \$190 million for the operations and other things for DOE. So, when I look at that and I look at this, which is public housing and the vacant units, I have to say, at what expense to the rest of the State are we incurring, we're not helping with the public housing in this particular situation and we're addressing all of the DOE, or a lot of the DOE projects. I want to do that, but there is a bigger picture and by putting so much into the Department of Education, I'm afraid it's going to be not enough for the other areas.

"We don't want to come back and say, 'Let's fix our public housing ten years from now when the backup is whatever, \$500 million.' It will never be that because we don't have that many projects, but, we don't want to do that. We don't want to go in the out years and say we 'coulda, shoulda, woulda'. And, so, I think, an approach, more even keeled, I guess, and saying that we want to be a little bit more on the planning side would have been my approach.

"But overall, looking at everything, I really have to say that there a lot of things that I can agree with, Mr. Speaker. I know that the Chair from Finance did an excellent job and he had a lot of pressure. I hope we didn't give him too many gray hairs, and I just really have to appreciate the process and hope that maybe we can rethink next year about how we do our planning. Thank you."

At this time, the Chair stated:

"Members of the House, we've had a lot of discussion. For those of you who would like to insert your written comments, the Chair will entertain that motion at this time. Does anyone have written comments to insert in the Journal?"

Representative Ching rose and asked that the Clerk record an eye vote with reservations for her, and the Chair "so ordered."

Representative Chang rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Chang's written remarks are as follows:

"Mr. Speaker, I am in support. On behalf of all of those involved in the University of Hawaii System, from students to supporters, alumni, faculty, staffs and administration, I want to thank the House Finance and Senate Ways and Means Committees and their hard-working staffs for their tremendous support.

"Of our entire surplus, 19% or \$90 million was earmarked for the UH System's much needed positions and operating expenses.

"In the second year, when taking into account all funds, there are approximately 7,000 positions and over a billion dollars for each year.

"Thanks to Representative Bob Nakasone, Chair Marcus Oshiro and their Senate counterparts for CIP projects totaling over \$183 million of general obligation bonds.

"This is a reflection of our strong economy and of us taking the opportunity to catch up in funding our higher education system that will provide the work force in all sectors, especially in nursing, teaching, and engineering, throughout the next decade.

"Mr. Speaker, this is our commitment to our future generations."

Representative Pine rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 500, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," passed Final Reading by a vote of 50 ayes, and with Representative Manahan being excused.

At 2:55 o'clock a.m., the Chair noted that H.B. No. 500, HD 1, SD 1, CD 1, passed Final Reading.

At 2:55 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 3:09 o'clock p.m. with the Speaker presiding.

At this time, the Chair recognized the Clerk who announced:

"I have been informed by a representative of the President of the Senate that the Conference Committee Report for H.B. No. 500, HD 1, SD 1, CD 1, was adopted, and said H.B. No. 500, HD 1, SD 1, CD 1, Relating to the State Budget, passed Final Reading in the Senate at 11:46 a.m. on this day.

"In addition, I have been informed by the Assistant Clerk of the House that at 3:04 p.m., this day, H.B. No. 500, HD 1, SD 1, CD 1, has been duly transmitted by the Legislature to the Governor, pursuant to Article VII, Section 9, of the Hawaii State Constitution."

SENATE COMMUNICATION

The following communication from the Senate (Sen. Com. No. 882) was received and announced by the Clerk:

Sen. Com. No. 882, informing the House that the Senate has on May 1, 2007, passed the following bill on Final Reading:

H.B. No. 500, "RELATING TO THE STATE BUDGET."
HD 1, SD 1,
CD 1

At this time, the Chair announced:

"Before moving on at this point, I wanted to say thank you very much for all of your input in deciding which measures would be on the Consent Calendar, and which would be on the Ordinary Calendar."

Representative Caldwell rose, stating:

"Mr. Speaker, I would also like to thank the Majority and Minority for their cooperation on the Consent Calendar. The next ten pages

are basically all Consent bills, so we can just move on and move for the adoption of these Conference Committee Reports and passage of these bills on Final Reading."

Speaker Say: "Members at this time, there will be no discussion on these items agreed upon by this body for placement on the Consent Calendar."

Representative Meyer rose to a point of inquiry, stating:

"Mr. Speaker, a point of inquiry. On the bills on the Consent Calendar, we do have one or two no votes on them. Do we just submit them to the Clerk?"

At 3:12 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:12 o'clock p.m.

CONSENT CALENDAR

UNFINISHED BUSINESS

Conf. Com. Rep. No. 11 and S.B. No. 618, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted, and S.B. No. 618, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 12 and S.B. No. 1008, SD 1, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 1008, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ANNUITIES," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 13 and S.B. No. 667, SD 3, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 667, SD 3, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MENTAL HEALTH COUNSELORS," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 16 and S.B. No. 870, SD 1, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 870, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DESIGNATION OF A HAWAII ARCHAEOLOGICAL DATA SURVEY," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 19 and S.B. No. 1750, SD 1, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 1750, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 24 and S.B. No. 1315, SD 2, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 1315, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ACCESS HAWAII COMMITTEE," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 26 and S.B. No. 987, SD 1, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 987, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 33 and S.B. No. 1161, SD 1, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 1161, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DOMESTIC ABUSE," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 37 and S.B. No. 1154, SD 2, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 1154, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 39 and S.B. No. 1182, SD 2, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted, and that S.B. No. 1182, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative M. Oshiro submitted written remarks in support of the measure as follows:

"Mr. Speaker, I am in support of this measure. This measure has been long overdue, as the needs allowance was last raised in 1988. The basic necessities that we take for granted, such as toothpaste, shampoo, and other items, have become too costly for those who have been on the monthly needs allowance. This modest raise from \$30 to \$50 will go far to make life a little easier for those who already must deal with hardship and difficulty.

"Mr. Speaker, I commend the Conference Committee for their work on this measure, especially the amendment which provides the need allowance for individuals who are incapacitated. Again, this measure will make a difference in the lives of those less fortunate.

"My only concern, Mr. Speaker, is that adequate safeguards to protect against fraud and misuse are in place to help these individuals maintain an acceptable quality of life. Our goal should be that this money goes to the individual and not the institutions that may be providing care for them. I urge the Department of Human Services to require a high degree of accountability for the uses of this money.

"This measure demonstrates the Legislature's commitment to the health and well-being of the people of Hawaii. With funding for this

measure already provided in this session's biennium budget, this Legislature, Mr. Speaker, has shown that it is indeed committed to helping those who need it the most. Thank you and I urge my fellow legislators to support this measure."

Representative Magaoy submitted written remarks in support of the measure as follows:

"Mr. Speaker, I rise in support of Senate Bill 1182, S.D. 2, H.D. 1, C.D. 1. Mr. Speaker, the purpose of this bill is to provide an increase in the Personal Needs Allowance for nursing home residents from the current \$30 per month to \$50 per month, and an annual cost of living increase thereafter. The \$30 amount was mandated in 1988 by the federal government as the minimum amount for nursing home residents receiving Medicaid. The Personal Needs Allowance is used by nursing home residents to spend at his or her discretion on items such as phone calls, sending cards to friends and family, reading materials, hobbies, haircuts, clothes, footwear and other items. This is important because it enables the resident to maintain a minimum level of independence and decision-making while living in a nursing home environment.

"Mr. Speaker, in 2001, a survey conducted in all 50 states by the National Ombudsman Resource Center concluded by saying and I quote, "It is important that states, particularly those that are still at the federal of \$30 increase the allowance to compensate for years without an increase. In addition, automatic increases in the Personal Needs Allowance are important to keep pace with the economy."

"Mr. Speaker, in 2006, forty-three states provided an average of \$50 per month to residents on Medicaid. Several states are presently working on increasing their Personal Needs Allowance.

"Mr. Speaker, if we were to take the Consumer Price Index and use the 1974 amount as a base line of \$25 per resident and take into consideration the increase of the cost of living, to match the same buying power between 1974 to today's buying power of the dollar, would amount to over \$115. Clearly Mr. Speaker, raising the amount to \$50 has been long overdue and for the sake of our *kupuna* and those who are less fortunate, I strongly urge my colleagues to support this measure. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted, and S.B. No. 1182, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NEEDS ALLOWANCE," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 40 and S.B. No. 1222, SD 3, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 1222, SD 3, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INCOME TAXATION," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 42 and S.B. No. 1929, SD 2, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 1929, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC PROCUREMENT," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 44 and S.B. No. 17, SD 2, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted, and that S.B. No. 17, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Magaoay submitted written remarks in support of the measure as follows:

"Mr. Speaker, I am in support of Senate Bill 17 S.D.2, H.D.2, C.D. 1 – Relating to Procurement. Mr. Speaker, an architect's professional liability insurance only covers harm caused by the design professional's negligence. It will not advance the cost of defending other parties before the negligence of the design professional is established. The State's current contract language provides an unacceptable risk especially considering that design professionals are personally liable, and in addition, that this liability would follow those design professionals into their retirement years.

"Neither the City and County of Honolulu, nor the federal government makes this requirement. In absence of the contract, there would be no obligation to defend another party, as under common law, only the obligation to indemnify is required. It is never appropriate to shift this responsibility to those wishing to do business with the State of Hawaii. The cost of the State's defense would be paid for by the consulting firm, as their insurance does not cover the defense of another party. Under Professional Liability policies, the insurance would pay for damages and expenses incurred due to the consultant's negligence, which would include the defense costs of the State of Hawaii. But if there is no negligence, the insurance does not pay for these costs.

"Mr. Speaker, this issue has risen because the State has unfairly attempted to shift their risk from public works projects to design firms, by asking design firms to defend the State in legal actions, even if the design firm is not negligent. Since the State and its citizens derive much more benefit from public works projects than design professionals, requiring design firms to defend the State in absence of negligence is unreasonable. Thank you, Mr. Speaker, for allowing me to give comments in support of this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted, and S.B. No. 17, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 46 and S.B. No. 795, SD 2, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted, and that S.B. No. 795, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Magaoay submitted written remarks in support of the measure as follows:

"Mr. Speaker, I rise in strong support of SB 795, SD2, HD1, CD 1. SB795, SD2, HD1, CD 1, will create a State Building Code Council that would establish a comprehensive building code. This Council will appoint a subcommittee, to include the various counties that will recommend any necessary or desirable State amendments to the model codes as it applies within their jurisdiction.

"Mr. Speaker, currently counties adopt building codes on independent schedules, resulting in the simultaneous use of several archaic building codes in Hawaii. These older code provisions may not include improvements to implement disaster-resistant building constructions standards. As a result there is a lack of consistent building standards from county to county. A coordinated process to bring the various building codes in compliance with updated standards will improve public safety and promote efficiency in the construction industry.

"Passage of SB795, SD2, HD1, CD 1, establishes a State building code that incorporates the latest editions of nationally recognized codes and standards thereby promoting the health, safety and welfare of the occupants of buildings and structures. It will provide for uniformity across counties, recognizing that the counties can amend the code to permit some uniqueness.

"I believe that the proposed Bill will draw on the expertise of local design professionals and government agencies responsible for code enforcement that would bring their experience with local conditions and practices that are critical to the design of safe, secure and efficient buildings for our community.

"Thank you Mr. Speaker and I ask my colleagues to support me on this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted, and S.B. No. 795, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BUILDING CODES," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 47 and S.B. No. 678, SD 1, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 678, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 48 and S.B. No. 149, SD 1, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 149, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 50 and S.B. No. 1284, SD 2, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 1284, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 52 and H.B. No. 1646, HD 2, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 1646, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PESTICIDES," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 53 and H.B. No. 1628, HD 1, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 1628, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HAWAII MACADAMIA NUT PRODUCT LABELING," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 54 and H.B. No. 349, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 349, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COUNTY REGULATION OF COMMERCIAL BICYCLE TOURS," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 55 and H.B. No. 714, HD 2, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 714, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY VEHICLES," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 56 and H.B. No. 71, HD 2, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted, and that H.B. No. 71, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Magaoy submitted written remarks in support of the measure as follows:

"Mr. Speaker I am in support of House Bill 71, H.D.2, S.D.2, C.D.1. Mr. Speaker the measure we have before us codifies existing responsibilities of three State agencies in the certification of nurse aides of Medicare/Medicaid certified nursing facilities. This bill further proposes to certify and recertify nurse aides in State licensed and State agencies, the DCCA, the Department of Health and the Department of Human Services.

"Mr. Speaker, passage of this measure will enhance consumer safety. It requires all nurse aides employed in State licensed or certified healthcare settings in the State to successfully complete State approved nurse aid training and examination to be certified. In addition Mr. Speaker, this measure will provide uniform training, examination and continuing competency requirements for all nurse aides certified by the State of Hawaii.

"The necessity and impact of this proposal is immense. As sometimes happens, the passage of time, the evolving nature of the long term care provider landscape and the density of the statutory jungle can result in unaddressed issues going unnoticed, because they either did not exist or were not relevant at the time the original law passed. The current statute was enacted many years ago to conform to federal mandates, it pertains only to CNA's in Medicare/Medicaid certified nursing facilities. We must understand that the law, at the time it was enacted, did not concern itself with non-Medicare/Medicaid nursing facilities, nor did it address such elements of the long term care continuum as assisted living facilities, adult residential carehomes, adult foster carehomes etc.

"We now find ourselves in a position where huge number of CNA's who are the backbone of the health and long term care industry, according to the wording of the present State law, are without legal processes by which they can be certified or recertified. This measure would remedy that dire and urgent problem. It provides for a reasonable transition and ensures the continuation of the high standards of quality of care for which Hawaii is known.

"Thank you Mr. Speaker, and I urge my colleagues to support this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted, and H.B. No. 71, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NURSE AIDES,"

passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 57 and H.B. No. 1264, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 1264, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 58 and H.B. No. 1370, HD 1, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 1370, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HEALTH FOR THE ADULT MENTAL HEALTH DIVISION," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 60 and H.B. No. 1612, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted, and that H.B. No. 1612, SD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Magaoy submitted written remarks in support of the measure as follows:

"Thank you, Mr. Speaker. I am in support of House Bill 1612 S.D. 1, C.D. 1. Mr. Speaker every day, we are faced with the possibility of identity theft. We often hear of corporate databases being stolen and social security numbers being compromised. We have heard of friends and relatives, Mr. Speaker and no one in this body is immune to identity theft. Anyone who has been a victim of identity theft suffers from the loss of large sums of money, hours of time spent trying to correct their credit reports and immeasurable frustration knowing that it could happen again at any time.

"Mr. Speaker, under current Hawaii laws, only a victim of identity theft may place a security freeze on their credit report. Passage of this measure will allow Hawaii to join the vast majority of other states with credit freeze laws which allow anyone to freeze their credit report. Out of approximately twenty-five states that currently have credit freeze laws, twenty allow anyone to freeze their credit report.

"Under current law, unless someone has become an actual victim of identity theft, it is virtually impossible to freeze one's credit report. Numerous states have broadened eligibility for seeking the freeze because of a widespread perception that restricting the freeze to victims, provides inadequate protection against identity theft.

"For example Mr. Speaker if someone's personal information has been stolen as a result of a security breach, a citizen cannot ask that their credit report be frozen. Instead, they have to wait until they can establish that their identity has been stolen. The victim of the security breach is limited to asking for a "fraud alert" which recent studies have shown to be inadequate. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted, and H.B. No. 1612, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONSUMER CREDIT REPORTING AGENCIES," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 61 and H.B. No. 1337, HD 1, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 1337, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEATH CARE INDUSTRY," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 64 and H.B. No. 375, HD 1, SD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted, and H.B. No. 375, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PEDESTRIANS' RIGHT OF WAY," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 65 and H.B. No. 1518, HD 1, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted, and that H.B. No. 1518, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Magaoay submitted written remarks in support of the measure as follows:

"Thank you, Mr. Speaker. I am in support of House Bill No. 1518 H.D. 1, S.D. 2, C.D. 1. Mr. Speaker, this House Bill proposes Certificate of Merit requirements that will go a long way toward reducing frivolous lawsuits against design professionals by requiring a plaintiff or their attorney to hire a qualified professional to certify that the case brought before a design professional has merit, and there is evidence of errors and omissions or negligence. This will help improve the professional liability insurance climate in Hawaii and provide fairness, equity, and justice in our legal system with regard to design professionals.

"Mr. Speaker, many malpractice and negligence claims brought against architects and engineers have no material basis or justification in fact or in law. Nevertheless, these groundless suits are a source of considerable cost to architects and engineers in terms of direct expenses, increased insurance premiums, lost productive time, and tarnished professional reputation. Engineering firms and their insurers often settle frivolous lawsuits simply to avoid the cost of defending themselves. For small firms, the cost of defense could jeopardize the firm's existence. Meritless suits also waste valuable public resources and choke the civil justice system.

"Mr. Speaker, as a case in point, a number of states such as California, Colorado, Maryland, Oregon, Missouri, New Jersey and Texas have adopted "certificate of merit" laws, which require the plaintiff to consult with a third-party design professional to review the facts of claim before moving forward. Data from California indicates that the law has helped to reduce the number of frivolous suits, and to reduce professional liability insurance rates. With the deletion of the Design Conciliation Panel by the Hawaii Legislature in 2004, the Certificate of Merit brings some balance to the judicial process for design professional firms. Thank you, Mr. Speaker. I urge my colleagues to support this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted, and H.B. No. 1518, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DESIGN PROFESSIONALS," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 69 and H.B. No. 791, HD 1, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted, and that H.B. No. 791, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative M. Oshiro submitted written remarks in support of the measure as follows:

"Mr. Speaker, this bill requires fuel distributors to report to DBEDT on the distribution and availability of non-ethanol gasoline to provide information to the Legislature and aid in its formulation of Hawaii's energy policy. Specifically, this bill will explore and address the problems that a niche market made up of boaters, fishermen, motorcyclists, antique car operators, certain aviators, and a plethora of other small gas-engine-driven machine owners have contended with since the removal of non-ethanol gasoline in Hawaii.

"Ethanol-blended fuel has been known to degrade fiberglass fuel tanks which are common in marine and small airplane applications. Ethanol dissolves the fiberglass resins, which creates a sludge that clogs fuel filters and leaves a thick coating on the valves, consequently ruining engines and creating a dangerous situation for mariners and aviators as the likelihood of engine failure is significantly increased. It is to be noted that the Federal Aviation Administration forbids small airplanes from using ethanol-blended fuel because of problems such as this.

"While the Legislature has been forward thinking in its energy policy and should be lauded for its ongoing commitment to reducing Hawaii's dependence on imported fossil fuels through the promotion of renewable energy; it is key to assess every policy impact as it applies to all people within the State. Further, it is vital to study aspects of our energy policy that may have unintended consequences that jeopardize public safety. Therefore, HB 791, CD1, is a necessary means to improving the State's energy policy and ensuring its safe application."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted, and H.B. No. 791, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GASOLINE," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 70 and H.B. No. 1246, HD 1, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 1246, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO METAL," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 71 and H.B. No. 1130, HD 1, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted, and that H.B. No. 1130, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative M. Oshiro submitted written remarks in support of the measure as follows:

"Mr. Speaker, this bill would exclude Internet activities conducted by uncompensated persons or committees from the definitions of "contribution" and "expenditure". I believe this measure encourages participation in the electoral process.

"Many individuals may not have the monetary resources to contribute to the candidate of their choice, but would like to contribute to their candidate's campaign in some form. In this day and age, the Internet is an extremely popular method to disseminate information quickly to a large amount of people and can be more effective than paper fliers or mailers. The use of the Internet to endorse a candidate is no different from an individual or group

walking the district of the candidate and going door to door to the homes of the candidate's constituents.

"Therefore Mr. Speaker, I support this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted, and H.B. No. 1130, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN SPENDING," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 75 and H.B. No. 1372, HD 1, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 1372, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HEALTH FOR THE EMERGENCY MEDICAL SERVICES AND INJURY PREVENTION SYSTEM BRANCH," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 76 and H.B. No. 1063, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 1063, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII NATIONAL GUARD," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 78 and H.B. No. 334, HD 1, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted, and that H.B. No. 334, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Karamatsu submitted written remarks in support of the measure as follows:

"I am in support. This is an exciting time for Hawaii where companies in our State created by local residents are researching and developing technology to produce and store renewable energy. One such company is Sopogy, Inc., which is developing clean electricity from a renewable and abundant resource, the sun, at a price lower than the market price and independent from oil price fluctuations, which is in the best interest of the public.

"I am happy to play a small role in assisting Sopogy, Inc. by introducing and supporting this measure that would authorize the issuance of special purpose revenue bonds in an amount not to exceed \$10,000,000 to assist the company with planning, designing, constructing, equipping, and operating a solar farm power plant at the Natural Energy Laboratory of Hawaii Authority or another suitable site in the State. I look forward to the exciting work of Sopogy, Inc. as they help Hawaii and our world produce clean energy. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted, and H.B. No. 334, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST SOPOGY INC., IN THE DEVELOPMENT OF RENEWABLE ENERGY," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 80 and H.B. No. 402, HD 1, SD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 402, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE LAND CONSERVATION FUND," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 81 and H.B. No. 250, HD 2, SD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 250, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ALOHA TOWER DEVELOPMENT CORPORATION," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 83 and H.B. No. 1322, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 1322, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE LICENSING," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Brower voting no, and with Representative Bertram being excused.

Conf. Com. Rep. No. 86 and H.B. No. 34, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted, and that H.B. No. 34, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative M. Oshiro submitted written remarks in support of the measure as follows:

"Mr. Speaker, I rise in support of this measure. On the surface, this measure may seem to be symbolic and have little or no effect on Sudan, a country far away and removed from these islands. Yet, when taken as a part of the world-wide movement against the declared genocide and atrocities that have occurred in Sudan, this measure becomes a much stronger tool against the continuation of those unspeakable acts of violence and inhumanity.

"I commend the Conference Committee for the amendments made to this measure which had addressed legal concerns and the concerns of the Employees' Retirement System. This Committee made certain that only companies with direct dealings with Sudanese businesses or entities would be subject to action, in response to federal inquiries about the legality of such actions. Mr. Speaker, this makes the measure not only more effective, but also more manageable for the ERS. The ERS had been placed in a difficult situation of balancing the interests of its beneficiaries with the moral issues at stake.

"Divestment, which this measure has determined as the most severe penalty for a company with direct dealings with the Sudan, has already been proven to be effective. Mr. Speaker, I am reminded of similar actions by this same body in addressing apartheid and the segregation that existed in South Africa. Divestment worked then, and I believe, Mr. Speaker, that this measure will have the same effect on ending the genocide and violence against our fellow human beings in Sudan. Thank you."

Representative Magaoy submitted written remarks in support of the measure as follows:

"Thank you, Mr. Speaker. I am in strong support of House Bill 34 S.D.2 C.D.1. Mr. Speaker, the President has declared that the massacres in Darfur, supported by the Sudanese government, are genocide. Meanwhile, some companies, namely our Employees' Retirement System, invest and continue to do business in Sudan.

Therefore, the State of Hawaii is directly supporting genocide by allowing these investments to continue.

"In the late 1980's, the Employment Retirement System divested over one billion dollars from countries that do business with South Africa. We did that as a way of pressuring the South African regime to stop their heinous policy of apartheid. Two weeks after the Employees' Retirement System announced our divestment, the South African regime released Nelson Mandela. Our divestment was one of the five largest in the country. Was it instrumental in securing Nelson Mandela's release? We will never know. But we did act to use our investments to support our moral convictions. And the Employees' Retirement System continued to thrive even with this enormous divestment.

"Mr. Speaker, another situation has arisen in Darfur, a situation that may be even more tragic than the South African apartheid because of the huge death toll involved and the displacement and virtual starvation of hundreds of thousands in Darfur. So we must act again.

"The ongoing genocide in the Darfur region of Sudan is one of the worst humanitarian crises in recent memory. Up to 400,000 members of our human family have been killed, and over 2.5 million have been displaced by the Sudanese government forces and its allied Janjaweed militias. Women and children are routinely tortured, raped and murdered. The extent of the carnage is incalculable.

"After the Rwandan genocide of 1994, the world, again said, 'Never again.' And yet here we are – again. Mr. Speaker, the citizens of Hawaii are horrified by this repugnant assault on humanity. The more difficult question for many is simply: What can we do to stop it?"

"Among the measures being taken by California and other states, and being considered by the Hawaii Legislature is this measure we have before us and that is the divestment of funds from companies actively supporting the Sudanese government.

"As a Legislative body, we want to be sure that our tax dollars do not benefit Sudan's genocidal regime and allow their offending actions to continue. The extreme circumstances surrounding the genocide in Darfur make divestment a reasonable option, and indeed, the only moral option. This is the first time in history that genocide has been declared while atrocities are still ongoing. In the last months, the situation in Darfur has deteriorated so much that the lives of four million people dependent on humanitarian aid are seriously threatened. Mr. Speaker, as an example, thirteen aid workers in Darfur have been murdered since the May 2006 Peace Agreement. Most aid groups such as Oxfam and Global have already suspended operations citing the intolerable danger their workers face. Four-hundred thousand people have already died in genocide, but millions more can be saved if U.N. peacekeepers are allowed into Sudan, creating an environment in which aid workers can return and a sustainable peace agreement can be reached.

"Mr. Speaker, I strongly urge all my colleagues to vote for this measure. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted, and H.B. No. 34, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 87 and H.B. No. 1005, HD 2, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 1005, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES

COMMISSION," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 88 and H.B. No. 162, HD 1, SD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 162, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FINANCES," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 89 and H.B. No. 1231, HD 2, SD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 1231, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 90 and H.B. No. 667, HD 1, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted, and that H.B. No. 667, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative M. Oshiro submitted written remarks in support of the measure as follows:

"Mr. Speaker, I am in strong support of this measure. In recent years, affordable housing has become one of the most pressing issues and dilemmas that the State must solve. Kukui Gardens presented an extremely unique and difficult situation as a majority of the tenants are elderly immigrants, some of whom speak little or no English. The preservation of Kukui Gardens as an affordable housing area was quickly recognized not as something that should be done, but something that needed to be done.

"Mr. Speaker, the sheer number of tenants who depend upon the reasonable rents and its location in urban Honolulu was identified through the dedicated and concerned residents who made it a point to attend each hearing when this measure was discussed. We owe it to these residents to make sure that they will not be forced out into the streets.

"Mr. Speaker, I stand here with pride and renewed conviction due to the efforts of all those involved in the resolution of this matter. Community leaders, fellow legislators, and most importantly, the people themselves, have allowed this measure to proceed. This Legislative Session, the first step, a very important step, was taken. There are more steps to take, but I believe, Mr. Speaker, we are on our way. I voice my strong support for this measure, and urge my colleagues to do the same.

"With your permission, Mr. Speaker, I would like to submit 2 memos that clearly underscore and indicate the long term legislative intent of this measure. Thank you."

LINDA LINGLE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
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ORLANDO "DAN" DAVIDSON
EXECUTIVE DIRECTOR

RECEIVED

APR 19 2007 4:08 PM
IN REPLY REFER TO:
MEMBER'S OFFICE 07:PEO/58

April 19, 2007

The Honorable Colleen Hanabusa
Senate President
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Calvin K. Y. Say
Speaker of the House
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear Senate President Hanabusa and Speaker Say:

Re: Kukui Gardens

I wish to advise you that substantial progress has been made in negotiations with Carmel Partners towards a structured transaction by and among Kukui Gardens Corporation (KGC), Carmel Partners, and Hawaii Housing Finance and Development Corporation (HHFDC) which if finalized would result in the long term preservation of the Kukui Gardens complex as an affordable housing project in a cost effective manner from the State's perspective. I am, therefore, alerting you that a general obligation bond appropriation of \$25 million for fiscal year 2007-08 will be needed from the State Legislature in order to fund the State's initial cash contribution to such a structured transaction, if successfully concluded. I have summarized below the proposed general structure of the proposed transaction.

First, please refer to the enclosed Kukui Gardens site map. Under the proposed transaction, the 22 acre property would be split into two parcels. HHFDC would acquire the fee ownership of Parcel A from KGC. Parcel A is approximately 10 acres in size, and contains approximately 389 units in the buildings located thereon. In order to take advantage of private activity tax-exempt revenue bonds and non-competitive (4%) tax credits, HHFDC will need to partner with a private nonprofit housing entity that would be granted a long term below market ground lease demising Parcel A and all buildings and improvements thereon, including the approximately 389 rental units. HHFDC currently

The Honorable Colleen Hanabusa
The Honorable Calvin K. Y. Say
April 19, 2007
Page 2

anticipates partnering with EAH, a nonprofit housing corporation, as the owner/operator of the rental units on Parcel A. EAH was established in 1968 and is one of the nation's largest nonprofit housing development and management organizations in the western United States. It manages the 350-unit Kukui Towers which is located nearby Kukui Gardens.

Under the proposed transaction, the rents for the existing 389 units on Parcel A would be kept affordable to households earning 60% or less of the HUD area median income. In addition, the potential exists to develop additional units on Parcel A. Under a plan which HHFDC has reviewed, approximately 340 more affordable rental and for-sale affordable units could be added to this portion of the site. Please note that additional and typical HHFDC financing resources would be needed to make these additional improvements to Parcel A.

Carmel Partners would acquire fee ownership from KGC of the land and improvements comprising Parcel B.

As a further and important part of the proposed structured transaction, Carmel Partners would agree to operate and maintain the existing 468 units on Parcel B at the affordable rents charged in accordance with the existing HUD Regulatory Agreement (with possible CPI increases) until May 2011. Between May 2011 and May 2013, Carmel Partners would be able to gradually increase the rents on these 468 units. After May 2013, all 468 units will continue to be rented at rents affordable to households earning 140% and below the HUD area median income for 55 years (to May, 2062).

The cost to acquire the land and improvements comprising Parcel A is approximately \$60 million. Estimated State resources required for the acquisition and renovation of the existing 389 rental units on Parcel A are as follows:

- \$50 million State appropriations¹
 - o \$25 million in FY 2007-08 for land acquisition
 - o \$25 million in FY 2009-10 (in the following biennium) equity infusion after renovations are completed
- \$45 million tax-exempt revenue bonds to acquire buildings and for renovations
- \$32 million in federal and state low income housing tax credits over 10 years

The use of tax-exempt revenue bonds and tax credits are typical financing mechanisms for affordable rental housing projects and do not require legislative approval.

¹ Approximate and subject to appraisal

The Honorable Colleen Hanabusa
The Honorable Calvin K. Y. Say
April 19, 2007
Page 3

While a number of details need to be clarified and refined, I am optimistic that we, collectively, will be able to successfully conclude negotiations with Carmel Partners for a structured transaction which will preserve the existing 857 units in the Kukui Gardens complex as an affordable housing project for the next 55 years or longer at a cost effective basis for the State.

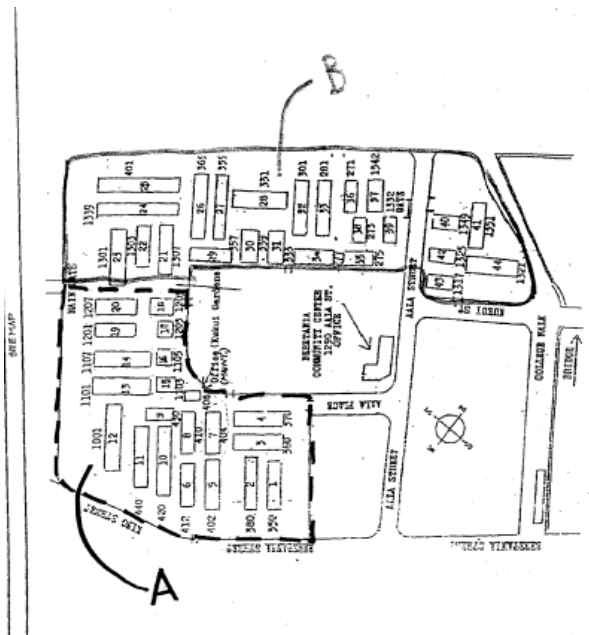
Should you have any questions regarding any of the above, please call me at 587-0680.

Sincerely,

Orlando "Dan" Davidson
Executive Director

Enclosure – Kukui Gardens site map

- c: The Honorable Brian Taniguchi, Chair
- The Honorable Rosalyn H. Baker, Co-Chair
- The Honorable Suzanne Chun Oakland, Senate Conferee
- The Honorable Paul Whalen, Senate Conferee
- The Honorable Maile S.L. Shimabukuro, Co-Chair
- The Honorable Marcus Oshiro, Co-Chair
- The Honorable Karl Rhoads, House Conferee
- The Honorable Corinne W.L. Ching, House Conferee



LINDA LINDSE
GOVERNORORLANDO "DAN" DAVIDSON
SICIGOUTE DIRECTOR

2007 APR 25 10 16 AM
STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
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677 QUEEN STREET, SUITE 300
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FAX: (808) 587-0680

IN REPLY REFER TO:
07-PEC/59

April 25, 2007

The Honorable Colleen Hanabusa
Senate President
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Calvin K. Y. Say
Speaker of the House
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear Senate President Hanabusa and Speaker Say:

Re: Kukui Gardens, H.B. 667

This is an update to my letter of April 19, 2007 regarding the financing mechanism for the preservation of Kukui Gardens as an affordable rental housing project.

I previously indicated that a general obligation bond appropriation of \$25 million would be needed for fiscal year 2007-08 and a second appropriation of \$25 million would be needed for fiscal year 2009-10. After further discussion with the Department of Budget and Finance and in consultation with financial analysts, we believe that the second appropriation should be moved up to fiscal year 2008-09. Therefore, the financing structure to acquire and renovate the existing 389 units on Parcel A is revised as follows:

- \$50 million State appropriations¹
 - o \$25 million in FY 2007-08 for land acquisition
 - o \$25 million in FY 2008-09 equity infusion after renovations are completed
- \$45 million tax-exempt revenue bonds to acquire buildings and for renovations
- \$32 million in federal and state low income housing tax credits over 10 years

¹ Approximate and subject to appraisal

The Honorable Colleen Hanabusa
The Honorable Calvin K.Y. Say
April 25, 2007
Page 2

The financial analysts have indicated that the State's up-front financing commitment will allow for a better pricing of the tax credits. As tax credit proceeds represent a significant part of the financing plan (i.e., \$32 million), we believe moving up the appropriation strengthens the financing package.

Perhaps, more significantly, there is concern that not having the second legislative appropriation in FY 2008-09 could create problems in terms of completing the transaction to acquire Parcel A. Given this, we believe it is important to move up the appropriation to FY 2008-08. We therefore, request that H.B. 667 be amended to include the second appropriation of \$25 million in FY 2008-09.

We are continuing our discussions with Carmel Partners for a structured transaction which will preserve existing 857 units in the Kukui Gardens complex as an affordable housing project for the next 55 years or longer at a cost effective basis for the State.

Should you have any questions regarding any of the above, please call me at 587-0680.

Sincerely,

Orlando "Dan" Davidson
Executive Director

cc: The Honorable Brian Taniguchi, Chair
The Honorable Rosalyn H. Baker, Co-Chair
The Honorable Suzanne Chun Oakland, Manager
The Honorable Paul Whalen, Manager
The Honorable Maile S.L. Shimabukuro, Co-Chair
✓ The Honorable Marcus Oshiro, Co-Chair
The Honorable Karl Rhoads, House Conferee
The Honorable Corinne W.L. Ching, House Conferee

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted, and H.B. No. 667, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO KUKUI GARDENS RENTAL HOUSING COMPLEX," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 91 and H.B. No. 835, HD 2, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted, and that H.B. No. 835, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative M. Oshiro submitted written remarks in support of the measure as follows:

"Mr. Speaker, I am in support of this measure. This measure is intended to assist the employees, retirees, and families who live at Kunia Camp and Poamoho Camp.

"Specifically, this measure establishes a program for low-interest loans and grants for home acquisition and property rehabilitation for affected plantation workers. This measure also establishes a rental assistance program and provides supportive services to prepare displaced or affected workers for homeownership.

"The closing of Del Monte Fresh Produce has had a significant adverse affect on pineapple workers, as many workers and their families live in plantation homes owned by the company. With the closing of Del Monte Fresh Produce, many workers find themselves undergoing a transition period during which they must continue to find a way to support themselves and their families. The intent of this measure is to assist the workers affected by the closing with supportive services, low-interest loans, and rental assistance.

"For the record, I'd like to provide a historical account of what has happened to these people. In February 2006, Del Monte announced plans to shut down its Hawaii pineapple operations in 2008. However, in November 2006, 2 years ahead of schedule, the company announced that closure would be immediate. The Del Monte employees were stunned. They were preparing to transition into new jobs, but needed time to complete education and training programs. They thought they had 2 years. Most of the workers only know plantation work. 90% are Filipino immigrants with limited English proficiency. According to the International Longshore & Warehouse Union ("ILWU"), of the 516 bargaining unit workers about 150 have found new jobs, but it is uncertain what their pay and benefits are.

"Federal funds are available for their training and education programs, but developing the knowledge and skills for new employment will take time. Meanwhile, these workers must pay their rents and mortgages with far less income than they had while employed by Del Monte. Financial help of any kind for their housing expenses will provide welcome relief to the workers as they transition.

"Many former Del Monte workers currently live in one of two camps that had been operated by Del Monte for employees and retiree housing. Others live in rental units or homes they are purchasing in the private market. Housing needs vary for each of them. It should be pointed out that the Hawaii State Legislature in 1995 provided assistance to the Waialua Sugar workers laid off when the company closed in 1994. Acts 30 and 31, provided for mortgage assistance and rent subsidies, but only eight mortgage loans were made and four rent subsidies were granted.

"Those living in Kunia or Poamoho Camp pay relatively affordable rents, but their primary concern is ensuring the viability of their camps. The Kunia land is owned by Campbell Company, which intends to assist the residents to maintain their affordable homes. Del Monte has pledged to continue to operate Kunia Camp until its lease

with Campbell expires in December 2008. Thereafter, no one knows for sure what will happen to the homes. Poamoho Camp is now owned by Hawaiian Island Homes (Peter Savio) which plans to keep homes affordable and eventually wants to turn ownership over to a cooperative of residents. Both camps are situated on agriculturally zoned land and face issues related to land use ordinances and building codes. Those living outside the camps are faced with high rents and mortgages. With less income, they will struggle to keep up with payments.

"Mr. Speaker, I am pleased that the Conference Committee allocated \$600,000 in general funds for both fiscal years 2007-2008 and 2008-2009, to provide for mortgage loans and rent subsidies. This amount could provide about 200 workers with a \$500 monthly grant for six months. The Hawaii Housing and Finance Development Corporation ("HHFDC") will develop criteria and administer the funds. This assistance should be viewed as an investment to prevent homelessness and to help preserve a special way of life. The plantation traditions and values are alive and well in Kunia and Poamoho Camps and can be nurtured with this assistance. Thank you."

Representative Magaoay submitted written remarks in support of the measure as follows:

"Mr. Speaker, I am in strong support of HB 835, HD2, SD1, CD1. Mr. Speaker, I believe that the passage of HB835, HD2, SD1, CD1, will help to address the negative effects of the closure of Del Monte Fresh Produce. The Del Monte workers were already in a bad situation when they were told that Del Monte's pineapple operation in Hawaii was set to close in 2008. This past November, things only got worse as Del Monte announced "immediate" closure – two years ahead of schedule.

"The transitional period for these workers to find new employment was always going to be difficult. Most of these workers know nothing else but plantation work, and for a vast majority English is not their first language. The fact that the closure has occurred two years earlier than expected, only compounds the problems of these displaced workers.

"The paramount concern of these workers is housing. Currently, many employees, retirees, and their families live in plantation homes. The closure could mean that these families will lose their homes. By passing this bill, the Legislature can come to the aid of these families who are simply trying to keep a roof over their heads.

"This measure will establish a program of low-interest loans and grants for home acquisition and rehabilitation; establish a rental assistance program; and provide supportive services to prepare current renters for homeownership.

"The plight of these displaced workers is of the utmost importance to me, and I am committed to seeing them successfully transition into new employment and secure adequate housing for them and their families. This measure will do much to facilitate such success.

"Thank you Mr. Speaker, and I ask my colleagues to support me on this bill."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted, and H.B. No. 835, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 92 and H.B. No. 1605, HD 1, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted, and H.B. No. 1605, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRAFFIC CONTROL,"

passed Final Reading by a vote of 49 ayes to 1 no, with Representative Finnegan voting no, and with Representative Bertram being excused.

Conf. Com. Rep. No. 98 and H.B. No. 869, HD 1, SD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 869, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A STUDY ON ENERGY EFFICIENT TRANSPORTATION STRATEGIES," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 99 and H.B. No. 1614, HD 2, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted, and that H.B. No. 1614, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Magaoay submitted written remarks in support of the measure as follows:

"Mr. Speaker, I am in strong support of HB 1614, HD1. The purpose of HB 1614, HD1, is to appropriate funds out of general revenues to continue the enforcement and prosecution of the drug nuisance abatement law.

"I believe that continued funding of the Drug Nuisance Abatement Unit of the Attorney General will provide for the effective enforcement and prosecution of the nuisance abatement law related to the distribution or manufacture of drugs, and will assist law enforcers in keeping our streets free from the hazards of these drugs.

"In a report by the Department of the Attorney General, over 1,192 complaints about drug houses and illegal drug activity have been made to the Unit, since July of 2003. In that time, 645 of the cases have been closed, leaving the Unit with an existing backlog of 575 complaints. In addition, new complaints are made to the unit's hotline each week. At present, the Unit's personnel consist of one Deputy Attorney General, one full-time Investigator V based on Oahu, and a half-time Investigator V based on the island of Hawaii. In order to increase the number of drug house closings and decrease the backlog, funding for the Drug Nuisance Abatement Unit will have to be imperatively increased so that additional personnel can be hired.

"Appropriation of said funds will effectively provide the necessary personnel and provisions that are needed by the Attorney General's Office to implement the services that this Drug Nuisance Abatement Unit provides.

"Thank you Mr. Speaker and I ask my colleagues to support me on this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted, and H.B. No. 1614, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DRUGS," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 102 and S.B. No. 1382, SD 1, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 1382, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 103 and S.B. No. 1388, SD 1, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 1388, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 104 and S.B. No. 1372, SD 1, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 1372, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE MANAGEMENT OF FINANCING AGREEMENTS," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 105 and S.B. No. 990, SD 2, HD 3, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 990, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PETROLEUM INDUSTRY MONITORING," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 107 and S.B. No. 1946, SD 2, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 1946, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DAM SAFETY," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 112 and S.B. No. 1515, SD 2, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 1515, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF TRANSPORTATION," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 115 and S.B. No. 1779, HD 3, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 1779, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILDREN," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 116 and S.B. No. 1916, SD 2, HD 3, CD 1:

Representative Caldwell moved that the report of the Committee be adopted, and that S.B. No. 1916, SD 2, HD 3, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Magaoay submitted written remarks in support of the measure as follows:

"Mr. Speaker, I am in strong support of SB 1916, SD2, HD 3, CD1. Mr. Speaker, there is a shortage of care providers in Hawaii. Family care giving has become a critical element of our healthcare and long-term care systems.

"As Hawaii Legislators, it is imperative that we establish the necessary elements to address this increasing need in the state of Hawaii. We must develop and design a comprehensive and

sustainable, community-based family caregiver support system, that will maximize resources in all communities.

"SB1916, SD2, HD3, CD1, requires that the Legislative Committee be extended and conduct a comprehensive assessment of care recipients' needs and the needs of their family caregivers; by requiring the Executive Office on Aging to conduct a comprehensive assessment of grandparents raising grandchildren in Hawaii, and conduct an assessment on appropriations needed to expand services for care recipients and their family caregivers, including the continuous development of the aging and disability resource center project.

"I believe that passage of SB1916, SD2, HD3, CD1, will strengthen the much needed support of family caregivers by extending the Joint Legislative Committee on Family Care Giving, and assist this Legislature in providing appropriations to implement its purposes.

"Thank you Mr. Speaker and I ask my colleagues to support me on this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted, and S.B. No. 1916, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAREGIVING," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 119 and S.B. No. 992, SD 1, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 992, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Brower voting no, and and, with Representative Bertram being excused.

Conf. Com. Rep. No. 128 and H.B. No. 122, HD 1, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted, and that H.B. No. 122, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative M. Oshiro submitted written remarks in support of the measure as follows:

"Mr. Speaker, I am in strong support for House Bill No. 122, House Draft 1, Senate Draft 1, Conference Draft 1, Relating to State Funds.

The purpose of this bill is to increase transparency in state government by requiring the Department of Budget and Finance to develop a single searchable website for the purposes of public disclosure by any for profit or nonprofit entity that receives certain types of financial assistance by the State. Financial assistance does not include single transactions less than \$25,000 and credit card transactions before October 1, 2009.

"This bill was modeled after the Federal Funding Accountability and Transparency Act of 2006 which was sponsored by U.S. Senators Tom Coburn from Oklahoma, Tom Carper from Delaware, and Hawaii's own, Barack Obama from Illinois and signed into law by President Bush on September 26, 2006.

"In Hawaii, support for this bill has come from diverse members of our community. With your permission, I ask to insert an article written by Kristina Rasmussen, Sr. Government Affairs Manager for the National Taxpayers Union; David Williams, Vice President of Policy for the Council Against Government Waste; and Richard O. Rowland, president of the Grassroot Institute of Hawaii.

"With the passage of this bill, Hawaii will be aligned with the Federal government by providing its citizens access to both federal

and state government spending. This is a big step forward for Hawaii in a continuing its effort to maintain a level of trust and accountability with its budgetary process. I urge my colleagues to support this bill. Thank you, Mr. Speaker."

Upping Transparency in Hawaii Government Taxpayers Support Creating Grant and Contract Database in Hawaii
By Kristina Rasmussen, David Williams and Richard O. Rowland,
4/13/2007 1:14:31 PM

Open Letter to Hawaii Lawmakers

On behalf of our thousands of members in Hawaii, we ask you to support SB 1689 and HB 122, which were introduced by Senator Les Ihara, Jr. and Representative Marcus Oshiro, respectively.

If signed into law, this legislation would create a public website (available by January 1, 2009) that would list every entity receiving state financial awards (e.g., grants, loans, awards, and contracts) over \$25,000. Providing such a database would better enable state residents to make sense of how their tax dollars are being parceled out. Both SB 1689 and HB 122 have passed their respective chambers.

As you may know, last year President Bush signed S. 2590, the Federal Funding Accountability and Transparency Act, into law. Originally sponsored by Senators Tom Coburn (R-OK) and Barack Obama (D-IL), the bipartisan legislation directs the U.S. Office of Management and Budget to create a searchable online database (located at www.federalspending.gov) that the general public can use to track the flow of hundreds of billions of dollars in federal grant and contract expenditures.

Hawaii residents deserve the same kind of tool from Honolulu. Creating a similar website on the state scale would entail little cost, but it would greatly increase transparency in the distribution of precious tax dollars and help hold elected officials accountable for their spending programs. While more than a dozen other states have limited versions of disclosure websites for grants and/or contracts, no state to date has created a single comprehensive database. By acting now, Hawaii has the opportunity to lead the nation in making government spending data more easily accessible to the public.

Currently, HB 122 and SB 1689 call for exempting all expenditures under \$25,000 from the database, which is also the federal exemption limit. We would strongly recommend that the bills be amended to lower the financial threshold for inclusion in the database. Given that the State of Hawaii spends vastly less than the federal government, providing for public inspection of all defined expenditures (or at least those above \$5,000) would be a positive adjustment.

As we found at the federal level, support for this legislation will likely transcend party lines. Advocates from across the opinion spectrum share the common notion that transparency of and public access to government information is vital to the health of our political system. We sincerely hope you decide to support this legislation and help pass it into law. If we can be of any assistance in this effort, please do not hesitate to call upon us.

Kristina Rasmussen is the Sr. Government Affairs Manager for the National Taxpayers Union; David Williams is the Vice President of Policy for the Council Against Government Waste, and Richard O. Rowland is the president of the Grassroot Institute of Hawaii.
Hawaii Reporter"

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted, and H.B. No. 122, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FUNDS," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 131 and H.B. No. 1630, HD 2, SD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 1630, HD 2, SD 2, CD 1, entitled: "A

BILL FOR AN ACT RELATING TO TECHNOLOGY WORKFORCE DEVELOPMENT," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 132 and H.B. No. 15, HD 2, SD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 15, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

Conf. Com. Rep. No. 133 and H.B. No. 598, HD 1, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 598, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 50 ayes, and with Representative Bertram being excused.

At 3:14 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. 618, HD 1, CD 1	H.B. 1130, HD 1, SD 1, CD 1
S.B. 1008, SD 1, HD 2, CD 1	H.B. 1372, HD 1, SD 1, CD 1
S.B. 667, SD 3, HD 2, CD 1	H.B. 1063, SD 1, CD 1
S.B. 870, SD 1, HD 2, CD 1	H.B. 334, HD 1, SD 1, CD 1
S.B. 1750, SD 1, HD 1, CD 1	H.B. 402, HD 1, SD 2, CD 1
S.B. 1315, SD 2, HD 1, CD 1	H.B. 250, HD 2, SD 2, CD 1
S.B. 987, SD 1, HD 2, CD 1	H.B. 1322, SD 1, CD 1
S.B. 1161, SD 1, HD 1, CD 1	H.B. 34, SD 2, CD 1
S.B. 1154, SD 2, HD 2, CD 1	H.B. 1005, HD 2, SD 1, CD 1
S.B. 1182, SD 2, HD 1, CD 1	H.B. 162, HD 1, SD 2, CD 1
S.B. 1222, SD 3, HD 2, CD 1	H.B. 1231, HD 2, SD 2, CD 1
S.B. 1929, SD 2, HD 2, CD 1	H.B. 667, HD 1, SD 2, CD 1
S.B. 17, SD 2, HD 2, CD 1	H.B. 835, HD 2, SD 1, CD 1
S.B. 795, SD 2, HD 1, CD 1	H.B. 1605, HD 1, SD 1, CD 1
S.B. 678, SD 1, HD 1, CD 1	H.B. 869, HD 1, SD 2, CD 1
S.B. 149, SD 1, HD 1, CD 1	H.B. 1614, HD 2, SD 2, CD 1
S.B. 1284, SD 2, HD 2, CD 1	S.B. 1382, SD 1, HD 1, CD 1
H.B. 1646, HD 2, SD 1, CD 1	S.B. 1388, SD 1, HD 1, CD 1
H.B. 1628, HD 1, SD 1, CD 1	S.B. 1372, HD 1, SD 2, CD 1
H.B. 349, SD 1, CD 1	S.B. 990, SD 2, HD 3, CD 1
H.B. 714, HD 2, SD 1, CD 1	S.B. 1946, SD 2, HD 2, CD 1
H.B. 71, HD 2, SD 2, CD 1	S.B. 1515, SD 2, HD 2, CD 1
H.B. 1264, SD 1, CD 1	S.B. 1779, HD 3, CD 1
H.B. 1370, HD 1, SD 1, CD 1	S.B. 1916, SD 2, HD 3, CD 1
H.B. 1612, SD 1, CD 1	S.B. 992, SD 1, HD 2, CD 1
H.B. 1337, HD 1, SD 1, CD 1	H.B. 122, HD 1, SD 1, CD 1
H.B. 375, HD 1, SD 2, CD 1	H.B. 1630, HD 2, SD 2, CD 1
H.B. 1518, HD 1, SD 2, CD 1	H.B. 15, HD 2, SD 2, CD 1
H.B. 791, HD 1, SD 1, CD 1	H.B. 598, HD 1, SD 1, CD 1
H.B. 1246, HD 1, SD 1, CD 1	

At this time, the Chair announced:

"Members of the House, please don't forget to let the Clerk know which House and Senate bills on the Consent Calendar you would like to insert comments on for the Journal. This must be done before the adjournment of today's Floor session. For any of you who would like to submit remarks, please get it done before adjournment this evening."

At 3:15 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 3:16 o'clock p.m.

**ORDINARY CALENDAR
UNFINISHED BUSINESS**

Conf. Com. Rep. No. 9 and S.B. No. 139, SD 1, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 139, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CIGARETTE TAX," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 10 and S.B. No. 755, SD 1, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 755, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Marumoto rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I'm in favor of this bill to have County Ethics Commissions. At the beginning of this year, you said, I'm happy to say, that we are here trying our best to improve the conduct of all elected officials and State officials in trying to bring the trust and confidence back to the people of Hawaii. This bill looks like it will bring back some of that trust in our counties. We're even going to require the City and County of Honolulu to do the same thing, even though they already have an Ethics Committee.

"I think the sad part of this bill, Mr. Speaker, is that we are not applying the same high standard on our own body and the Legislature. This bill does not go far enough. I would have liked to see this bill call for the establishment of a Standards of Conduct Committee similar to that proposed in House Bill 1909. That's the one the House proposed.

"I commend you for trying to establish this Ethics Committee. I would have also liked to see someone be able to bring a charge against someone on the county council to such a Standards of Conduct Committee, just like someone could bring a charge against members of the Legislature as proposed in House Bill 1909. I would have liked to have seen the Standards Committee with authority to recommend ethics rules for members and employees of its respective councils, and review ethics issues as requested by the Chair of the County Council as in House Bill 1909. I think we could also have asked the counties to consider ruling out nepotism or considering drug testing for its members. After all, if it's good enough for our teachers, it may be good enough for us.

"Mr. Speaker, I would have liked to have seen all these things in this bill. Even though they are not here, I will still vote with a full and resounding yes because I believe that elected officials should be held to a higher standard of ethics and steps in that direction should be supported. Thank you."

Representative Meyer rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I'd like to register an aye with reservations on this measure. I believe that this is anti-home rule. I think it's up to the counties to create county ethics commissions. I don't think we'd like the County of Honolulu to set up an ethics commission for us, but maybe that's the only way we'll get one, but that's my problem with this."

Representative B. Oshiro rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in support. I just need to clarify some of these mischaracterizations, again, on this bill. Really, it's about letting an independent body select who is going to be the Commissioner, same as we have for our State Ethics Commission. It's an independent body separate from our legislative body that makes the evaluation on ethics issues, and that's what we're doing here. That's all the bill was about. It was letting an independent body be set up to address these concerns.

"I find it very surprising that the Representative from Waialae Iki has been saying she wanted to see all these things in it because when we had the Committee Report that she voted aye on, on March 15, 2007, I don't recall any of that discussion occurring at that time. Like the Chair of Judiciary has always done, he's entertained any potential recommendations, but none of that came to the table. Instead, she's trying to fold in H.B. No. 1909, which, unfortunately, has not passed the body and is something that we can take up at a later time. But this bill is specifically limited just to county ethics commissions, and I think we should all be voting in strong support. Thank you."

Representative McKelvey rose to speak in support of the measure, stating:

"Mr. Speaker, in strong support. I too, had concerns of homerule concerns. You know, I'm a big homerule advocate or 'freak', but I contacted our County Council and they're actually in very strong support of this measure. They don't think there is political will at the county level to ever initiate this kind of thing. They're in very strong support, so, I'm in strong support, as well."

Representative Marumoto rose to respond, stating:

"Mr. Speaker, in my defense, I will say I was very supportive of the House bill when we voted on it because it did contain some of the features that I specified, and I would have supported the Senate bill, as well. But I would just like to point out that we are being hypocrites by demanding a county ethics commission and not passing one for ourselves. Thank you."

Representative Waters rose to speak in support of the measure, stating:

"In support. Thank you. Just to clarify. Currently, the Mayors appoint the Ethics Commissions for the counties and the county councils approve. What this bill does is it conforms to the State Ethics Commission as a model, where an independent body appoints them. And that's what we're asking the counties to do. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 755, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COUNTY ETHICS COMMISSIONS," passed Final Reading by a vote of 51 ayes.

At 3:22 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 139, SD 1, HD 1, CD 1
S.B. No. 755, SD 1, HD 1, CD 1

Conf. Com. Rep. No. 14 and S.B. No. 1675, SD 1, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 1675, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AUTOMATED EXTERNAL DEFIBRILLATORS," passed Final Reading by a vote of 50 ayes, and with Representative Mizuno being excused.

Conf. Com. Rep. No. 15 and S.B. No. 1425, SD 2, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1425, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Thielen rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, a potential conflict. My family is in contracting," and the Chair ruled, "no conflict."

Representative Thielen continued in support of the measure, stating:

"Thank you. And, Mr. Speaker, I do support the bill."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1425, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTRACTOR LICENSING REQUIREMENTS DURING A STATE OF EMERGENCY OR DISASTER," passed Final Reading by a vote of 50 ayes, and with Representative Mizuno being excused.

Conf. Com. Rep. No. 17 and S.B. No. 1924, SD 2, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1924, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Har rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Har's written remarks are as follows:

"Mr. Speaker, I am in strong support of SB 1924 SD2 HD2 CD1. This bill would allow the sale of up to fifteen acres of land to an eleemosynary organization for a community center. I am in support of this measure because it would allow the Salvation Army Kroc Corps Community Center to be developed in the Ewa region. The Kroc Corps Community Center will provide quality programs and services to the residents of Ewa and Kapolei.

"Hawaii was selected over competing states because of support from community leaders, businesses and City and State officials during the application process and this measure would provide further evidence of support for this project. Accordingly, I stand in strong support of SB 1924 SD2 HD2 CD1."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1924, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LANDS CONTROLLED BY THE STATE," passed Final Reading by a vote of 50 ayes, and with Representative Mizuno being excused.

Conf. Com. Rep. No. 18 and S.B. No. 866, SD 1, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 866, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TOURISM," passed Final Reading by a vote of 50 ayes, and with Representative Mizuno being excused.

Conf. Com. Rep. No. 20 and S.B. No. 58, SD 2, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 58, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DENTISTS," passed Final Reading by a vote of 50 ayes, and with Representative Mizuno being excused.

Conf. Com. Rep. No. 21 and S.B. No. 1017, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1017, HD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Finnegan rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in support. Mr. Speaker, I just wanted to point out a couple of things. Throughout the length of this bill, what this bill tries to accomplish is basically money in grants-in-aid that was appropriated last year and due to some language, Habitat for

Humanity has not been able to utilize those funds. I understand that an AG opinion was completed as to the legality of it and that is actually not the problem. It's not a legal issue. It actually is that \$700,000 that Habitat for Humanity is supposed to establish a zero-interest revolving loan fund to be used to provide loans to low income families to build self-help ownership homes.

"In the past, the reason why they were unable to establish this or use this money is because last year there was this section where it says, to be administered in accordance with subpart (b) and, basically, it refers to 201. At the time it was G, and now it says H, and that's Hula Mae Funds by the Hula Mae Loan program. And over the year, Habitat for Humanity and Hula Mae tried to do exactly what this says, but they cannot integrate the two programs together. So, it's not a legal issue, and the AG would not be able to say that this bill is flawed or anything like that, legally.

"What happens is there's going to be another year where Habitat for Humanity will not be able to use this \$700,000. We were wanting to do an amendment, but because of our history of not being able to pass amendments on the Floor, we didn't attempt to do one. So, we just pointed out a glaring error, and what had happened was throughout both Houses, I believe, the section in which it connects it to Hula Mae was never discussed. This was put in during Conference Committee. I would almost think that why would you want to do that when you've heard throughout the whole Session that they are unable to do it, so, I'm just kind of puzzled."

Representative Shimabukuro rose to speak in support of the measure, stating:

"Mr. Speaker, in strong support. I'd just like to read an e-mail that we just received from HHFDC, Mavis Masaki, a planner. I'm just quoting her. She says, 'Before I spoke with you this morning', and it's my office manager, 'I consulted with the Deputy AG working with me on the Habitat contract. She's assured me that the floor amendment is not necessary and that we will be ready to execute the contract with Habitat by the end of the month with amended contract language that she is preparing. I am meeting with her this Thursday to go over the amended contract language. The only other remaining items that must be completed before we can execute the contract and encumber the GIA monies is to obtain the necessary certifications from Habitat, such as tax clearance, labor certification, etc. I've also spoken with Kathi Hasegawa, who's from Habitat for Humanity, 'this morning to discuss this with her and let her know that we'll make it work on our end.'

"It seems it's hopeful that has been addressed and I think we all agree that Habitat is a very worthy cause, and it appears as though the problems have been worked out. Thank you."

Representative Ward rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I rise with some reservations that probably have just been taken away, except I want to put a strong plug in for Habitat for Humanity. We have a housing crisis and we also have a housing solution. This area using local labor with small amounts of money using people who have equity in a house, 'sweat equity', by doing fantastic things. If there's any delay in that \$700,000, I think we're cutting off our nose to spite our face.

"This is something I've seen firsthand not only at the Carter Center in Georgia, but I've seen in Aceh the first housing that went up was Habitat for Humanity. So, they're not only doing good things here, but all over the world, and to let them go on unbridled and free to do what they can do, I think is the best thing that we can do. So, I hope the previous speaker and the Chair speaks precisely from her e-mail and the implementation will be decision driven."

Representative Finnegan rose to respond, stating:

"Thank you, Mr. Speaker. If that is true, I am very happy to hear that they are working it out. It was a strong point that they were saying that it was near to impossible that they would be able to work out the two programs together. So, if they did the impossible and are able to figure it out, then great. I just hope that we don't have to come back and try to fix it later."

Representative Awana rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Awana's written remarks are as follows:

"Mr. Speaker, I am in support for SB 1017 HD1 CD1.

"Habitat for Humanity is a self-help home building/buying program for low-income families who are in need of a simple, decent and affordable home. Currently, there are many ongoing Habitat projects in areas where "truly" affordable homes are scarce. There are many homeless/houseless families who are working, but cannot afford the cost of buying a traditional home. The funds provided by this bill will allow for a zero-interest revolving home loan for at least 30 families on the Leeward side of Oahu to become homeowners. We need to support this effort. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1017, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING," passed Final Reading by a vote of 50 ayes, and with Representative Mizuno being excused.

At 3:29 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 1675, SD 1, HD 1, CD 1
 S.B. No. 1425, SD 2, HD 1, CD 1
 S.B. No. 1924, SD 2, HD 2, CD 1
 S.B. No. 866, SD 1, HD 1, CD 1
 S.B. No. 58, SD 2, HD 1, CD 1
 S.B. No. 1017, HD 1, CD 1

Conf. Com. Rep. No. 23 and S.B. No. 188, SD 2, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 188, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Ward rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in strong support. This bill, Mr. Speaker, originated from a special guy. He's from Hawaii Kai, but it doesn't have his name on it any longer. He's the great orator that, I think, a lot of you will know by name and reputation.

"But the purpose of this bill is to clarify the Small Business Regulatory Act. Mr. Speaker, some of us go way back to the mid-90s when we went to the White House Conference on Small Business where Small Business Regulatory Acts were sweeping the nation. We then came back from the Washington conference and had essentially a Statewide Small Business Congress by which then the following year, 1997, legislation was submitted. And this Act was actually passed.

"What we've done through the years is to perfect it and to, with this bill, even make it better so that when there's a regulation, its impact on small business will be written up, circulated for input very democratically, and very systematic for the sake of small business survival. Having curtailed my remarks, Mr. Speaker, the remainder I wish to insert in the Journal with your permission. Thank you," and the Chair "so ordered."

Representative Ward's written remarks are as follows:

"Mr. Speaker, I am in strong support of this measure.

"This bill was originally introduced by the Senator from Hawaii Kai. The purpose of the measure was to clarify the Small Business Regulatory Flexibility Act.

"It would achieve this purpose by providing that a small business impact statement will be prepared and submitted to the Small Business Regulatory Review Board as early as practicable in the rule drafting process, providing that adopted rules affecting small business will be reviewed to determine if they are still appropriate within five years after adoption, and making nonsubstantive changes to Chapter 201M, HRS, to clarify the definition of a rule to remove outdated sections of the chapter.

"The bill was amended a few times and in its present form it does the same basic thing, but it goes a little further in that it asks the Board to review all new rules and those being amended and not only the ones they think should be reviewed, and ask that the Board would inform small businesses whose complaints that have not been upheld, that the business may submit a complaint to the Ombudsman.

"It clearly sets forth when a small business impact statement is to be submitted to the Small Business Regulatory Review Board during the drafting phase for new and changed administrative rules.

"It adds a review of new changed rules to the list of the Board's "powers" that were focused on existing rules.

"It requires a draft to be sent to the Board which is essentially complete. This encourages a dialogue between the drafting agency and the Board before it is sent to the Governor and for public hearing.

"It requires agencies to submit rules to the Board every odd year for review and for the Board to review them and submit a report of the results to the Legislature.

"It allows a small business to petition the rule making agency objecting to the impact of a rule. If the agency doesn't make changes, the Board will consider the merits of the petition. If the Board does not recommend the small businesses' changes, then the Board should tell the petitioner that they can submit their complaint to the ombudsman.

"Mr. Speaker, these changes will continue to ensure and allow our smallest firms to have a voice in ensuring that Administrative Rules are not overly burdensome, while regulatory agencies can still provide for consumer, environmental, and workplace safety considerations as they carry out their responsibilities."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 188, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE SMALL BUSINESS REGULATORY FLEXIBILITY ACT," passed Final Reading by a vote of 47 ayes, and with Representatives Cabanilla, Karamatsu, Nakasone and Saiki being excused.

Conf. Com. Rep. No. 25 and S.B. No. 46, SD 1, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 46, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Meyer rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I'm rising in opposition to this measure. The purpose of this bill is to require a public disclosure in a timely manner of proposed changes to compensation packages for University of Hawaii administrators. Sounds reasonable. But is it? Consider this.

"The University of Hawaii is a public university supported by taxpayers of our State. We expect the best. We expect the Board of Regents, the President of the University, and the Chancellor to recruit top-notch personnel. We expect the best. But this bill will hamper that effort, Mr. Speaker. Allowing proposed compensation to be disclosed for public comment prior to a contract being negotiated or signed will clearly damage the University's bargaining position. This would frustrate the process by breaking confidentiality and potentially causing some applicants to withdraw for fear of affecting their current employment. Obviously, this would stifle our effort to get the very best.

"Think of it this way. Would you put the same requirement on union negotiations? Of course not. Thank you very much."

Representative Finnegan rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. With reservations. I'll try and make this really short. I had some concerns originally because I was going to vote no, and decided to change my mind. But what had happened originally was basically saying, we wanted to attract the best people and that might mean high salary. One of the things that Office of Information Practices was mentioning is that in this form, it may properly be withheld from public disclosure. I know the transparency is something that we always talk about and we want to make sure it remains in the forefront of the public that we're being transparent with them.

"The reason why I have reservations now and not voting no is because if you have a Board that overpays or gives contracts, a really high amount of money and that person is not worth the amount of money, then you would most likely say, 'Okay, through the appointment process, hold accountable the people who had appointed them.' Before it used to be the Governor. The Governor's responsibility was reflective of them and it would reflect off the Governor, and there was, to me, more accountability. As it stands, and I believe that will change, that there is less, in my opinion, accountability. And so, now I'm kind of changing my stance and saying, 'Well, if there's less accountability from the Board level, then maybe the only thing that we can do is have something like this.' Thank you, Mr. Speaker."

Representative Marumoto rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I'm rising in opposition to this particular measure. I'd just like to point out what the OIP office said in testimony. They testified that the government employees have a significant privacy interest in proposed compensation, which generally is not outweighed by the public interest and disclosure. Consequently, the salary that an agency is proposing to pay an employee is currently not public information and may properly be withheld from public disclosure. This bill runs counter to the previous point by requiring the Board of Regents to disclose proposed compensation or changing compensation for certain UH administrative posts.

"OIP also went on to note that this bill may not be necessary. The Sunshine Law, and I'm quoting them now, 'Currently gives the public the opportunity to testify on any matters listed on the Board's agenda.' The Board's agenda must provide sufficient information so that the public knows what the Board intends to consider. As a result, 'although the exact salary that the Board proposes to pay a specific employee may not be included in the agenda, the Board is already required by the sunshine law to provide sufficient information to inform the public of its consideration of an employee's proposed compensation.'

"Although the goals of this bill are admirable, we should not place an under burden on UH that is not necessary. The testimony presented by OIP presents a compelling case of a right to privacy of

an individual for proposed compensation. Moreover, this bill is not even necessary, as the Sunshine Law offers the public an opportunity for their input. Mahalo."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 46, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT OPERATIONS," passed Final Reading by a vote of 45 ayes to 2 noes, with Representatives Marumoto and Meyer voting no, and with Representatives Cabanilla, Karamatsu, Nakasone and Saiki being excused.

Conf. Com. Rep. No. 27 and S.B. No. 1943, SD 2, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1943, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I'm standing to speak against this bill. Mr. Speaker, this bill adds biofuel processing facilities to the list of permitted uses in an agricultural district. What concerns me is that it's not just processing facility that will be a permitted use in the ag district. It's also the appurtenances associated with the biofuel processing plant.

"My concern is that there won't be any land use review. Once it becomes a permitted use in the ag district, that's it. They can be built. There's no county land use review that would minimize any impacts that could occur. Biofuels are really on a fast track. The concern I have about that is that we have natural resources that are much better to tap for renewable energy. We have the wind, we have the ocean, we have solar, and those are the true renewable energy sources. Our ag land should remain in ag production for food for the people of Hawaii. We're going to need that. And as where conflicts escalate, we're going to need to know that we are self-sufficient with our food grown right here in the islands. Buy local, but you can't buy local if it's not grown local, so, save the ag land for food. Thank you."

Representative Finnegan rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Ward rose to speak in support of the measure, stating:

"I rise in support. Mr. Speaker, with 60% of our ag lands from sugar and pineapple, and yesterday we just learned from Maui that, I think, pineapple is closing down. Until those 60% that are empty just growing weeds, I think we've got to get behind this. We want to diversify, we want to sustain. We have to also be entrepreneurial, experimental and open-minded. Otherwise we are wasting our lands because of the lack of use of them. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1943, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," passed Final Reading by a vote of 44 ayes to 3 noes, with Representatives Berg, Ching and Thielen voting no, and with Representatives Cabanilla, Karamatsu, Nakasone and Saiki being excused.

Conf. Com. Rep. No. 28 and S.B. No. 56, SD 1, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 56, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO JURY SERVICE," passed Final Reading by a vote of 45 ayes to 2 noes, with Representatives Evans

and McKelvey voting no, and with Representatives Cabanilla, Karamatsu, Nakasone and Saiki being excused.

Conf. Com. Rep. No. 29 and S.B. No. 1665, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1665, HD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

At 3:40 o'clock p.m., Representative Souki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:43 o'clock p.m.

Representative Cabanilla rose in opposition to the measure, and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Cabanilla's written remarks are as follows:

"With reservations in that the offense to rise to the level of a felony is too severe for some cases contained in the measure."

Representative Sonson rose to speak in opposition to the measure, stating:

"Thank you very much, Mr. Speaker. In opposition. First of all, I don't condone anyone abusing a pet. I think that we should take care of our animals. In fact, I just purchased a rabbit named Pufi for my daughter three days ago, and I told her that she must be responsible for it. If I didn't purchase Pufi, who is a one-year-old rabbit, they were going to give it to the Humane Society, and I know that they are going to put it to death.

"So, we saved this rabbit, put it in our backyard, gave her in a nice cage. And, now, my daughter has extra work to do, along with me. I'd like to point to this bill and say that it is really, really a big step for us to make causing the death or substantial bodily injury to pet animals a five-year felony. The bill, I think, does not treat each animal the same way, because if you look at the definition of pet animals, it means a dog or cat. That means it could be either a wild dog or a wild cat that no one owns, and you can still be included if you kill it or cause substantial bodily injury to it, you could end up being in jail for five years.

"For the rabbits, however, because my daughter's rabbit, Pufi, is domesticated, if someone were to kill or cause bodily injury to that rabbit, that would be a five year felony. But a hunter who's gone to the backyard somewhere, I don't know if we have wild rabbits somewhere that's running around in Hawaii, and you shoot it and cause bodily injury to it, that is not a felony. It's exempted. A domesticated pig, if you cause a death of substantial bodily injury to it, that will cause you to be prosecuted for a five year Class C felony. But a wild pig running around in Mililani, running around in Ka'u, somewhere where there are wild pigs, and you cause a death of that pig or substantial bodily injury to that pig, that is not a felony. That's not even a violation. So, we're treating animals by their status. Or, rather, we're giving them a different status.

"When I voted for this bill in Committee and I said, I'm voting yes, I had people calling me and saying, 'Why are you changing your vote?' I said that I really didn't change it because I feel any differently. I really don't feel that animals should be treated in a way that would cause people to be in prison for five years. I value them, but I think the law as it exists, one year in jail, I think, is sufficient. This bill goes one step forward and it takes a huge step for us.

"We are a community that's very diverse. We have different feelings and ideas about animals. But I think this idea where we take a cat or a dog, be it a wild cat or wild dog, or a domesticated cat or dog, domesticated rabbit, or domesticated pig, and treat them as if

they were more valuable than our children left in cars. We as a society should have this discussion.

"I think most of society right now in the State of Hawaii, does not support a five year Class C felony for substantial injury or death to a cat or dog. Not when we still take the same animal, such as domesticated pig, for instance. If that pig was grown in a barn, put it in a slaughter house, we kill it, and put it on our plate. It's the same animal. Why do we give it a different status?"

"If we really, truly care about animals. If we take a cat that's outgrown its use in the home or because you are moving, you give it to Humane Society, and they have hundreds of dogs and they destroy them, what is the exemption on that? In fact, the bill does not have an exemption because it might be problematic.

"Destruction of animals is exempted or you may be exempted from 711-A that's contemplated in this bill, that means you can cause the death of an animal by torture, mutilation, and poisoning ... "

Representative Sagum rose to yield his time, and the Chair, "so ordered."

Representative Sonson continued, stating:

"Thank you, Representative. It does not give an exemption for anybody to put any animal to death. If it's an accepted veterinary practice, then maybe that's exempted. Activities carried on for scientific research governed by standards accepted for educational or medicinal purposes. That means you can take a dog or a cat and dissect it. Cropping or docking as customarily practiced, which I think is a good idea. But it does not have exemptions for anyone to put an animal, such as a cat or a dog, unless there is something else in the statute that exempts them, then the Humane Society, who is the main proponent of this measure should take a look at that to see whether or not they're exempt from killing cats or killing dogs or any of these domesticated animals that are contemplated in this particular measure.

"I'd like to point you again to page 4. It gives the definition of what is torture. Torture includes every act, omission, or neglect whereby unjustified physical pain, suffering or death is caused or permitted. That means, Mr. Speaker, that if I give my daughter the responsibility to care for Pufi and for some reason, I don't do a good job of supervising her, and Pufi dies, she has just become a victim in this particular bill because it is any act or omission causing death, although it is neglect.

"This is a dangerous bill. I think we're moving a little too fast. I don't think Hawaii is ready because no matter which we go on this bill, we're going to have somebody calling us. When I voted no on this the last four years I've been in this Legislature, I got phone calls saying, 'How would you like somebody stabbing you in the chest?' When I voted yes on this bill, somebody called me and said, 'How could you vote like that?' When I made a comment in the paper, and was quoting the paper that I think we should prefer human beings to animals when it comes right down to it, somebody called me on the phone and said, 'How dare you? How dare you prefer humans over an animal? How could you say such a thing?'

"There will always be people who will be unhappy no matter which way I go. So, I might as well be honest with you, Mr. Speaker, and this body. I do prefer humans over animals. I love animals. I have pets. But when it comes right down it, I'm not going to put anybody in jail for five years for the death of a dog or a cat. One year is sufficient. It's on the books.

"We're expanding this quickly because of special interest, but I think it is really, really difficult to craft legislation that is proper, careful, and that will not have negative consequences. It has unequal protection for pigs and rabbits. It is unequal protection for any animal that we put on our plate, really. So, Mr. Speaker and Members, I'm saying this because the public's going to look at us

anyway, and who is protecting animals and who is protecting humans? Basically, if you are for this bill, there will be people who are for you. If you don't vote for this bill, there will also be people for you. I think it is everyone's choice.

"I'm sorry for that yes vote. I was compelled to do so, and I might as well disclose it. That is the reason why I voted yes. I've never, ever meant to vote yes, but I had to. I would like to thank the Chair of Judiciary, the Vice Chair of Judiciary and the staff of the Committee on Judiciary and the House. They worked so hard in this measure. I know that I put considerable input into this and I thank them for their consideration. But when it comes right down to it, when it comes to put my cast this vote, I feel very strongly that we should limit punishment to one year, which is on the books, especially when we have such a conflicting bill which obviously we are not ready and prepared for. Thank you very much."

Representative Waters rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In support. Pet animals provide companionship and enjoyment to their owners. Harm committed against pet animals causes significant emotional distress to their owners. Thus pet animals are protected by this felony provision and that's what this bill does. It strengthens Hawaii's animal cruelty law by creating a Class C felony offense of cruelty to animals in the first degree.

"In criminal law, there are three things that are required. You need an act. You need a state of mind. And you need a result. In this case, the act is to torture, mutilate or poison. You have to do one of those three things. You have to intend to torture, mutilate or poison. It has to be a conscious object to do this. Or you have to knowingly do this. And it has to cause a specific result, the result being death or serious bodily injury. Death is death, of course. But HRS defines serious bodily injury as an injury which causes a substantial risk of death or serious permanent disfigurement or protracted loss for impairment of a bodily member or organ. And the state of mind applies to all those elements. And as well, it has to be a pet animal.

"So, if there's a pig and you're hunting it, it's not a pet animal. You're not a felon. You're not a misdemeanor either. It applies to pet animals. So, again, this is for the most serious of acts against pet animals. The reason is because like I mentioned in onset; that for many people intentionally or knowingly killing or causing bodily injury to their pets causes huge injuries to them.

"And, by the way, just for the Members' information, we're only one of nine states, I believe, who doesn't have this. And this bill does not deal with cockfighting at all. If you notice the definition of pet animal, chickens or cocks are not included there. We also put in an exemption where you clip the tail or clip the ears. That's not a felony.

"We put an exemption in for pest control people for misdemeanor offense. If you intentionally kill a pet animal when you tent the house, well, that's a felony because you intended or knowingly did it. But if it was reckless, you're not a criminal. We did do a lot of work on this. We had the input of the Labor Chair. And by the way, he wrote half the bill. Anyway, thank you, Mr. Speaker."

Representative Herkes rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. In opposition. The last time, I reserved the right to vote no on this bill. Mr. Speaker, I have two dogs that I adore. I would never hurt them. In fact, they get better medical care than most people in my district.

"When I was at Cornell Hotel School and taking courses in food, we were required to go New York City and watch the slaughter of chickens and steers. I know that's not covered by this bill, but you want to talk about cruelty to animals. What they do to the chickens.

They put them on a conveyor belt. The heads are in a cone. The heads were sliced off. Then they're dipped in paraffin and the rubber rods knock off all the paraffin. The chickens in many cases are still alive.

"In the case of kosher kill for cattle, which is what is done in New York City, the cattle are lifted up by their feet, alive. The rabbi slices their throat. To watch that, and it was almost 50 years ago that I took those courses, it still sticks in my mind.

"So, if we want to talk about cruelty to animals, we need to go way beyond pets. If we're really going to talk about, let's talk about it. Thank you."

Representative Cabanilla rose to speak in opposition to the measure, stating:

"I'm still in opposition, Mr. Speaker. I just want to continue my comments regarding the charge of felony. It seems like we believe that harshening punishment is affixed to everything there is, and it's an easy way to fix something in our minds. But we received and heard different discussions repeatedly in this Chamber, that harshening punishment really does not deter crime. It only sounds good, but it doesn't work. We heard that same discussion on the three strikes bill and we still affixed it. We still made it to be 30 year mandatory, and I'm bringing that same discussion into this right now. And I think that this is just the practice of this Chamber and I'm saddened by that. That harshening punishment is the only solution that we can come up with.

"And, again, on the special status of animals, I've heard multiple times of children getting killed by vicious dogs, but yet we never do anything about it except to destroy the animal. We never go after the owner and make it a felony charge for them. There's a lot of inequity in this Chamber, Mr. Speaker, and I say this is one of them. This is definitely a special interest for people with special stature in which their initiatives and mandates are heard. Thank you."

Representative Ching rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In strong support. There have been many arguments on this bill, I think, over this Session, and the most recent one about comparing this to chickens. Chickens, I will repeat for the third time, chickens and cockfighting are not in this bill. I want to also ask that the words of the Representative of Kailua, a big pet loving community, be entered as my own.

"In this bill, I count six times that pet animal is referred to. Pet animal. Not wild boar. Not wild chicken or wild feral cats, but a pet animal. And then domesticated pig. I submit that this bill is not against humans or against pets; or raising pets to a human level, or lowering humans to a pet level. What this bill is about is, it's against cruelty. That's how I read this bill. It's against cruelty.

"I personally think it's time we take a stand against those things that are uncivil. We have one of the worst rates in the nation for pedestrian fatality. We have one of the worst rates in the nation for a number of things, in this State that calls itself the Aloha State, and which bases its industry on tourism, which is the hospitality industry.

"Relatively, in making things well. What do you call cruelty? There is an old saying, 'Even a dog knows when it's been kicked', and no pun intended. Letters to the editor, phone calls, testimony. We have one of the highest rates of pet ownership in the United States, and I've gotten numerous calls on this bill. There are a lot of people, they are not pet owners, that don't like what they're hearing.

"If I can just briefly go through a few. Try this one. Someone coming on to your private property and says to the person who is trespassing, 'Stop, stop. It's a pet pig. It's a pet pig.' The person proceeds to come on your private property, take machete in hand, mutilate the pet, cut off one of its legs and run off with it. The pet,

for however you feel about pigs and all that, the pet pig was actually one of these, like the dog for one of the banks. It was a movie star pig."

Representative Green rose to yield his time, and the Chair, "so ordered."

Representative Ching continued, stating:

"Thank you. Conjure up this. Conjure up that someone coming on to your private property. I mean, relativity. You want to go with relativity. Nothing's cruel, nothing's bad, nothing's uncivil. But when something like that happens, it's a little different. This bill, I think, is a very well thought-out bill. It took a long time and we kept, in the past denying this bill. Deny, deny, deny, deny this bill. We took out the cockfighting. What we're talking about is decency here.

"I've said this before on the Floor. In particular, I must admit, I believe in dogs. Dogs have earned the distinction of man's best friend. They fought along side our people in war. They've died for it. They've been allowed on the floor of Congress. They take care of our people. In some cases, they're the only family for some of our members of society, for people without companions, for the blind. Some of them for elders, for people who have, in fact, they show that dogs have very much an effect on mental illness and people who are depressed. They've earned their right as man's best friend.

"I have friends on the mainland that are just thinking, I can't get over what's going on in the Aloha State. I don't understand why they're still one of nine that just won't do this. This is a very well thought-out bill. There are a lot of exemptions. I think that's a step in the right direction. If we're going to step towards civility, it is to say that we are anti-cruelty. And I think that's what this bill is about. We know the difference. We're not talking about just kicking a dog. We're talking about cruelty. And for those that understand that we don't allow that and the link between that, and later violence for people who have that sort of thing.

"I might add that it's one of the symptoms, when they talk about serial killers, etc., it's one of the symptoms. Early, cruelty to animals and continuously, how that can affect someone if you were to hurt their animal, and what that does to another person. I think it's pretty clear. This is not a frivolous bill, and I do take umbrage against it being cast that way. Thank you."

Representative Lee rose to speak in opposition to the measure, stating:

"Mr. Speaker, I rise in opposition. Mr. Speaker, I don't think it's any secret that I love animals. I've handfed, rocked, and nursed my 16-year-old dog, Flash, through several illnesses and I get up to take him outside, two to three times at night. Another dog of mine was rescued from a garbage heap and nursed to health. My five cats have been rescued as abandoned kittens screaming in hunger in the night, or starving adult cats that no one wanted. I've rescued many baby birds, handfed and protected them until they could fly, or given them a quiet place to die.

"A few weeks ago, I stood on the Floor of the House and said that this bill is long overdue. I still think that. I'm really sorry because I support the contents of the bill. But, today the Legislature and, particularly, the Senate has got its priorities wrong. We need to take a good look at what or whom we should protect.

"About two months ago, a little three-year-old Sarah Okutani died after being left in her seat in the back of a car all alone. It must have been a horrible death. The car's temperature likely rose to over a hundred degrees, and her body temperature to 105 to 106 degrees, causing her to have a severe dry mouth, eyes, and skin. She may have convulsed and vomited, and probably aspirated. She surely screamed in terror, but no one came. No one was there to listen and she died alone.

"So, Mr. Speaker, in good conscience, as a nurse and a mother of four, and a grandmother of two little girls about the same age as Sarah, I can't vote for this bill until the Legislature gets its priorities straight and passes a bill to protect and prevent injuries to children left alone in cars.

"Senate Bill 1665 creates a Class C felony. In the case of the Keiki Bill, all that was asked for was a fine. A fine, Mr. Speaker. Only \$200 for the first offense; something that may have saved a little life. Inexplicably, that was turned down by the Senate. Therefore, I vote no on this bill with hopes that we decide to come back next year when we're thinking more clearly to pass bills that protect both our children and our animal friends. Thank you, Mr. Speaker."

Representative Meyer rose in opposition to the measure and asked that the remarks of Representative Lee be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Bertram rose to speak in support of the measure, stating:

"I'm standing in strong support. I understand all the discussions been going on, but I think it's true from everything that we do have to stand sooner or later for animals; for those who can't speak up and animals are one of those. Our whole society is rife with violence, not only to each other and ourselves, but to all the things around us. So, whatever step we can take is good.

"I also don't agree with heavy fines or heavy prison terms. I don't like it. But we do need to send a very strong message out there that any life that's above a plant, is precious and needs to be protected. And it says a lot about who we are that we don't trade that off for anything, and that we do protect the very things that are in our protectorate. So, I vote very much in favor of this."

Representative Evans rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I rise with support with reservations. As the Chair of Public Safety, I need to point out that this bill does not have an appropriation. It does not look at a study on the impact that it may have on our facilities because it does have a Class C felony in it. That concerns me.

"I like the idea that we're addressing the cruelty to animals because I, like others that have spoken, believe that people that who can mutilate and do it viciously, could psychologically have problems with them. I don't know if throwing them in jail for five years is appropriate if you don't have the mental health services and the treatment services necessary. You put people in there like this, that may be extremely angry, just venting themselves on an animal. What happens when you put them in prison for five years and let them seethe? Where do you solve that problem of their internal anger? So, you put them right back into the community and again, they may commit a crime.

"So, if we're going to step up and say they need to be put in jail, then we'd better have the services and the programs and the facilities for them. Thank you."

Representative Yamane rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I'm standing up with reservations. Last year this Legislature moved to make our shelters expand to allow pets, and as the introducer of the bill, I committed to supporting our friends and family members of the four-legged type. But I was also moved by my colleague from Mililani, so I will be voting with reservations."

Representative Sagum rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Awana rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Berg rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1665, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ANIMALS," passed Final Reading by a vote of 41 ayes to 6 noes, with Representatives Chang, Herkes, Lee, Meyer, Sonson and Souki voting no, and with Representatives Cabanilla, Karamatsu, Nakasone and Saiki being excused.

Conf. Com. Rep. No. 30 and S.B. No. 1833, SD 1, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1833, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Meyer rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I'm rising in opposition to this measure. This bill talks about the Family Leave Act. The Family Leave Act pertains to companies with a hundred or more employees, but neither big nor small businesses should have their management rights taken away, especially, in these instances where they are required to permit employees to take up to four weeks of family leave.

"This bill changes the phrase, "employee or employer" by deleting the word "employer." It unilaterally permits an employee to elect to use accrued paid leave, including vacation, personal or family leave, for any part of a four-week period of family leave provided under law. The Family Leave Act provides a presumption that four weeks of family leave is: number one, unpaid; and number two, restricted to four weeks, unless otherwise agreed upon by both employer and employee, referring to an accrued ten sick-day limit or employment or collective bargaining contract.

"Under the Family Leave Act, employers who provide sick leave are required to allow employees up to ten sick days for part of the four weeks. It currently defers the election to the employee for up to half of the time. Passage of this measure allows employees to usurp managerial decision-making authority which greatly impacts other employees, operations and customer service.

"I have more remarks, Mr. Speaker, but I will just insert them in the Journal. Thank you," and the Chair "so ordered."

Representative Meyer's written remarks are as follows:

"For any part of the four weeks, an employer may need to hire a temporary employee for the remaining two weeks and may simply not be able to afford the cost of two employees for one position during the four weeks. Employers are substantially challenged by having to identify qualified replacement for short term placements. Also, when they do find replacements, it is extremely costly on the front end of the employment and training cycle.

"This bill is one-sided and places a disadvantage on employers who have generously provided paid leave that were intended to apply to absences caused by reasons under the Hawaii Family Leave Act.

"Permitting either the employee or employer is reasonable in the context of an employee/employer relationship. If employees anticipate the need for anything different, employers should not be forced to concede if it is not in the best interest of the company. The existing provisions do not prohibit employers to voluntarily permit employees the unilateral choice to elect if that is their company policy and non-discriminatory.

"It is one-sided as employers will have no guidance from this measure or legal recourse because even the Director of DLIR points out that there is no provisions for enforcement or regulation, or guidelines for proper accounting of paid and unpaid hours during the four weeks, or even at termination.

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"The current version of the Family Leave Act adequately provides the public with protection from losing their jobs when they need time to take care of their personal or immediate family health concerns within a four week period.

"The Supreme Court consistently decides in favor of preserving management rights when management decisions do not infringe upon or abuse employee's rights. We should vote the same way. I urge my colleagues to vote WR or NO. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1833, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FAMILY LEAVE," passed Final Reading by a vote of 46 ayes to 1 no, with Representative Meyer voting no, and with Representatives Cabanilla, Karamatsu, Nakasone and Saiki being excused.

At 4:14 o'clock p.m., Representative Magaoay requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 4:19 o'clock p.m.

Conf. Com. Rep. No. 31 and S.B. No. 1004, SD 2, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1004, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Carroll rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Carroll's written remarks are as follows:

"Thank you Mr. Speaker. In support and I would like to present remarks on this measure.

"Mr. Speaker, the purpose of this bill is to increase access to mental health care by establishing requirements under which qualified, licensed psychologists practicing at federally qualified health centers may prescribe certain types of psychotropic medication under the general supervision of a medical doctor.

"S.B. 1004 represents a viable solution to address the significant access to mental health care problems that plague our State's medically underserved areas and populations.

"S.B. 1004, H.D. 2, S.D. 2, C.D. 1 has been amended several times to include significant changes that effectively respond to safety and training issues raised during the Legislative Session. These changes include: 1) increased training hours to exceed those required by the Department of Defense's PDP; 2) limiting the practice to Federally Qualified Health Centers only and not other clinics in underserved areas; and 3) improved language to further clarify the supervisory standards.

"Rural areas such as my district and others, are geographically isolated, impoverished areas and their residents are in a state of crisis when it comes to getting the mental health care they need and deserve.

"One doesn't have to look far to see the devastating effects of substance abuse, particularly ice. According to a Justice Department report, "Hawaii has the worst crystal methamphetamine problem in

the country and it is destroying families and communities with 40% of people arrested by police in Honolulu testing positive for methamphetamine use.

"Increasingly, community health centers in rural and urban areas are the providers of behavioral health care in at-risk communities because their patients, who typically have a number of social, educational, economic and health problems are more likely even than the norm to suffer from depression, anxiety and other mental disorders. At the same time, they are much less likely to have access to any behavioral healthcare providers other than those who work at the health center.

"The homelessness, domestic violence, and suicides that occur in our State on a near daily basis, are also prevalent and devastating and warrant attempts to improve and re-establish effective mental health treatment approaches. S.B. 1004 represents such an attempt. Oftentimes, these problems are the end result of normal stressors that go untreated and become chronic, lifestyle problems. The Community Health Centers are positioned to provide holistic, integrated care that could effectively treat and prevent problems such as depression, anxiety, and substance abuse from getting worse.

"The Hawaii Primary Care Association, along with the majority of Community Health Center CEOs, EDs, and Medical Directors, have testified in strong support of S.B. 1004. They have come to rely heavily on licensed clinical psychologists as members of their primary care teams to provide holistic, timely, and integrative behavioral health and primary care services.

"The Molokai Ohana Community Health Center and the Hana Community Health Center are both in my district and would be positively impacted by this piece of legislation.

"Hana is in one of the most isolated areas of our State. Their unemployment rate is 13% and almost half of the families that reside in Hana (47%) fall below the 200% Federal Poverty Level. Hana has the highest infant mortality rate in the State and meets federal designations for a mental health professional shortage area and medically underserved population. Fifty-one percent of the clinics' patients are either under- or un-insured, and 49% are Native Hawaiian.

"On Molokai, the Community Health Center was established in 2004, and also serves an island community that has been designated a mental health professional shortage area, as well as a medically underserved area. Ninety percent of the patients that frequent this health center live less than 200% below the Federal Poverty Level, 62% are either under- or un-insured, and 33% are Native Hawaiian.

"These community health centers are typical of those across our State in that among the patients they serve, 70% are in need of behavioral health services. However, in 2005, only about 11% of the community health center patients actually received these needed services. With extremely limited mental health referral networks in rural areas, and an overburdened mental health system statewide, the community health centers have become the de facto mental health system in many communities.

"Depression and anxiety are the two most often diagnosed mental health conditions in Hawaii's community health centers, accounting for 60-75% of all patient visits. These conditions have been linked to strikingly higher costs; thus, people who report persistent untreated depression have annual adjusted medical costs that are 70% higher than those who do not report having depression.

"We cannot ignore the fact that the community health center community is largely in support of this bill.

"The CEO's from Waianae and Waikiki have testified in person at recent hearings. The medical director, Dr. Dan Shuman, from Molokai Community Health Center was also here at the last Consumer Protection hearing testifying about the high quality of care

provided by the psychologists he has worked with in his center. Dr. Ric Custodio and Dr. Bob Bohnert have also testified in overwhelming support based on their real life experience in working with psychologists who have already received some extra training in psychopharmacology and provide irreplaceable services in both their primary care clinics and emergency room department. The community health centers know what they want, and what will work best for their patients. They want the psychologists who are already working successfully on their teams to receive advanced training to enhance their ability to manage the medication aspects of the behavioral health patients' needs, and to provide combination therapy (both medication and talk therapy) which has proven to be the most effective treatment approach for multiple psychological problems.

"Community health center doctors are overwhelmed with their patients' behavioral health needs. They deliver half of all mental healthcare in the U.S. and account for more than two-thirds of all psychoactive agents and 80% of all anti-depressants in the U.S.

"In a survey of our local community health center doctors, primary care physicians reported the top three functions they see as essential in the primary care setting: (1) behavioral health intervention (therapy); (2) psychotropic medication consultation; and (3) relapse prevention/compliance enhancement. Combination therapy (both medication and talk therapy) is the most effective treatment approach for the most common problems seen in community health centers.

"Psychologists have proven to be leaders in serving Hawaii's rural and underserved populations and have been doing so in 10 of the 13 community health centers and in the Native Hawaiian Health systems since the year 2000. These clinics include: Waianae Coast Comprehensive Center, Waimanalo Health Center, Bay Clinic, Ho'ola Lahui-Kauai Community Health Center, Molokai Community Health Center, Hana Community Health Center, West Hawaii Community Health Center, Kalihi Palama Community Health Center, Kookia Kalihi Valley, and Na Pu'uwai Native Hawaiian Health Care System.

"It's time to pass this much needed legislation and get necessary care out to the thousands of primary care patients who have problems that, if left untreated, will result in unnecessary impairment, suffering, and devastation."

Representative Carroll also submitted the following letter to the editor:

"We must take exception to the letter claiming that passage of a measure to provide prescriptive privileges to psychologists would make mentally ill people second class citizens. This is just one more piece of sensationalist misinformation. Here are the facts about the bills we support that would expand what properly trained psychologists can do:

ONLY psychologists who have completed a rigorous multi-year post-doctoral training program in psychopharmacology would be eligible for the expanded privileges. That means they will have an educational background comparable to other primary care providers who can prescribe these medications.

ONLY a limited range of prescription medications will be on the psychologists' formulary. That means they'll be limited to prescribing drugs for people with anxiety and depression. They will NOT be prescribing drugs for people with schizophrenia, bipolar conditions, or other problems that should be properly managed by a psychiatrist.

ONLY the appropriately-trained psychologist who practice at COMMUNITY HEALTH CENTERS will have these privileges and ONLY when they are working as a part of team with physicians. This means that psychology prescriptive practice will be limited to places where there are considerable unmet needs, where quality improvement and evaluation processes are in place, and where systems and practices are established to meet the

particular needs of people with neglected health problems complicated by economic, educational, and cultural barriers to care elsewhere.

As Richard Bettini, CEO of the Waianae Coast Comprehensive Health Center, noted in recent testimony, "Prescriptive authority for psychologists is what most community health centers want. Give us some credit. We're the people who care most about what's best for our clients and know what works."

Paul Strauss,
Executive Director of Waikiki Health Center and Board Chair

Beth Giesting, CEO Hawaii Primary Care Association of the Hawaii Primary Care Association"

Representative Brower rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Finnegan rose to speak in opposition to the measure, stating:

"Mr. Speaker, I'm voting no on this measure, CCR 31. Just quick comments. The only reason why I'm voting no is because I'm unsure whether or not we meet all the LRB recommendations and the DOD requirements, and I'm wondering if all those things were met. From what I understand, the DOD requirements are quite expensive and we're still not sure if that meets that. Thank you."

Representative Meyer rose to speak in opposition to the measure, stating:

"On Conf. Com. Rep. No. 31, I'll be voting no, and I have some remarks I want to insert in the Journal. I'm not on the Health Committee, but it seems to me, I've heard a lot about this. I wasn't aware that actually only two states in the United States have passed a law similar to this. During the 2007 Session alone, legislators in California, Georgia, Illinois, Mississippi, Montana and Tennessee have all rejected similar legislation. It doesn't look like this is an issue that's been embraced in a large way across the country.

"With the huge difference in training, and the fact that psychologists have no medical training whatsoever, I think the 660 hours are just a 'smidgen' of the ten-year training that psychiatrists have had. So, I would caution my colleagues here to move very cautiously on this. This is not something that has been universally accepted and it definitely could create problems for the very people that you think you're going to help. Thank you."

Representative Meyer's written remarks are as follows:

"Mr. Speaker, I am in opposition on CCR 31, which allows psychologists practicing at federally qualified health centers to prescribe certain types of psychotropic medication.

"This bill may cause more harm than good. Even the Board of Psychology sent in testimony in opposition to this bill. The Board of Psychology stated this bill is not as stringent as the formulary that was used by the Department of Defense PDP program. All Board members agreed that the training model in the bill was not sufficient for psychologists to prescribe psychotropic drugs.

"The lack of training this bill requires for a psychologist to prescribe psychotropic medication is inadequate. Currently, a psychiatrist must perform forty-eight months of didactic training and forty-eight months of clinical training for a total of ninety-six months before they are allowed to prescribe psychotropic medication.

"In this bill, it would only take a psychologist four months to complete the required 660 hours of classroom instruction and only a little over one month to complete the 400 hours of clinical training. This bill would allow a psychologist to prescribe psychotropic

medication in less than six months of full-time training, while it takes a psychiatrist eight years to complete his or her training.

"Instead of helping the mentally ill on Hawaii, this bill will give second-class services to a portion of our population that need the best care available. We are avoiding the question of why we are losing more psychiatrists in Hawaii and substituting a practice that may put our vulnerable population at a greater risk. Thank you."

Representative Green rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. Just very brief comments in support. We've talked at length about this on numerous occasions. I would only say that I would reassure the Members that we have strengthened language further in the last reiteration of the bill. So, for those of you who've had reservations and been up on the bill, it is tighter; it is stronger.

"I know we have philosophical differences of opinions about this. I won't go into them because it's a long day and we have a much longer day ahead, but I do believe this will be a safe bill. Thank you, Mr. Speaker."

Representative Awana rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Awana's written remarks are as follows:

"Mr. Speaker, I am in support of CCR 31, SB 1004, SD2, HD2, CD1. This bill will allow qualified, licensed psychologists practicing at federally qualified health centers to prescribe certain types of psychotropic medication. Community Health Centers, like one on the Waianae Coast, are at a distinct disadvantage in recruiting mental health professionals – financial resources are limited – yet, the needs are great. Clinicians, including our psychologists, are required to perform a broad range of services. Because of the limited funding sources, the existing positions for psychiatrists are also limited. Available psychiatric positions may be provided at a part-time basis only.

"Psychiatrists are not in favor of going out to these rural communities. In order for a psychiatrist position to be feasible, psychiatrists need to spend most of their time in the urban centers where they are able to generate more revenue. This is understandable and I find no fault in psychiatrists. However, we need to support patients and those who work in the rural communities – our psychologists. As I understand, the bone of contention is an educational component that has since been adequately addressed so patients can be serviced safely. Mr. Speaker, active steps must be taken to address our mentally ill. This bill will assist in addressing this concern. Thank you, Mr. Speaker."

Representative Ching rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

Representative McKelvey rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1004, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PSYCHOLOGISTS," passed Final Reading by a vote of 27 ayes to 20 noes, with Representatives Chang, Ching, Evans, Finnegan, Har, Ito, Lee, Magaoay, Manahan, Marumoto, Meyer, Pine, Sonson, Souki, Thielen, Tsuji, Wakai, Ward, Yamane and Yamashita voting no, and with Representatives Cabanilla, Karamatsu, Nakasone and Saiki being excused.

At 4:23 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 4:24 o'clock p.m.

Conf. Com. Rep. No. 32 and S.B. No. 1400, SD 2, HD 3, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1400, SD 2, HD 3, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

Representative Marumoto rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Marumoto's written remarks are as follows:

"Mr. Speaker I am in support of this measure. The purpose of this bill is to protect elderly consumers in our communities by requiring financial institutions to report suspected financial abuse. As a member of the Kupuna Caucus and a duly appointed Conferee, I believe I must stand to give our *kupuna* a voice in this body.

"Our elders have given so much to us. They have paved the way to many of the freedoms we enjoy today and provided us with loving homes. They protected us when we are young, and now we are in a position to protect them.

"The National Center on Elder Abuse has stated that according to the best available estimates, between 1 and 2 million Americans age 65 or older have been injured, exploited, or otherwise mistreated by someone on whom they depended for care or protection. The Center estimates that only one in twenty five of cases of financial abuse get reported, and that there could be as many as an estimated 5 million incidents of financial abuse against the elderly.

"Mr. Speaker this is a scary thought that people would prey on some of our most vulnerable. It is even scarier to think of how many of these incidents go unreported. Mr. Speaker it is for this very reason we need this bill. When a financial institution suspects that there may be some type of financial abuse, they can call in the Department of Human Services to initiate an investigation.

"Financial institutions may be the first to become aware of financial abuse directed at our elderly. They witness the elder engaging in banking activity that is unusual or is deviating from the norm. Without this law it is too easy for them to turn away for fear of getting involved or become insecure if their perspective suggests abuse.

"This bill sends a strong message to the citizens of Hawaii that financial exploitation of elder dependant adults will no longer be tolerated, and that our *kupuna*, our elders, should be held in high esteem, honored, and protected instead of victimized.

"Mr. Speaker for these reasons, I am in support of this measure, Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1400, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FINANCIAL ABUSE," passed Final Reading by a vote of 47 ayes, and with Representatives Cabanilla, Karamatsu, Nakasone and Saiki being excused.

At 4:28 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 188, SD 2, HD 1, CD 1
 S.B. No. 46, SD 1, HD 1, CD 1
 S.B. No. 1943, SD 2, HD 2, CD 1
 S.B. No. 56, SD 1, HD 1, CD 1
 S.B. No. 1665, HD 1, CD 1
 S.B. No. 1833, SD 1, HD 1, CD 1

S.B. No. 1004, SD 2, HD 2, CD 1
 S.B. No. 1400, SD 2, HD 3, CD 1

Conf. Com. Rep. No. 34 and S.B. No. 228, SD 1, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, and the report of the Committee was adopted and S.B. No. 228, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GRAFFITI," passed Final Reading by a vote of 48 ayes, and with Representatives Cabanilla, Karamatsu and Nakasone being excused.

Conf. Com. Rep. No. 35 and S.B. No. 1603, SD 2, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1603, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Tokioka rose to speak in support of the measure, stating:

"I rise in strong support. Thank you. I want to thank everyone for the time given on this issue, and I know each Committee worked very, very hard on this. I just wanted to highlight a couple of things Mr. Speaker, on Act 190 and what it does. I won't take too long.

"Act 190 has given the counties and agencies for the past ten years liability protection from signs posted on county beaches. This bill makes it permanent. This will certainly assist the counties in claims for accidents which may occur on county beaches. An example, on the Island of Kauai was a sign was posted in an area, and a gentleman went down to swim in this area. The sign says, 'Don't dive into the beach. It's a very dangerous condition.' He dived in. This happened seven years ago. The County is still dealing with this liability issue, so, I'm certain that this will help in that area.

"Another thing that this bill addresses, Mr. Speaker, is an indemnification for the counties and I can give you an example. On Kauai, we have a convention hall that the Department of Education uses for children, whether it's listening to Frank DeLima or for plays that the Department of Education puts on. When the County hosts these functions for the Department of Education, which is a State function, the county is held liable. But if the same thing happened in reverse, where the State were to use a county facility, it's different. The liability is not there.

"So, I really want to thank everyone for working on this particular bill because it means a lot to the counties, and I know the counties are very appreciative. What the counties could have done was the counties would not have allowed the State, the Department of Education to use those facilities, but to my knowledge, they have never done that, and they've wanted to make sure that the best things happen for the people in the community. So, thank you for that.

"The bill also extends the sunset date for Acts 82 and 170, and provides for a taskforce to work on a possible repeal or amendment in 2010.

"In closing, Mr. Speaker, I want to thank the Senate President, the Senators from Kauai, Kalapana, Hilo, and both Senators from Kaneohe. I also want to thank the entire House leadership for stepping up to the plate on this bill and, especially, the Chairs of Judiciary, and Water, Land, and Hawaiian Affairs for taking the Committees to Kauai to listen to the issue. As everyone should know in here, Kauai has the most liability claims for drowning in the entire State. And if I'm not mistaken, the entire country, Mr. Speaker. Thank you very much, Members, for allowing me the time and, Mr. Speaker, thank you very much."

Representative Finnegan rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I'm in support, but I do have reservations. Thank you, Mr. Speaker. This is a very good bill just like the previous Representative has said. The question that I have or the part that I have reservations on is that throughout the Session, my understanding is that this bill did go through the Session without the part about extending the statute of limitations for actions against the county for damage or injury from six months to two years. I believe that there was a bill that was introduced to do that, that was never heard. This part of the bill was added in Conference Committee. I'm not sure that if it passes, whether or not this particular provision had public testimony on it or not.

"It does contain the language or similar language that I believe the Governor had vetoed in the past. When you're doing something like this, I can see why the language was put in there. Maybe it's kind of like a balancing effect, having or extending the six months to two years. However, we should not be considering that so late in the game in Conference. So, my reservations, because the bill is a very good bill and helps counties as well as the County of Kauai, I stand with reservations on that particular part."

Representative McKelvey rose in support of the measure and asked that the remarks of Representative Tokioka be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1603, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LIABILITY," passed Final Reading by a vote of 48 ayes, and with Representatives Cabanilla, Karamatsu and Nakasone being excused.

Conf. Com. Rep. No. 36 and S.B. No. 162, SD 1, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 162, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Ward rose to speak in support of the measure, stating:

"On Conference Committee Report No. 36, I rise in support and have always been in support and will remain in support, except I have a very puzzling question I want to ask. This bill changes the Friends of Iolani Palace, to be called the State of Hawaii Museum of Monarchy History. My question, Mr. Speaker, to either the Chair or the originator of the bill is: do they become a part of the government now because we call them State of Hawaii? Do they become something different than the 501C-3? What actually in the last change in the Conference Committee is being done and we are asked to vote on today? Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 162, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO IOLANI PALACE," passed Final Reading by a vote of 48 ayes, and with Representatives Cabanilla, Karamatsu and Nakasone being excused.

Conf. Com. Rep. No. 38 and S.B. No. 138, SD 1, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 138, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Marumoto rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Marumoto's written remarks are as follows:

"Mr. Speaker I am in favor of this measure. This bill will help to ensure that one of Hawaii's most beloved natural treasures, Diamond Head, is preserved and cared for. The bill mandates that 55 percent of the admission fees charged will be used to cover repair and maintenance and operations at the national monument.

"As a historical footnote, the Diamond Head monument was established right after Statehood, in 1962, to protect the slopes of the crater, as well as the view planes. Since that time, millions of people have visited the crater. Last year alone, 600,000 people made the hike to the summit with almost 90 percent of those listed as visitors, according to the Hawaii Tourism Authority.

"Thus, with all that traffic, it's important to make sure that the monument is properly maintained. This bill sets aside necessary funds to ensure those important tasks are completed so we can enjoy our treasure forever.

"This bill is a good bill. I thank Senator Sam Slom for introducing it, albeit in a different form, and I urge all my colleagues to vote yes."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 138, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DIAMOND HEAD STATE MONUMENT," passed Final Reading by a vote of 48 ayes, and with Representatives Cabanilla, Karamatsu and Nakasone being excused.

Conf. Com. Rep. No. 41 and S.B. No. 1191, SD 2, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1191, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Lee rose to speak in support of the measure with reservations, stating:

"In support with reservations. I've always been a supporter of pedestrian safety and it really is very sad that we've had such a large number of pedestrian accidents this year. I'm sad to see that we couldn't recognize the value of the red light part of this bill, and I think it would have saved a lot of lives in the long run. I'm hoping that in the future, we will be able to pass that bill because I think it would play a large part in improving pedestrian safety and saving lives. Thank you."

Representative Ward rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I rise with the same support and reservation. I also have remorse that the red light cameras did not get put into this and perhaps the next time around, and even a second remorse is that driving while talking on a cell phone probably is another one of the causes of a lot of our difficulties.

"Every year there's 30 to 40, almost 50,000 people killed on our highways, not to count all the pedestrians that are being maimed and injured. I think it's time that we do something. It's unfortunate that we've chosen not to do this more comprehensively, but I think, if the time is right, then in the future I'm sure it will be brought back up. Thank you, Mr. Speaker."

Representative Souki rose to speak in support of the measure, stating:

"Yes, thank you, Mr. Speaker. I'm speaking for the bill. However, I would like say that in order to strengthen the future of pedestrian safety, I would hope that the Representative from Kailua, who speaks of the 'van cam', or the 'son of van cam' would also support the cameras. Thank you very much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1191, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PEDESTRIAN SAFETY," passed Final Reading by a vote of 48 ayes, and with Representatives Cabanilla, Karamatsu and Nakasone being excused.

Conf. Com. Rep. No. 43 and S.B. No. 1066, SD 2, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1066, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Tsuji rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I rise in strong support. Allow me to say upfront that Hawaii has been always undergoing a continuous war against invasive species. On one hand, alien flora, such as the miconia, have placed our precious watersheds and native ecosystems in danger, jeopardizing the freshwater supplies while pushing endemic species to the brink of extinction. Similarly, alien fauna, such as the coqui, dengue, and its carriers, threaten to undermine our health, our tourism industry, and really our quality of life. Estimates by one State biologist alone have shown that these pests have cost residents and the ag industry upwards of \$400 million annually. And the problem is getting only worse.

"A variety of DOA risk assessments have shown that many more pests are entering the State than existing resources can really address. DLNR itself cites that, a lack of adequate sustainable funding is the single greatest problem that the State, federal, and private agencies face in their fight to protect Hawaii from harmful invasive species. This measure seeks to address these glaring deficiencies by imposing a nominal \$1 fee on maritime commercial shipment containers, 20-foot shipment containers. This is really a miniscule drop in the bucket, Mr. Speaker, when you compare it to the actual freight cost that transportation companies impose.

"It is the intent of this measure to collect the fee from the importer of the shipment and deposit it into the Pest Inspection Quarantine and Eradication Fund. The revenue generated by these fees would then be used to fund the operation of the much-needed inspection and monitoring programs and facilities at major ports of entries, along with the execution of emergency remedial measures when invasive species are detected.

"Let me say, Mr. Speaker, some have argued that this bill would increase the overall cost of goods and services that are brought into our State, resulting in higher retail prices that would be pushed onto our residents. In looking at the bigger picture, however, I would argue that, 'an ounce of prevention is really worth a pound of cure'. Consider this: Instead of enacting a series of piecemeal legislation year after year to combat those pests that slip through the cracks, costing taxpayer millions of dollars, Session after Session, biennium after biennium, I ask this question: Why not establish a front-end approach to prevent the introduction and spread of these pathogens in the first place? These fees would not, as some have criticized, fund some obscure concept not with substantive plan of attack, but rather, would go towards funding DOA's comprehensive Biosecurity Plan, which is poised to begin Phase II of a multi-tiered strategy to combat the introduction and spread of alien species."

Representative Magaoay rose to yield his time, and the Chair, "so ordered."

Representative Tsuji continued, stating:

"Thank you. Accordingly, we as lawmakers are obligated to take a firm stand against invasive species in order to safeguard our precious ecosystem and way of life for generations to come. S.B. No. 1066 places this responsibility firmly on the shoulders of everyone in our

State, since only in standing together can we expect to turn the tide against our war on invasive species. With this in mind, I strongly ask you, Mr. Speaker, and fellow Members to stand behind me and support this bill. Mahalo."

Representative Meyer rose to speak in opposition to the measure, stating:

"I'm rising in opposition to this measure. Whatever the shipping people are charging us now, with the passage of this bill, they will be charging us more. That's just guaranteed. So, the way businesses work, when their costs go up, they pass it on to the consumers.

"And we're creating a new special fund, which we have hundreds of already. We have had money for this before from federal funds. This new special fund, federal funds, can go into it, State funds. This is an important measure. We do have to be ever diligent about alien species and we have had some success in the past. As we see it being a larger problem, we should fund it out of the general fund. It should be a line item in the Department of Ag. Nobody has to keep introducing special bills. If it's in there, we know that this is a problem that we have to stay on. That would be the most reasonable way to fund an important kind of program like this. Thank you, Mr. Speaker."

Representative Finnegan rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I rise in opposition. I'll make my comment short. Basically, it has to do with the fact that the bill is flawed, and I'm just disappointed that the Senate did not consider correcting it so that we could, if this is the way that we want to do it, that we could actually start doing something about it now. The Representative from the Big Island that spoke a couple of times before this did basically express the importance, and that's why I think that this should have been corrected. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1066, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INVASIVE SPECIES," passed Final Reading by a vote of 46 ayes to 2 noes, with Representatives Finnegan and Meyer voting no, and with Representatives Cabanilla, Karamatsu and Nakasone being excused.

Conf. Com. Rep. No. 45 and S.B. No. 12, SD 2, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 12, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH INSURANCE RATE REGULATION," passed Final Reading by a vote of 48 ayes, and with Representatives Cabanilla, Karamatsu and Nakasone being excused.

At 4:45 o'clock p.m., Representative B. Oshiro requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 4:45 o'clock p.m.

At 4:45 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 228, SD 1, HD 1, CD 1
 S.B. No. 1603, SD 2, HD 2, CD 1
 S.B. No. 162, SD 1, HD 2, CD 1
 S.B. No. 138, SD 1, HD 1, CD 1
 S.B. No. 1191, SD 2, HD 2, CD 1
 S.B. No. 1066, SD 2, HD 2, CD 1
 S.B. No. 12, SD 2, HD 2, CD 1

Conf. Com. Rep. No. 49 and S.B. No. 837, SD 2, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 837, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Har rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I rise in strong support of Senate Bill 837. In recent years we have seen lands once designated as agricultural, reclassified as urban, particularly on the Leeward Coast. Thousands of homes have been constructed resulting in an increase in traffic and undoubtedly impacting our quality of life. This bill will allow lands on the Leeward Coast to remain agricultural.

"It has been noted that these lands are recognized as being amongst the most agriculturally productive lands in our State. We must ensure that our lands in the Kunia and Ewa districts remain classified as agricultural to support and promote the growth of diversified agriculture in our State, and to preserve the open lands that remain on the Leeward Coast. Allowing Agribusiness Development Corporation to purchase these lands will help us to accomplish these goals. For these reasons, I stand in strong support of Senate Bill 837, S.D. 2, H.D. 2, C.D. 1. Thank you, Mr. Speaker."

Representative Meyer rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I'm voting yes on this, but I'm somewhat confused because with some of the accounts we've read in the newspaper, I was under the impression that Monsanto has already purchased this land in Kunia. And the Ewa property, I think, has also been purchased. So I don't think the bill talks about condemning. That's my confusion. Thank you very much."

Representative M. Oshiro rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative M. Oshiro's written remarks are as follows:

"Mr. Speaker, this measure allows the Agribusiness Development Corporation to purchase lands in the Kunia and Ewa areas on Oahu, and allows them to lease these lands for up to 55 years, thereby protecting important and productive agricultural lands.

"Mr. Speaker, there is a demand for urbanization in Central Oahu. New subdivisions and homes are slowly becoming the main feature of this area. With the former Campbell Estate selling its lands in the Kunia and Ewa areas on Oahu, it is vital that the State protect these lands which are considered some of the most fertile and productive agricultural lands in the State. If these lands are sold to separate and unrelated purchasers who are not interested in preserving them for agricultural use, the likelihood of these lands being used for agriculture become doubtful and could be lost forever.

Mr. Speaker, protecting agricultural lands is fundamental to Hawaii's future. Agriculture and its value-added products contribute over \$2 billion to the State's economy and employ over 38,000 people. More than that Mr. Speaker, the agricultural industry is important to our way of life. Our residents appreciate the fresh, local fruits and vegetables that are available in our markets. With top award winning chefs and restaurants utilizing fresh, local ingredients in their dishes they expose our tourists to numerous other island produce rather than just the stereotypical pineapple and sugarcane that they have come to associate with Hawaii. Locally grown produce also improves our food security, decreases our dependence on imported produce and ensures the availability of certain items should there be a natural disaster or problems with transportation on the mainland.

"For these reasons Mr. Speaker, I support this measure."

Representative Magaoay rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Magaoay's written remarks are as follows:

"Mr. Speaker, I am in support of Senate Bill 837 S.D. 2, H.D. 2, CD 1.

"Mr. Speaker, most of us know that the Kunia lands on Oahu are probably the most fertile and productive agricultural land in the State. If there are any lands necessary to support a sustainable agricultural industry, these lands would fit this category. The purpose of this bill is to preserve agricultural lands by authorizing the Agribusiness Development Corporation to purchase, via general funds or revenue bonds for the sole purpose of using this valuable agricultural land for agricultural use in the foreseeable future.

"Mr. Speaker, this bill addresses the concern on the future of our agricultural lands in central Oahu that are generally recognized as being among the most productive lands in the State. We are aware that the 8,000 acres of former Campbell Estate land in large parcels along Kunia Road have or are being sold. One pending sale may result in a 1,700 acre subdivision with 300, five-acre agriculture lots. If these lands are sold to separate and unrelated purchasers who are not interested in establishing agricultural production, the likelihood of their use in agriculture becomes doubtful and could be lost forever.

"Mr. Speaker, the State needs to ascertain whether it is in the best interest of the public as articulated in the Hawaii State Constitution in Article XI, Section 3 and in the State Land Use Law found in Chapter 205, that certain agricultural lands with associated agricultural support infrastructure that are currently or anticipated to be offered for sale should be purchased by the State in fee or have developed rights extinguishing by purchase of agricultural conservation easements.

"Mr. Speaker Senate Bill 837 provides for the purchase of agricultural lands in fee or through purchase of agricultural conservation easements whereby the landowner retains title to the property but is restricted as to the use of the property for the duration of the easement. The source funds will be from an appropriation from the general fund and issuance of revenue bonds.

"Thank you Mr. Speaker and I urge my colleagues to pass this measure."

Representative Karamatsu rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Karamatsu's written remarks are as follows:

"I am in support. I created this bill to protect Hawaii's most valuable agricultural lands. It appropriates \$9,200,000 and authorizes the Agribusiness Development Corporation to purchase agricultural land in Kunia and Ewa from private entities. In addition, it enables the Agribusiness Development Corporation to lease agricultural lands in Kunia and Ewa for up to 55 years to farmers. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 837, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Final Reading by a vote of 50 ayes, and with Representative Cabanilla being excused.

Conf. Com. Rep. No. 59 and H.B. No. 1608, SD 3, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 1608, SD 3, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Mizuno rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Mizuno's written remarks are as follows:

"I am in support of this measure, Mr. Speaker, HB 1608.

"A major aspect of this measure is that it will empower the Governor, county Mayor or the Director of Transportation to designate an area to be a traffic emergency zone as an alternative route during times of emergencies.

"Members, we have knowledge of our major thoroughfares closed due to accidents or road blocks caused by floods, erosion or other safety concerns, where commuters were caught in a standstill with no recourse, but to wait until the traffic is cleared. In situations like these, our government officials seem helpless in view of the present restrictions that prohibit or bar them from taking immediate action to address the current problem, which is counter productive of being an effective government official.

"I believe, Mr. Speaker, that this measure will do away with bureaucratic red tape that usually causes delay in taking immediate action during emergency situations, to ensure and protect the health and safety of our drivers during traffic emergencies, while seeing a safe access for our commuters.

"For this, Mr. Speaker, I support this measure."

Representative Awana rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Awana's written remarks are as follows:

"Mr. Speaker, I am in support of CCR 59, HB 1608, SD3, CD1. This measure establishes traffic emergency zones that will aid in quicker access to areas affected by road closures. This bill allows both State and county leaders with the tools needed to act when public health and safety is being jeopardized by accidents, or natural disasters.

"This is a good bill because it reaches specific emergency hurdles and limits any exemptions, procedural leniency, and indemnification of liability to areas designated as a Traffic Emergency Zone. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1608, SD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Final Reading by a vote of 50 ayes, and with Representative Cabanilla being excused.

Conf. Com. Rep. No. 62 and H.B. No. 487, HD 1, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 487, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Finnegan rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I'm standing with reservations to Conf. Com. Rep. No. 62. Thank you, Mr. Speaker, I didn't think that this was going to be anything that I would rise up on, but my reservations on this bill have to do with the fact that it was explained to be making technical amendments.

"One of the recommendations by LRB states, and I'm reading this from the State of Hawaii, Department of Human Services, HPHA, the Hawaii Public Housing Authority. It says, 'We have concerns about Section 35a which states that the Authority shall construct, develop, and administer property or housing for the purpose of State low income public housing projects and programs.' And on the surface it sounds like something that we would like to do. We would like for the Authority to be able to or force the authority, mandate by using the 'shall' language.

"However, we've seen examples of how the federal government is actually moving in an opposite direction where they're saying to not have a government build and develop and administer, but, instead, turning it around and having nonprofits take over and they find it's much more successful that way. So by accepting this language which is supposed to be technical in nature, that it actually starts us going in the opposite direction of where the federal guidelines are telling us to go or guiding us to go

"For instance, one of the examples that I can share is, like in our district, they're doing that with military housing. Actually, that's not a nonprofit, but it is a for profit. But they just feel that these things in regard to building, renovating, and managing, that they do a better job. Mr. Speaker, another example is the Palolo Valley homes. Only positive results have come from that particular situation. And it's basically saying that the tenants are going to be more a part of decision making, and that's what happened in that case.

"So, I have reservations in regards to, maybe it's overlooking that particular section, but I would strongly recommend that since we are going to leave it in for this Session, that we turn around and go into a different direction next year. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 487, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING PROGRAMS," passed Final Reading by a vote of 50 ayes, and with Representative Cabanilla being excused.

Conf. Com. Rep. No. 63 and H.B. No. 692, HD 2, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 692, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Karamatsu rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Karamatsu's written remarks are as follows:

"I am in strong support of extending the lapse date of special purpose revenue bonds issued to assist Aloun Farms to June 30, 2010. This company has played a huge role in Hawaii's agricultural industry and sustainability. Aloun Farms plan to use the special purpose revenue bonds to build an agricultural processing plant in the future to strengthen its operations. However, not too long ago, the company's landowner sold the land to a developer that plans to build homes on its land once the lease expires. With the uncertainty of where Aloun Farms will be located in the future, an extension of the special purpose revenue bonds would be very helpful for this important Hawaii agricultural company. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 692, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Final Reading by a vote of 50 ayes, and with Representative Cabanilla being excused.

Conf. Com. Rep. No. 66 and H.B. No. 1830, HD 2, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 1830, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Mizuno rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In support. Mr. Speaker, Members, the right to life is a fundamental right. So important is this right that it's guaranteed by both our State Constitution, in Article I, Section 5, and the United States Constitution, in our Fourteenth Amendment. Mr. Speaker, we have a golden opportunity today to protect our newborn babies. So far, 47 states have already enacted safe-surrender laws to save newborn babies. We can be the forty-eighth state, Mr. Speaker.

"These babies who are just born are helpless. In fact, so compelling is the testimony that we heard from our paramedics at the hearings, not only in the House side, but they went to the hearings on the Senate side. One paramedic explained how she helped deliver 10 babies herself. Very compelling was her testimony about a 12-year-old who didn't know what to do, and the baby was near death, badly dehydrated, pale. We don't want this to happen. With this measure, we believe we can save newborn babies, Mr. Speaker.

"If you think about the concept of this measure, this is really saving the lives of two people. First, of the newborn baby, and also of that mother. What happens, Mr. Speaker, is if the mother is caught abandoning her baby and that baby dies, most likely she'll be charged with murder. At the least, manslaughter. If that case goes on and she is prosecuted for murdering her newborn baby, she'll probably get a sentence of 25 years to life. This will cost the State approximately \$1 million to house that person at a correctional facility."

Representative Meyer rose, stating:

"Mr. Speaker, is he speaking on this bill?"

The Chair responded, stating:

"Yes, the safe haven bill."

Representative Meyer: "With talk about murdering, and I just was confused."

Speaker Say: "Please proceed, Representative Mizuno."

Representative Mizuno continued, stating:

"Thank you, Mr. Speaker. To address some of the concerns, yes, if a mother does leave, and abandons her baby, she can be charged with murder. So, I take this very seriously, and that's why this measure is so important. Again, 47 states have already passed it. It's time for us to pass this.

"I have another major concern, Mr. Speaker. We've got approximately 9,000 unintended pregnancies in our State every year. When we look at our target group, and when I say target group, I'm talking about our youth, ages 12 to 19. The reason why we call them our target group is because this would be the group that will be most likely to abandon their newborn baby. They have approximately 1,500 unintended pregnancies a year. This represents a whopping 78%. That's eight out of every ten pregnancies. Many times they would not know what to do, Mr. Speaker. And this will give them a chance, an option, to take the newborn baby somewhere, instead of placing that baby in a shallow grave or dumpster.

"I also wanted to state that statistics indicate that 57 babies everyday are abandoned. This comes out to approximately 20,000 babies abandoned every year. And this I got from our House Concurrent Resolution 344, which we passed on April 4th by our outstanding colleague of mine, the Representative from Liliha. I

completely supported that Resolution and I stand here today still supporting that because that was a prelude to this bill that gives us hard core facts here. The point is it's nationwide, but it is also happening in Hawaii. It's not in California only, or New York or some other place. This happens in Hawaii, because we have testimony from our paramedics.

"Someone also wrote me, a director from one of our youth agencies, who, I think it's better I not say her name, but she wrote and I quote, 'As a case worker, I worked on cases where newborns were found in the dumpster and a bathroom, one discarded from an immigrant, the other from an adolescent.' So, to say that this doesn't happen in Hawaii, well, that's just not true. It happens in Hawaii, too."

Representative M. Oshiro rose to yield his time, and the Chair, "so ordered."

Representative Mizuno continued, stating:

"Thank you. Members, today we will hear that this measure is relating to adoption, lineage, and heritage. All those issues are very important, no doubt, but keep in mind that that newborn is murdered, is buried, then heritage, lineage, adoption, that's all moot. That's moot because they don't ever have a chance to know about heritage. They won't be able to have an education. They won't be able to play any games because they're dead. That's why we have to stand up and pass this measure and become the 48th state.

"Back in March, and I'm sure the count has gone up, we've had a count of 1,160 newborns that have been received in safe havens, and I've mentioned this before, but it still stands true today. These babies, some of them with developmental disabilities, down syndrome, fetal alcohol syndrome, autism, mental retardation, some of these babies are even HIV positive, they've all been adopted. All of them.

"Mr. Speaker, we have worked feverishly with the Senate to come up with a draft to address the concerns by the Governor, and our Conferees surely feel that we did that and I commend both the House Conferees and the Senate Conferees. They did a great job. I feel this is an air-tight bill. For those foregoing reasons, we should support this measure. Thank you, Mr. Speaker."

Representative Ching rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. In opposition. First of all, I wanted to commend my colleague from Kalihi because it just goes to show it's nice when you can have a cordial relationship and just agree to disagree and I have utmost respect for my colleague from Kalihi. I also wanted to express my appreciation for the passing of the Resolution on Project Cuddle which attempts to look at this issue from a different standpoint, from the standpoint of education.

"What I wanted to clarify is just a couple of things. First of all, when I think about this bill and I'm asking my colleagues here in the House to really get to the crux of the bill. Who are we saving here? What does this bill do? What this bill does is it basically gives a level of immunity to the person, the woman. Sometimes, who knows, it could be a gentleman, who abandons a baby. So, the question becomes are we saving those who abandoned babies? Are we saving those who are abandoned? I hope everybody will keep that in mind, because when that 12-year-old that was referenced gave birth to a baby, I'm questioning whether that 12-year-old would have known or ever know the next 12-year-old, that we passed this bill. It is an emergency situation, which our good EMS people took care of. In fact, we need to ask, who called the EMS, right? And they just appeared there, right?"

"And, also, a third point is babies abandoned, 57,000, etc. Let's be clear. That's in the nation. The two of the three holdouts on this are the states of ourselves and Alaska, and I would say that if you've

been to Alaska, and I've been to Alaska, Alaska and Hawaii have actually, if you would to take out the climate, they have a lot of things in common. And what it is, is it's in part, culture. They have the good sense not to pass this.

"I wanted to clarify another thing. LRB's report that concluded that 47 states have similar legislation is not completely correct. Because that's noted in the text of LRB report, 16 states do not give immunity from prosecution. Rather there are laws that provide affirmative defense, which does not preclude arrest or trial for child abandonment. In these cases where there's affirmative defense, there is still the possibility the abandoner can be identified so that the state can determine if they need support services. If they've done it before, they are chronic abandoner due to mental illness. The abandoner can be identified so that the state can ensure that the abandoner is on the DHS abuse and neglect registry so that the abandoner cannot become an adoptive or foster parent, and the father of the baby may be identified and/or the family may be identified.

"And as noted in DHS' testimony, one of our concerns is that women who would otherwise go through adoption, those are the ones that would probably use the law. Adoption Institute and other child welfare organizations and policy experts question the effectiveness of safe haven laws. Whether women who would unsafely abandon newborns are the ones that are leaving infants at designated safe havens. Specific concerns as reported in the National Conference of State Legislatures report as follows: that the National Abandoned Infants Assistance Resource Center sincerely doubts, 'whether the people who actually use safe havens are the group it's targeted at,' and, 'noting that these laws have a lot of pitfalls and do not even try to address the root causes of the problem.'

"The National Conference of State Legislatures questions, 'whether the mother would have tried to go through an adoption agency to legally relinquish the baby or if this is a person who would have left the baby by the roadside.' Howard Davidson, Director of the American Bar Association, Center on Children and the Law, advises, if we're to effectively face the newborn abandonment problem, rushing to pass 'Baby Moses' or safe haven laws or creating new baskets for baby drop off locations do not provide the answer. The Child Welfare League of America has reservations and questions whether the at-risk population ..."

Representative Meyer rose to yield her time, and the Chair, "so ordered."

Representative Ching continued, stating:

"Thank you. Thank you, Representative. Child Welfare League of America has reservations on whether the at-risk population uses safe havens or whether they're being utilized instead by the expectant mothers who may have made an adoption plan or raised their children themselves.

"What they're talking about is the people who are trying to help, who are in a panicked frame of mind, are they the ones who are going to use this? Or those that would naturally go to give their child or ask *tutu* or their moms to raise the child. The Family Research Council states that safe haven laws' chances for efficacy are doubtful. Neonaticide experts say that because women who kill their infants are typically confused and panicked, it seems somewhat unlikely that safe havens would be a viable alternative for many young women.

"Furthermore, the Donaldson Adoption Institute cited safe haven laws represent a relatively easy and quick, but superficial answer to the question surrounding unintended concealed pregnancies and the welfare of the resulting newborns. Not only is it unclear that these policies work, but they also address the problem at the last possible opportunity, after birth, instead of prevention and education. Public policy should prevent unintended pregnancies, protect infants at risk of abandonment and assist mothers in making informed decisions that serve both their children's interest and their own. In order for that to happen, new and existing resources must be directed towards

the target population, women who deny and conceal their pregnancies.

"House Bill 1830 will not effectively prevent abandonment of infants by mothers in unsafe places. Instead, there must be a plan to incorporate it into a comprehensive strategy for the prevention of infant abandonment and increase efforts to enhance education. That's why Project Cuddle, I think, is a good idea. And services for birth parents, both the young mothers and fathers and women who are at risk of abandoning their infants. The anonymity provided by this bill creates conflicts with biological parents, due process rights, and family court proceedings, and the possible termination of parental rights. This bill also does not take into consideration and address existing statutes related to adoption, maternity, custody and ..."

Representative Finnegan rose to yield her time, and the Chair, "so ordered."

Representative Ching continued, stating

"Thank you, Minority Leader. ... judicial proceedings associated with child abandonment. It does not contain provisions to ensure that the rights of fathers are not violated and that reliable and accurate medical and family histories are provided by the person dropping the child off.

"The individual who drops off the newborn would not be required to prove he or she is the baby's parent. The abandoned baby would be prevented from ever learning about their medical or genealogical history and this could jeopardize the child's health and make it exceedingly difficult for extended families, even the child's father, to learn of the baby's whereabouts and assert their interest. I will remind you like I've said numerous times on the Floor, there have been incidences where the father did not know about it, and therefore, when they find out, it's just too late.

"I appreciate the revisions. I understand there was some attempts at revisions, but now the attempt, I appreciate the attempt of revisions, but it doesn't look like it's really acceptable. We've gone back to the previous draft.

"The Legislature was informed that there are over 9,000 unplanned pregnancies in Hawaii per year. I'll cut this short because I know that I've said a lot of this before. What I want to say in sum is that a number of states are re-looking at this solution to this problem. And it is ironic that Hawaii, of all places, that doesn't even have a problem, would actually pass a bill that would create problems. There are a number of problems with this, and what I'm asking my colleagues to do is to remember that we want to save the life of a child. We also want, as soon as that child is born, to have a good life. This bill jeopardizes definitely the second half and it's questionable whether it does anything for the first half."

Representative Ward rose to speak in support of the measure, stating:

"I rise in support of the measure. Mr. Speaker, I tend to agree to disagree with my colleague and believe it or not, the Representative from Kalihi and from Liliha and Hawaii Kai have become much closer because of this bill because it really put us together to really speak to where our hearts are on this particular measure. Having said that, I'm going to repeat a few things and sit down.

"The bill is about life, it's about saving a life, and, Mr. Speaker, if someone before this Session came up to you and said if you could vote one vote before you go to bed tonight, before you leave this Floor, and it could save one life in the next 12 months, would you vote yes on that bill?

"Mr. Speaker, that's what I see is before us today. A chance to even just save one life. Forty seven states have done it. Maybe 47 kids have been saved. What is at risk is that it is much greater to be gained than to be lost. To me it's that simple. And, Mr. Speaker, as

much as I'm going to object later on about overriding the Governor's veto, this is one I hope you would have passed earlier, so, when tonight we're going to do that, we could have done it. Because I think it deserves that. Let's save one life. Let's vote for this bill. Thank you, Mr. Speaker."

Representative Mizuno rose to respond, stating:

"Thank you, Mr. Speaker. Still in support. Mr. Speaker, I think the Representative from Liliha, she made some outstanding points and we did address many of her concerns. In fact, in the bill on page 7, it states that every reasonable effort will be made to get the following information: the name of the newborn child, the name and address of the parent or person dropping off the newborn child, the location of where the newborn child was born, information pertaining to the newborn child's medical history, the newborn child's biological family medical history, including major illnesses and diseases, and any other information that might reasonably assist the Department in determining the best interest of the newborn child, including whether the parents plan on returning to seek custody of the child in the future.

"In addition, to address the speaker from Liliha's concern about the father, that was a concern. We made sure in this measure that it would not preclude the father's rights in coming back to get his child. In fact, we have a clause in there, I think it's the second to the last page, it could be on page 11, that talks about the rights to reunite with the parents, or, of course, the father. So, that has been addressed.

"Furthermore, regarding the abandonment issue, it's a very small window. The baby is a newborn baby within 72 hours. That's three days, Mr. Speaker. The truth be told, when you look at the 47 different states, some of them will allow as long as 30 days. There's another state that had, I think, 60 days. Hawaii drew this very narrowly. We allowed only a window opportunity to drop off that newborn baby of 72 hours after birth. So, to see this as being a major abandonment or adoption issue, I just don't see it. Again, the window is very, very small, a small time, 72 hours, three days is all.

"We know that sometimes there is going to be emergency situations and parents or the parent may just lack clarity, and we are going to allow them a chance to have an option instead of putting the baby in an unsafe place, having an option to put that baby in a place where he or she will survive and be fine. And if they have clarity later and they want to come back, nothing in this measure will preclude those parents or parent from coming back.

"Furthermore, Mr. Speaker, Project Cuddle is a very good hotline. I don't see anything wrong with it. And, again, going over some of the statistics, 20,000 babies abandoned a year. It shows you how much of a problem this is nationwide. This is only a hotline. We need something more, and, so, that's why we think having this in law, and having not only the House, but ..."

Representative McKelvey rose to yield his time, and the Chair, "so ordered."

Representative Mizuno continued, stating:

"Thank you. Having in fact, again, the paramedics were compelling. How many times have we been in hearings when you see someone from the State agency say, 'Excuse me, we want to be in that measure. Put us in that bill.' We had paramedics that came and everyone knows that was on the Health Committee or whatever committees it went through, Judiciary. They came to our hearings and they said, 'Place us in statute. This happens in Hawaii. We know that firsthand.' So, we've got firsthand knowledge that this happens in Hawaii.

"Second of all, it was unprecedented that we had paramedics that came up and told us, 'We need to be in the statute, don't leave us out. We need to save babies' lives.' That's so compelling.

"Furthermore, Mr. Speaker, when we talk about people being prosecuted, this measure will not allow for complete immunity. In fact, we worked it out in Conference. What happens in a situation if a baby is brought in that's injured, someone should be told. We didn't have that at the beginning, but in Conference we saw that as a glitch that we had to deal with. We ironed it out. If the baby is brought in injured, that person is not going to leave. He or she doesn't get a free pass. They will be prosecuted. So, this is not a drop off place, a drop off bin at all. This is very fair. It's to save lives, and, yet, protect parents that are having a lack of clarity, but yet to prosecute parents that would injure the baby and bring them in that situation, that state.

"Again, for the foregoing reasons, we believe that we addressed a lot of concerns by our speaker from Liliha, as well as what the Governor had stated in her message back on House Bill 133. That was back in 2003. For those reasons, again, I still support this measure and I hope our Members will, too. Thank you, Mr. Speaker."

Representative Awana rose in support of the measure, asked that the remarks of Representative Ward be entered in the Journal as her own, and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Awana's written remarks are as follows:

"Mr. Speaker, I am in support of CCR 66, HB 1830, HD2, SD2, CD1. The focal point of this measure, Mr. Speaker is on ensuring an infant survives. The intent of this bill is to ensure the safety of infants who are unwanted and whose natural parents are unready or unwilling to care for them. This provision of a safe haven will enhance the infant's chances for survival and for safe adoption.

"The best interest of the child should have the highest priority over the possible prosecution of a parent who is unable to care for the infant. Mr. Speaker, we are lucky in Hawaii that abandonment is not a common practice. Nonetheless, this bill is a proactive approach at making sure that we save as many newborns in Hawaii. Thank you, Mr. Speaker."

Representative Green rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. Briefest of comments. In strong support. This year my wife and I had a baby and, so, I've seen firsthand how difficult it can be. Even in a married and happy relationship, I can only imagine how difficult it would be for a young parent and how desperate they might get. So, I supported it on that ground.

"And, additionally, my younger brother, my only brother, actually, was adopted. And I recognize all of the compelling arguments that had been made on both sides of the issue. But he was adopted in the City of Pittsburgh where he was born from a very poor single mother, and I can only imagine what would have happened if she had been desperate enough to abandon him in a different way.

"So, from my standpoint, I feel that we should pass this bill because we should give desperate mothers or desperate young mothers every opportunity to protect their babies."

Representative Souki rose, stating:

"A point of information. I speak in support on this issue. I'm convinced I'm going to be voting for this measure. I don't think we need anymore discourse on this. Thank you very much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1830, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD PROTECTION," passed Final Reading by a vote of 48 ayes to 2

noes, with Representatives Ching and Meyer voting no, and with Representative Cabanilla being excused.

At 5:17 o'clock p.m., Representative Karamatsu requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 5:17 o'clock p.m.

Conf. Com. Rep. No. 68 and H.B. No. 1503, HD 1, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 1503, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Marumoto rose to speak in opposition to the measure, stating:

"Mr. Speaker, I'd like to speak on the last bill on the page, Conf. Com. Rep. No. 68. I'm sorry, I know that people are getting a bit weary, but I feel that this is such an important bill. Actually, I am in opposition and I believe that we should not pass this, but if you don't mind me pointing out some features of it. It's House Bill 1503, CD 1 and it deals with a dislocated workers' law.

"This measure requires commercial industrial businesses with 50 or more employees to notify each employee within 60 days of divestiture or closing activities that would result in dislocation of employees. This measure also imposes severe notification and civil penalties for failure to notify those employees of divestiture or closing activities.

"Let me highlight a few points. It penalizes companies who may not be in the financial or legal position to meet these requirements. Divestiture activities do not necessarily shut the business down as in closing activities. Divestiture includes the transfer of the business from one employer to another because of the sale, transfer, merger or bankruptcy or other business takeover or transaction that leads to layoffs or terminations. Notification penalties include up to 60 days of back pay to each affected employee for an amount equal to back pay and benefits. This is minimum, 50 employees.

"There are different types of divestiture or transfer of ownership transactions that may impede conformity to the 60 day requirement. For example, final negotiations as late as hours before a transfer contract is signed may produce worker termination conditions. The selling company may have little or no financial or legal choice to prevent such conditions and may not be in the position to further delay the transfer another 60 days to be in compliance with this measure.

"Current civil penalties for noncompliance notification rules are severe and in addition to new notification penalties. These penalties include three months of wages and benefits to each affected employee for the three months prior to the closing, partial closure, or relocation of the company. This bill will have chilling affects and disrupts ownership interest and operations.

"There are multiple forms of bankruptcy which may require a formal transfer and termination of employees or closing of a company on paper, but do not effectively result in dislocating employees. This measure adds bankruptcy in both the divestiture and closing definitions, but does not specify types of bankruptcies. Premature or unnecessary announcements of bankruptcy will cause confusion and unnecessarily lower employee morale or cause some employees to leave prematurely. Notification, no matter how benign, the intent, may cause a chilling effect that disrupts business, management and operation. The 60-day notice may not be reasonable depending on the unique circumstances or management transaction decisions made by the board of directors in the best interest of the corporation's shareholders or simply to save the company from shutting down.

"This bill leads to an unintended chilling effect and the severe penalties that unnecessarily harm a company's goodwill and financial reputation when it opts for sound financial strategy to undertake activities under bankruptcy, yet, still has a viable going concern. The divestiture notification and bankruptcy provisions likely overstep the board of directors or management's fiduciary responsibility to shareholders. Therefore, I urge my colleagues to vote no. Thank you."

Representative Sonson rose to speak in support of the measure, stating:

"Thank you very much, Mr. Speaker. In strong support. This is a very compassionate bill. This ensures that those workers who are working for a company, and the management pursues any action of transfer, merger, sale or of any act that will dislocate them or, lay them off, that they will merely comply with the law, which is to give employees a 60-day notice. All the statements made that this will somehow have a chilling effect on the sale, merger, or transfer of a business are untrue and uncalled for. I think we should read the bill carefully because we provided exemptions for it on page 3, section (c).

"This bill going forward, clarifies it so that if there is some work being done by the employer to save the business by either a sale, transfer, merger or otherwise, that they're exempt from notifying the employees, exempt from the requirement of this law, unless at some point and time such sale, transfer, merger of this company or establishment will result in divestiture.

"Divestiture is defined on page 1, which says it has to result in dislocated worker. So that was really the huge concern of the businesses when it went through the first time to the hearing, and we fixed that in the Conference Committee. We made sure that the businesses who may have other plans, who may try to save their business, either bankruptcy or otherwise, somehow at some point and time, they will have to make a decision. Are we going to be permanently closing the place and will our action result in workers being dislocated? That's the law now, anyway. So, we're merely clarifying it.

"This is a very good bill if you look at real life examples right now on what has happened to the people in Kunia. Over 500 families, all of a sudden, the company just takes off after promising that they're going to be there to take care of them for at least another year. It is an impact on the families, not just the worker, but the workers' families. So, this is a good bill going forward. I don't think it is unfair to businesses. In fact, the language that's in here that allows businesses to take action to save their company is there at the request of businesses. So, please read Section (c) in this bill. It will explain and maybe it will mitigate some of our speakers' concerns."

Representative Ward rose to speak in opposition to the measure, stating:

"Mr. Speaker, I rise in opposition to this measure. In business, as in politics, perception is reality. If the word gets out about this bill as it has in many other instances, gotten out about the business unfriendly environment that we have, that's going to be a chilling and dampening effect on our economy and for the investment that we're trying to do with an innovative economy and all the new bioscience, high tech, robotic things that we're trying to do.

"If this bill was compassionate, a similar bill would not have been vetoed last year. If this bill gives a warning, why would, for example, somebody in a Chapter 11 who is trying to survive it, not want to send chills to bankers, not want to send chills to their employees, frightening them thinking they're going to be leaving, because even the big airline Delta just came out of 19 months of bankruptcy. That is Chapter 11. Is this bill nuanced enough to be subtle enough to settle those business issues? I don't think so, Mr. Speaker, but I think it's going to be perceived as anti-business and we're going to hurt from it. It's not good policy. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1503, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT," passed Final Reading by a vote of 44 ayes to 6 noes, with Representatives Ching, Finnegan, Marumoto, Meyer, Thielen and Ward voting no, and with Representative Cabanilla being excused.

At 5:27 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 837, SD 2, HD 2, CD 1
 H.B. No. 1608, SD 3, CD 1
 H.B. No. 487, HD 1, SD 1, CD 1
 H.B. No. 692, HD 2, SD 1, CD 1
 H.B. No. 1830, HD 2, SD 2, CD 1
 H.B. No. 1503, HD 1, SD 1, CD 1

Conf. Com. Rep. No. 72 and H.B. No. 895, HD 2, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 895, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Meyer rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I voted for this in Conference Committee, but somehow I missed the fact that we were raising the fee for highway beautification. We're doubling it from \$5 to \$10. I wasn't keen on some of these increases. I thought the bill was mostly dealing with towing fees, but it has this increase in beautification.

"The towing fees are increasing by \$10. The charge that the towing people will charge you per mile is going up by \$1. The storage of your car is going up by \$5, from \$20 to \$25 for the first seven days, and then, thereafter, if it stays there longer, it goes from \$15 to \$20. So now it's \$20.

"There was one thing that it did, which was good, which one of the Conference Chairmen pushed for. The way the bill exists today there was a payment by the owner if they happen to come back when the tow truck was just hooking them up. And if they were hooked up and they said, 'Oh, please, don't take it,' they would charge you \$50 to unhook. On this bill, that's being removed to which I concur with. I'm happy about that.

"But I just feel like we're just nickel-and-diming people to death. We've got these special funds. Once we set it up, every couple of years we just raise the fees and I think the people in Hawaii are just being taxed and fee'd to death, so, I've changed my mind and I'm voting no. Thank you."

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I, also, am going to be voting no and I appreciate the Minority Floor Leader bring this bill to my attention. I've always opposed the increase in fees for towing companies. I think that really does a disservice to the people that find themselves unfortunately having a car towed away. That's difficult enough.

"We had to fight very long and hard, Mr. Speaker, as you will recall, to make those companies allow a credit card to be used because they were demanding cash, and at 1:00 in the morning, a person whose car may have been towed would be very unlikely to have over \$100, and now, \$100 plus, an additional \$10 to be able to pay for that tow. So, I also will be voting no, Mr. Speaker."

Representative Sonson rose to speak in support of the measure, stating:

"In support. This bill is somewhat misunderstood in its purpose. I, too, would like to regulate towing companies and the rates that they charge. However, this particular measure is for the counties and when they have contractual relationships with towing companies.

"What was not included in here is regulation of any sort. And we don't have any regulation over private companies that tow people's cars outside of a contract between a towing company and the county. In other words, a person such as myself would park my car somewhere and it's towed. That's not regulated. They could charge me an arm and leg and something else. They can charge me anything they want, and that is really a problem. So the prior speaker was on point on that we should actually also regulate towing when they're towing outside of a contract with the City and County or the counties."

Representative Ward rose to speak in opposition to the measure, stating:

"I'm going to vote no based upon the last sentence of the speaker from Kahaluu; that is, we are taxed and fee'd to death, little by little, and I think this is one of those where you just have to draw the line."

Representative Finnegan rose to speak in opposition to the measure, stating:

"Mr. Speaker, I'm voting no, as well. And just similar comments in regards to this. It's just a death of a thousand cuts, Mr. Speaker."

Representative Awana rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 895, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLES," passed Final Reading by a vote of 45 ayes to 5 noes, with Representatives Brower, Finnegan, Meyer, Pine, Thielen and Ward voting no, and with Representative Cabanilla being excused.

Conf. Com. Rep. No. 73 and H.B. No. 14, HD 1, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 14, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 50 ayes, and with Representative Cabanilla being excused.

Conf. Com. Rep. No. 74 and H.B. No. 275, HD 1, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 275, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Mizuno rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Mizuno's written remarks are as follows:

"I am in support of H.B. 275, Mr. Speaker. As of February 27, 2007, the Uniform Athlete Agent's Act has been passed in 35 states together with the District of Columbia and the Virgin Islands.

"Just yesterday it was in the Advertiser Hawaii had ten (10) players who were offered a contract, either by way of draft or free agent contract. This placed the University of Hawaii in the top ten of all universities in the country for athletes getting drafted in football.

"Concerns with some of the Sports Agents:

- a) False or misleading information or promise and representation to the student athlete. Not telling the student athlete they will lose their scholarship if they sign a contract. (Don't date the contract then date it after the athlete signs it.)
- b) Providing anything of value to the student athlete. Cash, cars, gifts, clothes, tickets, jobs, parties, etc.

"the University will lose:

- a) Revenue from their sports program, also may be sanctioned by the NCAA.
- b) Scholarships.
- c) Students (hurt our student athletes – we need to protect them).

"The lure of high compensation and false representations offered by unscrupulous agents may entice student-athletes into leaving school and turn pro only to find later that he or she had been short-changed by the agent, if they fail to make a pro team. They can't go back because they have lost their amateur status.

"I firmly believe that Hawaii has a lot of potential athletes in the waiting and it is high time that we pass this Uniform Athletes Agent's Act into a law to protect our athletes from the impermissible and oftentimes illegal practices of some athlete agents.

"The Uniform Athlete Agents Act is an important tool in regulating the activities of athlete agents and student-athletes and member institutions. For this, Mr. Speaker, I urge my colleagues to support this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 275, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM ATHLETE AGENTS ACT," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Marumoto and Meyer voting no, and with Representative Cabanilla being excused.

Conf. Com. Rep. No. 77 and H.B. No. 30, HD 2, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 30, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Ward rose and asked that the Clerk record a no vote for him, and the Chair "so ordered."

Representative Har rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative McKelvey rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Takumi rose to speak in support of the measure, stating:

"Thank you very much, Mr. Speaker. I'd just like to say a few words in support of Conf. Com. Rep. No. 77. This is a bill that was vetoed by the Governor last year. And over the past two Sessions, I would say, both on the Floor and in opinion pieces, I think we've heard a lot of arguments against this measure. I would like to take a few minutes to clarify and to refute some of them. Because when I hear some of those arguments, sometimes I feel like I'm in Burger King, you know, when you get served one Whopper after another.

"Let me try to clarify and refute some of the 'fast food' arguments that are made. One of the opinion pieces that the Lt. Governor recently wrote, he said that the federal government frequently asks states to consent to such arrangements on short notice. And that's been a point of contention, whether or not these agreements come up in such a fashion that we are unable to deal them in the Legislature.

"Now, I suspect the reason why he didn't mention even one trade agreement is that it has never happened. In fact, the FTAs currently with Columbia and Peru have taken over two years, and that's not even talking about the number of years it takes before that trade agreement is even debated in the Congress.

"One of the most troubling things about this whole issue has been how this would put local businesses at a severe disadvantage. Mr. Speaker, when the Governor committed Hawaii to the Central America Free Trade Agreement in March of 2004, that is exactly what happened. We put local businesses in this State at a severe disadvantage in the global market place. What do I mean by this? I'm just surprised that the Lingle-Aiona Administration seems to be unaware of the fact that we have a local preference when dealing with businesses in our State. For example, for printing. We have a 15% preference when we give to local printers so that they can have an advantage over printers that are bidding from out of state. It's a good policy. It helps local businesses and it keeps jobs at home.

"When the Governor signed on to CAFTA, this hurt these businesses because now a business, say, in Guatemala, could file a complaint with their government ..."

Representative Pine rose, stating:

"I'm just standing on a point of personal privilege, Mr. Speaker. I take great umbrage in the previous speaker saying that the Linda Lingle and Aiona Administration does not understand our local needs and he implied that."

The Chair responded, stating:

"The Chair recognizes Representative Takumi in continuing on his discussion. Please proceed."

Representative Takumi continued, stating:

"Thank you very much, Mr. Speaker. A printing company in Guatemala could ask its government to challenge its bidding process as a trade barrier, and this State could then be subject to trade sanctions. Let me retract that. The Lingle-Aiona Administration is aware of this and is doing it deliberately to hurt local businesses. There's only two ways to look at it."

The Chair recognized Representative Pine, stating:

"Representative Pine, for what point do you rise?"

Representative Pine rose, stating:

"The same point as I did previously. I don't think that the Lingle-Aiona Administration is trying to purposely hurt the local economy, local people, local families."

Representative B. Oshiro rose to a point of order, stating:

"Point of order, Mr. Speaker. The current speaker is not raising on a point of personal privilege. She should look at Mason's, Section 223, to find out the definition, and that is not even close. Thank you."

At 5:36 o'clock p.m., Representative Pine requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 5:38 o'clock p.m.

Representative Takumi continued, stating:

"Let me continue here. Does the Lieutenant Governor, and I would urge everybody to read the opinion piece. I can give you the citation. I forget the exact date. It was both in the *Advertiser* and the

Star-Bulletin. Does the Lieutenant Governor and those who oppose this measure believe that giving jobs to a company in Guatemala helps our local economy? I beg to differ."

Representative Thielen rose, stating:

"Mr. Speaker, I think that's speculative and I don't think that's really ..."

The Chair addressed Representative Thielen, stating:

"For what purpose do you rise, Representative Thielen?"

Representative Thielen: "I don't know what the point is, but I will just rise."

Speaker Say: "No, you are out of order."

Representative B. Oshiro: "Point of order. She needs to do that on rebuttal."

Representative Thielen: "It's not exactly rebuttal, but the Lt. Governor is not here to defend himself."

Speaker Say: "Representative Thielen, you are out of order at this point. Representative Thielen. You are out of order at this point. Representative Takumi, please continue."

Representative Takumi continued, stating:

"Thank you very much, Mr. Speaker. Let me just point out, in deference to the Representative from Kailua, there have been many times on this Floor when people made references to newspaper articles, and to speeches that were made not on the Floor of the House. That is precisely the point that I am making now. Now, if that's not going to be allowed, then I say that knife cuts both ways and you should not allow that in the future. Please let me continue, Mr. Speaker.

"Let's leave aside the trade agreement argument for this moment. There's a basic constitutional principle at work here. Anyone who knows the Hawaii State Constitution, Article VII, that lays out the power of the Legislature when it comes to budgets, taxation, and spending. The Lt. Governor wrote in that opinion piece that this will eliminate the Governor's authority to enter into international trade agreements. You know, Mr. Speaker, it reminds me of a recent study a couple of days ago in the paper about this guy in Nebraska who mistakenly got \$80,000 put into his bank account and spent it. He was asked by the media, is there a point that you knew it wasn't yours or what? And his reply was, 'I can't say there was a point. I guess in the back of your mind you're thinking it's too much of a good thing.'

"Well, for the Lieutenant Governor to assert the Governor has the authority to enter the State into the non-tariff provisions of the trade agreement, which smacks straight at the heart of procurement is also too good to be true. Mr. Speaker, the Legislature determines procurement policies. Plain and simple. "

Representative Morita rose to yield her time, and the Chair, "so ordered."

Representative Takumi continued, stating:

"Thank you very much, Representative. These free trade agreements impact more than just our State spending decisions. Recently, you may have heard that the World Trade Organization confirmed that the U.S. lost its internet gambling dispute with Antigua, a decision that could have enormous implications in our State since, obviously, we don't have gaming. So, do the Lt. Governor and others believe that we should allow foreign countries to dictate our social policies? You be the judge. I happen to disagree with that point of view.

"Fortunately, a growing number of governors, 31 at last count, Mr. Speaker, have declined the U.S. Trade Representative's invitation to sign on to CAFTA. And if we look at the more recent trade agreement, such as the Korea Free Trade Agreement, even more governors are doing so, as well. Maryland and Rhode Island have already passed a law similar to the measure before us.

"And unlike the Lt. Governor and those who oppose this measure, I happen to believe that there should be open debate and public hearings so that we can best judge, if it's in the best interest of our State to enter into these trade agreements and non-tariff provisions of these trade agreements. After all, shouldn't we be taking the time to analyze whether these free trade agreements benefit the people of this State? This is why this measure is necessary, Mr. Speaker, and this is why it's good public policy. Thank you."

Representative Pine rose, stating:

"In rebuttal, Mr. Speaker. In opposition to the measure. Just a couple of points. One, just for the record, the Lt. Governor and the Governor are not against local people. Two, the Lt. Governor and Governor will never do anything to purposely hurt the local people. Three, the Lt. Governor and the Governor would not do anything to put the people of Guatemala above the people of Hawaii. Four, what this bill is really about is just giving the Legislature more power, just like so many other bills that are going to this Legislature. And, lastly, the Lt. Governor and Governor are not from Nebraska. Thank you."

Representative Ward rose to respond, stating:

"I said earlier I would insert comments in the Journal, and because the speaker rose without having anything to rebut I thought rather than having him 'shadow box', I would give me some things to rebut. So, I'm going to stand up and say a few things, if I may. In opposition.

"First of all, free trade is good. Free trade is what made America prosperous. Free trade is what made Hawaii prosperous. It's not putting barriers to free trade. It's opening us to free trade. Friedman said the world is flat. The Earth is flat. Well, sometimes I think we've got our heads in the sand if we forget that we're in the middle of the Pacific and we have the global forces around us with a global economy. As the Governor says, we have a global wave that's going to either hit us. Are we going to ride it or we're going to get smashed by it? This is one of those wake-up calls about either adjusting or become antiquated like the dinosaurs.

"We have to realize who we are and what special location, what special destiny we have. And having constraints by having the Legislature oversee what, basically, is a federal issue, which, basically, is an international issue. To do that is simply just, I think, missing the mark of who we are, what our destiny is, and what we can do to compete for the future, of which we've got two to three billion people just around the corner, across the ocean from us. That is not going to just be like that forever and forever. And if we put more constraints on people coming to Hawaii, doing business in Hawaii, free trade with Hawaii, we're going to be very sorry for that.

"But I would just repeat, Mr. Speaker, the prosperity of the West is a trading prosperity. Free trade is what brought us here today, not these protectionisms. Having worked with both USAID and the World Bank, any of those countries that do protectionism, price setting, subsidation of industries that are going to die off, they are the ones who kill their own economies. This is proof with the World Bank publications left, right, and center have shown that.

"So, this, insular view, this provincialism that I hear on this particular bill, and I see written in the statute, is not good policy. It's not the world of the future. It is not, I think, what is going to be good for Hawaii.

"Mr. Speaker, you just approved recently that I'm going to go to an ALEC Conference, so, I called to rent a car. I called the rent-a-car and guess where I landed up in? I was in Manila. The Manila people booked me to go to Philadelphia. I called again and I got India. That is not an uncommon experience. This is part of what we're experiencing in Hawaii. This is part of what we have to adjust to. And what we have to be ahead of, and not be behind the curve. Thank you, Mr. Speaker."

Representative B. Oshiro rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in support. I just really feel the need to actually characterize this in its proper form. People need to read the bill and realize this is not talking about any trade agreement, we're not interfering with the free market. This is limited to trade agreements that deal with procurement. If you look at the bill, page 4, line 16, that's what we're talking about. And procurement is how we, as a State, want to spend taxpayer money. That's all we're dealing with. We're not talking about the free market.

"The free market can enter into as much agreements and free market as they want to. If they want to go in a conglomeration and find that doing their business in India is cheaper, we are not limiting that by this bill. What we are saying in this bill is when it's taxpayer money and when we are deciding where that money is to be spent, through contracts under the Procurement Code 103D, then what we want to make sure is that those preferences that we have declared in our Legislative body, whether it's for local preferences, for recycling products, for enumerated different categories under our Procurement Code those things should always be respected. And that is what we are protecting by this bill. It is not an infringement on the free market place. Thank you."

Representative Morita rose to speak in support of the measure, stating:

"In strong support. I was going to make the same point as the Representative from Aiea, but it was probably not as eloquent, so I'd just like to adopt his words as my own, and also the words of the representative from Pearl City.

"I also want to make this point. That what we seek is not free trade, which is unbridled capitalism. What we really want to seek is fair trade. Trade agreements that are fair to everyone, and are sustainable for all countries."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 30, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INTERNATIONAL TRADE AGREEMENTS," passed Final Reading by a vote of 42 ayes to 8 noes, with Representatives Awana, Ching, Finnegan, Marumoto, Meyer, Pine, Thielen and Ward voting no and, with Representative Cabanilla being excused.

Conf. Com. Rep. No. 79 and H.B. No. 1364, HD 2, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 1364, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE RENT SUPPLEMENT PROGRAM," passed Final Reading by a vote of 50 ayes, and with Representative Cabanilla being excused.

Conf. Com. Rep. No. 82 and H.B. No. 116, HD 2, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 116, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Har rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Bertram rose and asked that the Clerk record a no vote for him, and the Chair "so ordered."

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. Conference Committee Report No. 82. I am standing in strong opposition, Mr. Speaker, and just brief remarks. I oppose allowing the telecommunication towers on agricultural land as a permitted use. Because this will not have any land use review, I think that they could be sited in very inappropriate places. And I think it also takes over the jurisdiction of the counties in looking at what should or should not take place on the land. Thank you."

Representative Herkes rose to speak in support of the measure, stating:

"In support. Everybody wants cell phones. Nobody wants towers. In my district, you can't get radio. You can't get cell phone. You can't get television. In my district, 98% of the people I represent live on ag land. If we don't put towers on ag lands, we got no towers."

Representative Manahan rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 116, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TELECOMMUNICATIONS," passed Final Reading by a vote of 38 ayes to 12 noes, with Representatives Belatti, Berg, Bertram, Brower, Luke, Morita, Nishimoto, Saiki, Takai, Takumi, Thielen and Wakai voting no, and with Representative Cabanilla being excused.

Conf. Com. Rep. No. 84 and H.B. No. 155, HD 1, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 155, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative McKelvey rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 155, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF TRANSPORTATION," passed Final Reading by a vote of 50 ayes, and with Representative Cabanilla being excused.

At 5:52 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 895, HD 2, SD 1, CD 1
 H.B. No. 14, HD 1, SD 1, CD 1
 H.B. No. 275, HD 1, SD 2, CD 1
 H.B. No. 30, HD 2, SD 1, CD 1
 H.B. No. 1364, HD 2, SD 1, CD 1
 H.B. No. 116, HD 2, SD 1, CD 1
 H.B. No. 155, HD 1, SD 2, CD 1

Conf. Com. Rep. No. 85 and H.B. No. 483, HD 1, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee and H.B. No. 483, HD 1, SD 1, CD 1, be recommitted to the Committee on Conference, seconded by Representative B. Oshiro.

Representative Meyer rose to speak in support of the motion to recommit, stating:

"I'll simply say that's a very good decision. I think there were a lot of problems with that bill. Thank you very much."

The motion was put to vote by the Chair and carried, and the report of the Committee and H.B. No. 483, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHECK CASHING," were recommitted to the Committee on Conference, with Representative Cabanilla being excused.

Conf. Com. Rep. No. 94 and H.B. No. 1212, HD 2, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 1212, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Waters rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In support. I'm happy to report that the Judiciary budget boasts an additional \$13 million in fiscal year '07 - '08, and \$10 million in '08 - '09. The funds are designed to improve the efficiency and productivity of existing programs and services and provide additional staffing and resources to ensure the Judiciary is able to maintain its high level of service as demand rises.

"In 2006, the Judiciary received over 113,000 filings, including over 74,000 criminal and civil filings, over 32,000 family court filings, plus over 491,000 criminal violations. While most of the items funded are not sexy, they are sorely needed. Highlights include funding for juvenile detention workers, juvenile sex offender treatment, treatment for child victims of sexual abuse, domestic violence treatment services, social workers to provide victims equal services, funding for the Interagency Council on Intermediate Sanctions, and equipment for the new courthouse in Hilo.

"The budget also includes grants-in-aid for Hawaii Family Law Clinic, Legal Aid Society of Hawaii, Na Loio Volunteer Legal Services, and Domestic Violence Clearinghouse. And, also, for those of you who care, \$25 million for the Kapolei Court Complex. Thank you."

Representative Ward rose to speak in support of the measure with reservations, stating:

"I rise in support with slight reservations. This is in regard to his last statement. The Kapolei Courthouse is very well done that they did finally fund it. They are going to have all the different floors and stories and lofts fully built out. The only thing is that this bill lacks a proviso regarding the Family Court issue, which has been brewing for the last few years because there are a number of vocal and aggressive groups, lawyers, including some family members of my community, and a large number of Neighborhood Boards are saying if all the Family Court has to go out to Kapolei, that's cruel and unusual driving time and punishment for them to have to do it. Why don't we have 50% there and 50% here?"

"Mr. Speaker, otherwise, this is a good bill. It's the right money at the right place, but I think that issue has to be addressed by the Chief Justice. Hopefully, in the State of the Judiciary in 2008, he will have addressed that. Otherwise, I'm sure these groups that are very discontented with that issue will come back to haunt him. Thank you."

Representative Waters rose, stating:

"Thank you, Mr. Speaker. I'd also like to thank the Chair of Judiciary and Representative Bob Nakasone for his hard work and also the Representative from Hawaii Kai. He was on the Conference Committee, as well. Thank you."

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. Mr. Speaker, I'm voting against the Judiciary budget and I'd like to explain why. It's purely because the budget is silent on the move of the Family Court to Kapolei. We heard quite compelling testimony of the hardship that this would place upon people who are in Family Court for various reasons and having to drive all that way out there, having to pay for the attorney's fees for the Downtown based attorneys driving out there. It would create quite a hardship.

"At one point, I thought it was going to be guaranteed that there would be at least one courtroom in Downtown Honolulu. I really think one is too few for Family Court matters where so many of the practitioners and the parties to the cases are in the Downtown area or in the broader Honolulu area. So, for that reason, I'm voting no. Otherwise, I think the budget is fine, but not the Family Court situation. That's not been solved satisfactorily. Thank you."

Representative Waters

"Mr. Speaker, may I be permitted one quick ..."

Speaker Say: "A point of rebuttal?"

Representative Waters: "No. Actually, I think I thanked myself. I would like to thank the Chair of Finance."

Representative Meyer rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I have the same concerns that my colleague from Kailua does and I would like her words inserted in the Journal as if they were my own, and I would also be voting no because of that."

Representative Marumoto rose to speak in support of the measure, stating:

"Mr. Speaker, I will be voting aye on this budget. We received a letter from the Chief Justice a couple of weeks ago that indicated his willingness to keep five courtrooms open in Downtown Honolulu for the Family Court. I don't know whether this budget will allow it, but he did indicate that he would be seeking funds to renovate the Downtown courtrooms. Because of his intention to comply with our request, I am in favor this budget. Thank you very much."

Representative Yamane rose to speak in support of the measure, stating:

"Mr. Speaker, I'm standing in support. Mr. Speaker, as was mentioned earlier about communities that are going to be negatively impacted from the long drive, as a Representative of a community that has been negatively impacted for years, driving into town, I'm very supportive of the budget. Thank you."

Representative Sonson rose to speak in support of the measure, stating:

"Thank you. I am in strong support. I practiced in Family Court for 13 years now, and the drive from Waipahu to Downtown takes about an hour and a half, because you have to be there at 8:00 or 8:30. But the data that was presented by the Chief Justice in our briefings is that two-thirds of the family practitioners actually can go to Kapolei a lot faster than going to Downtown.

"For example, people from Kailua can use the very nice H-3 and get to Kapolei quicker than they would be able to get to Downtown. And that's why this is, actually, a very good idea to keep it down there. I think those who are impacted are more like Kahala and Hawaii Kai, but you know, they're lawyers. They can adjust.

Because most of the people that they represent don't live in Hawaii Kai. It's usually they live somewhere else in the rural area.

"So, this is a very good idea. We are going to have a brand new court. And, members, you should know that in 1990-ish, around there, Representative Alcon from Kalihi, was talking to me about this and how the Legislature dealt with this issue. There was money appropriated, and all of a sudden because of some lawyers complained and the judges for that matter. They were complaining, and I don't know what they did, but they took the money away and put it somewhere else. And that's why it took this long to improve a Family Court system.

"We really, really should support this. That's the Second City. Hopefully, we'll get a new mayor someday over there, too. But, the thing is, it is great to have a nice facility with courtrooms. We're going to have more positions for judges in the Family Court. So, it is an improvement in totality of the Family Court system."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1212, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," passed Final Reading by a vote of 46 ayes to 2 noes, with Representatives Meyer and Thielen voting no, and with Representatives Cabanilla, Morita and Takumi being excused.

Conf. Com. Rep. No. 95 and H.B. No. 1200, HD 1, SD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 1200, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BUDGET OF THE OFFICE OF HAWAIIAN AFFAIRS," passed Final Reading by a vote of 48 ayes, and with Representatives Cabanilla, Morita and Takumi being excused.

Conf. Com. Rep. No. 97 and H.B. No. 1899, HD 2, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 1899, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Thielen rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I'm rising in strong support of the bill relating to Kawai Nui Marsh. Mr. Speaker, I would like to just briefly have thanks entered in the Journal to Muriel Seto who was such an advocate for Kawai Nui Marsh restoration. And to Christina Ho who was in my office several years ago and spent countless hours working to get Kawai Nui Marsh listed as a Ramsar Wetland of international significance and we were successful in that effort. So, I think, they both deserve credit for where we are today. Thank you."

Representative Chong rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Chong's written remarks are as follows:

"Mr. Speaker and Members of the House: It is with great pleasure that I support of HB 1899 HD2 SD2 CD 1, Related to Kawai Nui Marsh.

"As everyone knows, reaching an agreement acceptable to all parties concerned has been a long process. However, throughout the many discussions, good reasoning prevailed and we have drafted legislation that resolves the long-standing dispute between the City and the State over the jurisdiction and management of the Marsh and that provides funds for the restoration of the Marsh.

"I want to thank everyone, City officials included, who worked hard to come up with legislation that ensures the restoration and protection of the Marsh -- one of the State's largest remaining wetlands -- for future generations. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1899, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO KAWAI NUI MARSH," passed Final Reading by a vote of 48 ayes, and with Representatives Cabanilla, Morita and Takumi being excused.

Conf. Com. Rep. No. 101 and S.B. No. 1853, SD 2, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1853, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Carroll rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. Because of time, I'm going to save us all from my 9 page speech and just submit comments to the Journal," and the Chair "so ordered."

Representative Carroll's written remarks are as follows:

"Thank you, Mr. Speaker. I am in strong support of this measure. This measure adds a new Chapter to Title 12 of the Hawaii Revised Statutes and was amended in Conference and replacing it with language that creates an 'Aha Kiole Advisory Committee.

"The purpose of this Act is to initiate the process to create a system of best practices that is based upon the indigenous resource management practices of *moku* (regional) boundaries, which acknowledges the natural contours of land, the specific resources located with those areas, and the methodology necessary to sustain resources and the community.

"In addition, this legislation calls for perpetuation and preservation of the knowledge of practitioners and the restoration of healthy ecosystems through furtherance of the *ahupua'a* management system. This includes *konohiki* management with *kapu* and *hoa'aina* rights, and the re-establishment of the 'Aha Moku Councils."

"As you may or may not know, the *ahupua'a* is an ancient Hawaiian land division system which contained strips of land that extended from the mountain to the *kupapaku* (ocean floor). The *ahupua'a* supported a self-contained and *ola* (life giving) community working with a spirit of cooperation of caring and revering the land to meet the needs of all. Through the study of the ancient Hawaiian *ahupua'a*, the biological and non-biological factors and their interactions, we hope to identify those elements which supported the success of that ecological system. Learning to build on those elements and not rival nature but to cooperate and live in harmony with her to build a sustainable future is the goal.

"Furthermore, Native Hawaiian culture and traditions is knowledge passed on for generations and still living for the purposes of the perpetuating traditional protocols, caring for and protecting the environment, and strengthening cultural and spiritual connections. It is through the Aha Moku Council that native Hawaiians protected their environment and sustained the abundance of resources that they depended upon for thousands of years.

"Today, many Hawaiian communities are becoming revitalized by using the knowledge of cultural practitioners that was passed down through our *kupuna* and experienced farmers (*mahi'ai*) and fishers (*lawai'a*) to engage and enhance both sustainability and subsistence and self-sufficiency.

"Across the world, specifically in Ghana, in their efforts of identifying best practices on indigenous knowledge, the traditional

practice begins by establishing a dialogue between the practitioners and professionals seeking to solve specific problems and various key persons in the communities: spirit mediums, traditional healers, elders, women functionaries, and persons who are knowledgeable in the subject concerned. The dialogue generates debate which gives rise to further action for development and to the improvement of local practices. The result is a blending together of indigenous knowledge and improved practices.

"This sounds very familiar. As this bill similarly does the same.

"In the 2005 Hawaii Ocean Resources Management Plan report to the Twenty-Third Legislature Regular Session of 2006, it was identified under the protection of natural and cultural resources section that development of a system for assessing management needs and developing management practices that draw collectively on regulatory, science based, traditional and cultural, community based and political systems such as the *konohiki* or *ahupua'a* concept is needed. The 'Aha Moku Councils provide meaningful feedback. This came out of the 2005 Hawaii Ocean Resources Management Plan report.

"According to Office of Hawaiian Affairs testimony, this is also consistent with the Hawaii State Constitution which reaffirms and protects all rights, customarily and traditionally exercised for subsistence, cultural and religious purposes and possessed by *ahupua'a* tenants who are descendants of native Hawaiians who inhabited the Hawaiian Islands prior to 1778, subject to the rights of the State to regulate such rights.

"When the first settlers arrived here, they found incredibly unique ecosystems, but within those ecosystems there was very little that could sustain them, other than the marine ecosystem. The plants they brought with them in their voyaging canoes were the core of their culture. They were their food plants, their fiber plants, their medicine plants, their ritual plants. Initially, they would have looked for a place with abundant marine resources, fresh water, and rainfall to water the plants that they had brought with them on their voyages.

"The traditional Hawaiian perspective saw the *'aina* and the *ali'i nui* (high chiefs) as elder siblings (brother or sister), with the *maka'ainana* as the younger sibling - all three having descended from the mating of the earth and sky. It was the duty of the *maka'ainana* to *malama 'aina* (care for the land), while it was the duty of the *'aina* and the *ali'i nui* to *ho'omalua* (protect) the *maka'ainana*.

"The *ahupua'a* was viewed as a single system. The *konohiki* managed the *ahupua'a* as one system. What happened in any one part of the *ahupua'a* affected all the other parts. The head was connected to the tail, the *mauka* connected to the *makai*. The *maka'ainana* worked as a community with a shared interest in protecting the land and water resources from *wao* to *ko kaha kai*.

"Pre-contact Hawaiians depended upon an extremely ordered and equitable system of land division in which district boundaries were most carefully planned and laid out. This guaranteed that all natives residing within these boundaries would receive a fair share in the rights, privileges, and benefits essential for a self-sufficient yet comfortable life. Private land ownership was unknown, and public, common use of the *ahupua'a* resources demanded that boundaries be drawn to include sufficient land for residence and cultivation, freshwater sources, shoreline and open ocean access."

"There was a clear line of responsibility from gods to *ali'i* to *konohiki* to *maka'ainana*. There were clear *kapu* (prohibitions), which controlled when and how resources were used, with very strict penalties for those who did not follow the *kapu*.

"As the native Hawaiians used the resources within their *'ahupua'a*, they practiced *aloha* (respect), *laulima* (cooperation), and *malama* (stewardship) which resulted in a desirable *pono* (balance). This is sound resource management where the interconnectedness of

the clouds, the forests, the streams, the fishponds, the sea, and the people is clearly recognized."

"Hawaiian settlers changed their new island home to suit their needs: the *kula* (lowland mesic forest) was cleared for agriculture, valley slopes were terraced, the *muliwai* (estuary) was used for fishponds, the *wao akua* (wet forest) provided building materials, firewood, and medicinal plants; and birds were hunted for food and feathers.

"Hawaiian native plants and animals developed over many millions of years with no defense against large ground predators like man, or his domestic plants and animals. The first canoe carried perhaps up to thirty types of crop plants, and pigs, dogs, and chickens. Also on board were stowaways like the Polynesian rat, geckos, landsnails, and weeds.

"A major change was habitat alteration for agriculture. As the population grew, more and more of the lowland mesic forest was cleared and used to grow food. Other areas were burned to encourage the growth of pili grass, used for covering their houses. The *wao akua* was less affected, yet it was logged for woods like *koa* and *'ohi'a*.

"As in most of the Pacific islands, many species of endemic birds became extinct after the arrival of man. At least forty endemic species disappeared - large flightless geese, ibises, rails, owls, a hawk, an eagle, ravens, and many songbirds. The cause of these extinction was not only hunting for feathers and food, but also the introduction of the Polynesian rat, wild pigs, and destruction of the *kula* habitat.

"To the farmer, *wai* was life, *wai* was wealth, *wai* was the source of the law of the land. *Wai* was needed to grow *kalo*, the principal food resource. The right to use *wai* depended on the use of it. As long as the *maka'ainana* cultivated the land and contributed their share of labor required to maintain the water resource, they had a right to use the water for their *kalo*.

"*Kalo lo'i* alone could claim the water. Other plants were considered dry land crops, unless there was water to spare. People worked together to build and maintain *lo'i* (taro fields) and *'auwai* (irrigation canals) in each of the *ahupua'a*.

"*Kalo* cannot grow in stagnant water. It needs a constant supply of cool water flowing through it. Although planters diverted water from the stream into an *'auwai* to deliver this water to the *lo'i*, the total amount taken was never more than 50% of the total flow. Once used in the *lo'i*, the water was returned to the stream. *Pani wai* (dams) were used to divert the stream into the *'auwai*.

"These *pani wai* were built by stacking basalt boulders across a stream. This did not change the stream bottom and stream width, or block the passage of native stream animals from *mauka* to *makai*. Groups sharing the *pani wai* killed anyone who broke it, cramming the dead body into the break. Water was extremely serious to the native planter.

"Another use of *wai* was for aquaculture. The invention of the *loko 'ia* (fishpond) was a special achievement of the Hawaiians. Fishponds were highly productive and developed during the growth and expansion of the population. Those who had fishponds "loved the lands where they dwelt. Fishponds were things that beautified the land, and a land with many fishponds was called fat."

"The main species of fish raised in ponds were *awa* (milkfish) and *anae* (mullet). It was not unusual for a taro farmer to cultivate *o'opu* and *opae* in his *loko 'ia kalo*.

"Tradition associates the most famous *loko 'ia*, Alekoko Fishpond, with two *ali'i*, a brother and a sister. These fishponds were symbols of chiefly status and power, and usually under the direct control of

ali'i or *konohiki*. The fish from these ponds often went to feed chiefly households.

"Hawaiians were primarily planters of the land. By the time Captain Cook arrived in 1778, Hawaiians had developed agricultural production far beyond any of their Polynesian relatives elsewhere in the Pacific.

"Hawaiian agriculture was based on two main crop plants. The first was *kalo* (taro), a water loving plant of southeast Asian origin. No other Polynesian society admired *kalo* as a plant and source of food as much as the Hawaiians. The Marquesans were into breadfruit - the Tahitians into bananas - Hawaiians were really into *kalo*. It was and is the heart of their culture. In all of Polynesia, there were no extensive flat valley bottoms, so perfect for *kalo* cultivation, that could compare to those found in Hawai'i.

"Second only to *kalo* as a crop plant was *'uala* (sweet potato) - tolerant of dry conditions and capable of producing high yields, even in marginal soil. Because *'uala* is of South American origin, it was once believed that Polynesians were from that area. However, our recent understanding of the voyaging skills of Polynesian explorers indicates that they acquired the plant in their travels, well before European arrival.

"Other crop plants important to the native planter: *mai'a* (banana), *'ulu* (breadfruit), *ko* (sugarcane), *niu* (coconut), *uhi*(yam). Other plants extensively cultivated were *wauke* (paper mulberry) for *kapa*, *'awa* as a narcotic, *ipu* (gourd) for containers and musical instruments, *hala* for mats, and many other useful and medicinal plants. However, crop tending activities were most focused on *kalo* and *'uala*.

"To the right, *'awa* - used as a ritual drink and as a remedy for sore muscles after a hard day of work in the *lo'i* (taro patch). A little *'awa*, a little *lomi lomi* (Hawaiian massage) - *aole pilikia* (no problem).

"The earliest planters did not immediately begin construction of large irrigation systems for taro because their small population did not require intensive production. For the first few centuries following their arrival, slash and burn gardens, or shifting cultivations, were their most efficient techniques. Land early on was plentiful, and Hawaiian settlers also made extensive use of the natural food resources - native birds, fish, and shellfish.

"However, in the period from A.D. 1100-1600, the Hawaiian population would grow to several hundred thousand. It was at this time that large irrigation works, dryland field cultivation, and aquaculture were developed. This period was called the Expansion Period, because the growing population, having occupied all the choice agricultural lands, had to expand into marginal areas with less agricultural resources.

"It was in the Expansion Period that stone- faced *lo'i* (pondfields) and *'auwai* (irrigation channels) were built. Around the fifteenth century, the earliest *loko 'ia* (fishponds) were built. The native population had become large enough to provide the labor for these massive projects of agricultural intensification.

"It was in the Expansion Period that the *ahupua'a* system of land management developed, along with its associated social class structure. As the population grew and the amount of available land and resources diminished, the need to divide these resources and resolve territorial boundaries increased - thus, the *ahupua'a* system. Residents of an *ahupua'a* had free access to all the resources in their *ahupua'a*, from *mauka* to *makai* and *makai* to *mauka*.

"By the Expansion Period, the society had divided into a pyramid type of structure, with the *mo'i* (king) at the top, layers of *ali'i* (chiefs) below him, the *konohiki* (managers) in charge of the *ahupua'a* below them, and at the bottom the *maka'ainana* (common people).The *maka'ainana* were the real native planters, and as their

name suggests, "the eyes of the land". At the top of the pyramid, *ali'i nui* Kamehameha I.

"In return for their use of the land, the *maka'ainana* owed the upper layers of chiefs labor, loyalty, and a share of their agricultural product . All rights to the land were with the *ali'i*, and the *ali'i* could gain or lose power with a turnover in chiefs above them. Changes in upper level *ali'i* rarely affected the native planters because the *maka'ainana* who faithfully cultivated the land were valuable to whoever was in power.

"Once constructed, Hawaiian irrigation systems did not require much management. However, these systems produced high yields for the labor invested.

"*Ainakumuwai* is the land that is the source of the water. It is another name for the watershed. The quality of a stream's water depends on its source. Rain runs off of the land into streams, or percolates into the groundwater. What ever the rain carries into a stream affects the qualities of that stream.

"High quality Hawaiian streams are clear, cold, and have a strong flow all year long. There is little sediment, leaf litter, and other loose debris because of uninterrupted stream flow and flash floods caused by heavy rains in the mountains. Flow rates can rise and fall rapidly in response to rainfall. Hawaiian streams have a relatively short and steep descent from the mountains, and their bottoms are typically basalt (bedrock, boulders, cobbles, gravel, and sand). Any withdrawal of water by well, tunnel or diversion affects the streamflow. (*Mauka to Makai Connection*)

"Biologically, alien introduced species dominate to the near exclusion of native species. We see primarily poeciliid fish (small mouth bass, guppies, sword tail, *medaka*). *Hinana* (young *'o'opu*) are like candy to these introduced fish. Many streams are a poor habitat for native species because of severe sedimentation, dewatering, bank erosion and human impacts to riparian areas. The riparian zone and forests are mostly alien species.

"When humans arrived over a thousand years ago, they began changing their new island home to suit their needs. We have examined the attitudes and effects of the *ahupua'a* and plantation management systems on land, water, and sustainability throughout Hawai. As we continue to change our island home, the effects of our decisions will be visible in the streams and water. We have looked at what was and what is. What will be is our *kuleana* (responsibility)

"Over the past two hundred years, we have seen and experienced severe changes. These changes include the deterioration of the Hawaiian culture, language, values and land tenure system have in part resulted in the over-development of the coastline, alteration of fresh water streams, destruction of the live-giving watersheds, decimation of the coral reefs and decline of endemic marine and terrestrial species.

"Stewardship of the land and its resources was formalized through the *kapu* system. The *kapu* (taboo) - administered and enforced by *konohiki* and *kahuna*, or priests - placed restrictions on fishing certain species during specific seasons, on gathering and replacing certain plants, and on many aspects of social interaction as well. In this way, the community maintained a sustainable lifestyle. Through sharing resources and constantly working within the rhythms of their natural environment, Hawaiians enjoyed abundance and a quality lifestyle with leisure time for recreation during the harvest season of the year. This lifestyle also encouraged a high level of artistic achievement. Many crafts, including Hawaiian *kapa* and featherwork, were the finest in the Pacific. Hawaiians devoted themselves to competitive sport and martial arts as well as expression through dance and chant, creating rich traditions that continue today.

"Restoration is the return of a degraded ecosystem to a close approximation of its remaining natural potential. We know some of the problems that restoration has to deal with already. We review the

physical, chemical, and biological conditions separately, although they work together as one system. Then we speak about the most important element of all - the modern day *maka'ainana*.

"The *ahupua'a* is an ancient Hawaiian land division system which contained strips of land that extended from the mountain to the sea. The *ahupua'a* supported a self-contained community working with a spirit of cooperation of caring and revering the land to meet the needs of all.

"Through the study of the ancient Hawaiian *ahupua'a*, the biological and non-biological factors and their interactions, we hope to identify those elements which supported the success of that ecological system. Learning to build on those elements and not rival nature but to cooperate and live in harmony with her to build a sustainable future is the goal.

"Native Hawaiian Practices means cultural activities conducted for the purposes of perpetuating traditional knowledge, caring for and protecting the environment, and strengthening cultural and spiritual connections. It is through the Aha Moku Council, Native Hawaiians protected their environment and sustained the abundance resources which they depended upon for thousands of years.

"Today, many Hawaiian communities are becoming revitalized by using the knowledge of cultural practitioners that was passed down through our *kupuna* and experienced farmers (*mahi'ai*) and fishers (*lawai'a*) to engage and enhance both sustainability and subsistence and self-sufficiency.

"Furthermore, many Hawaiian communities are interested, willing and able to advise the departments, agencies, organizations and other groups in integrate traditional knowledge, and "*ahupua'a* management practices."

"This is consistent with the Hawaii's State Constitution which reaffirms and protects all rights, customarily and traditionally exercised for subsistence, cultural and religious purposes and possessed by *ahupua'a* tenants who are descendants of native Hawaiians who inhabited the Hawaiian Islands prior to 1778, subject to the rights of the State to regulate such rights.

"This program shall foster understanding and practical use of knowledge, including Native Hawaiian methodology and expertise, to assure stewardship of the interconnectedness of the clouds, the forests, valleys, land, the streams, the fishponds, and the sea. It shall include the use of community expertise, establish programs and projects to improve communication, education and training on the stewardship (*mauka* to *makai*, and *makai* to *mauka*) issues throughout the region (*moku*) and increase scientific education among related professions including community residents and native Hawaiians.

"I urge my colleagues to please support this measure. Mahalo!"

Representative McKelvey rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In support and may I have the nine page comments of the speaker from Hana entered into the Journal as if they were my own."

Representative Mizuno rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Mizuno's written remarks are as follows:

"Mr. Speaker, I rise today to express my strong support for S.B. No. 1853, S.D. 2, H.D. 2, C.D. 1. The purpose of this bill is to establish a framework to provide input in how the State manages our

natural resources. The framework is based on the indigenous resource management practices of *moku* boundaries.

Mr. Speaker, conservation has been one of our major focuses. This Session, we have wisely made conservation a priority and made progress in many ways. We have devoted a large amount of our resources to ensure the beauty of our islands, to ensure the abundance of resources in our oceans, and to ensure the health of our *'aina*.

"But no amount of money can help us if we go about it in the wrong way.

"This bill is the first step towards the creation of an Aha Moku Council Commission. The Council, with the input of Native Hawaiian practitioners from 37 *mokus*, can help us find the right balance between growth and sustainability.

"We now begin this process with the creation of the Advisory Committee.

"This bill is the product of policymakers and stakeholders statewide who joined forces to find a way to integrate traditional knowledge into our efforts to shape a sustainable future for our State.

"I strongly believe that this bill will continue the process that they have started, to create an Aha Moku Council system that is efficient, inclusive, and beneficial for all of us.

"Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1853, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NATIVE HAWAIIANS," passed Final Reading by a vote of 48 ayes, and with Representatives Cabanilla, Morita and Takumi being excused.

At 6:03 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 1212, HD 2, SD 2, CD 1
H.B. No. 1200, HD 1, SD 2, CD 1
H.B. No. 1899, HD 2, SD 2, CD 1
S.B. No. 1853, SD 2, HD 2, CD 1

Conf. Com. Rep. No. 106 and S.B. No. 1402, SD 1, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1402, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I'm voting no on this measure. I'd like to explain why. It's the Loss Mitigation Grant Fund, which means that if you apply for some money to either harden your roof against hurricanes or to build a safe room within the house, you can have funding from this Fund. My concern is it's not at all means based, so, it could be used by a millionaire to build a wine cellar as a safe room and I think it should be means based, instead, to go to the people that wouldn't have adequate money to be able to do that work on their home. Thank you."

Representative Finnegan rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. With reservations for those same reasons."

Representative McKelvey rose to speak in support of the measure with reservations, stating:

"Reservations for the same reasons. Also, something that the Chair of Consumer Protection and Commerce has brought over repeatedly, over and over again is. We're going to be basically giving this fund for safe rooms in places that have never even had hurricanes. I just think we're opening up a giant 'slush fund' for people's home improvements in places where there's really no risk. Thank you."

Representative Har rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Pine rose in opposition to the measure and asked that the remarks of Representative Thielen be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Marumoto rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Ching rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Evans rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Ward rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Finnegan rose, stating:

"Thank you, Mr. Speaker. Could you retract my vote with reservations? I'm going to vote no."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1402, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE LOSS MITIGATION GRANT FUND," passed Final Reading by a vote of 46 ayes to 4 noes, with Representatives Finnegan, Meyer, Pine and Thielen voting no, and with Representative Cabanilla being excused.

Conf. Com. Rep. No. 108 and S.B. No. 896, SD 1, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 896, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Ward rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in strong support of the High Technology Incubation Center in Kakaako. This is 66,000 square feet of lab space, office space, and what I hope is going to be the beginning of what some have as a Silicon Valley. We will have a high rise there of 66,000 square feet of scientific and otherwise advancement that produces a Bill Gates, or Steve Jobs, or the others who, because of the jobs that are going to be created, are high paying and with strong education and qualifications. And, Mr. Speaker, all of my other remarks I request to be in the Journal," and the Chair "so ordered."

Representative Ward's written remarks are as follows:

"Mr. Speaker, I rise to speak in strong support of this measure. At the beginning of the Session, Governor Lingle laid out her plan for an innovation economy. One of the goals she wanted to accomplish was the support of a private sector-led life sciences and biotech research facility and technology incubator in Kakaako. While this is not the exact same piece of legislation that the Governor wanted, it does accomplish this part of the innovation economy she has laid out for Hawaii.

"What does the incubation center look like? Currently private developers are developing a four hundred thousand square foot Class A life sciences research complex on 4.98 acres in Kakaako.

"This facility will be the only facility in Hawaii with Class A wet laboratory space available to the non-institutional market.

"The High Tech Development Corporation (HTDC) is currently negotiating with these private developers, to establish a ten year lease for approximately sixty-six thousand square feet of lab and office space.

"Benefits of the bill. Grow Life Sciences and Biotech Industries. This facility will allow HTDC to grow Hawaii's life science and biotech industries by providing high-quality incubator and innovation facilities.

"Creation and growth of Life Science industries will revitalize the region, diversify the economy, stimulate and sustain economic growth for a broader impact on Hawaii's economy.

"It will help retain, grow, and recruit high tech businesses, knowledge-based industry, and talent in the State by increasing academic and research excellence.

"It will provide the much needed infrastructure for further growth in the Life Sciences sector and position Hawaii for global competitiveness.

"It will provide facilities and opportunities to foster public and private sector collaborations for research, with its close proximity to the Medical School and other planned projects.

"Support Hawaii's High Tech Industry — Start-Ups are Key. We all know that capital is important to growth. The High Tech start-up companies will not have to worry about financing business infrastructure and wet laboratory developments.

"Dollar and Job Benefits of this Bill. High Tech industries have a track record of producing high paying and fulfilling jobs. This in turn means a better tax base, which means we all benefit.

"It provides the living wage jobs that this Legislature is intent on creating, without regulating and interfering with businesses and their operations.

"Educational Benefits and Brain Gain Benefits. The media has painted a grim picture for Hawaii's future, that our children will need to leave Hawaii or if they remain, will have to endure low paying and unfulfilling jobs, that there is no hope here in Hawaii, and they call it the price of Paradise. This facility will bring hope and can quickly change this grim outlook to that of hope and the ability to remain here in Hawaii.

"This will encourage our *keiki* to get involved in the STEM programs because this is a field of fulfillment and opportunity.

"Our medical students at the John A. Burns School of Medicine will have increased opportunities because this facility will be clustered in close proximity to the school.

"Mr. Speaker, this is one small part of the Governor's innovation package, but it will pay big dividends to the people of Hawaii, both directly and indirectly. We all can benefit from this, we all will benefit from this, and we should all support this."

Representative Karamatsu rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Karamatsu's written remarks are as follows:

"I am in support. This bill would help in developing Hawaii's technology and life science industries by appropriating \$150,000 for fiscal year 2007-2008, and the sum of \$250,000 for fiscal year 2008-2009, for the lease agreement between the High Technology

Development Corporation and the developers or owners of a life science complex in Kakaako, and for plans for and operations of a high technology incubator and innovation center to be held at that complex. Thank you."

Representative Yamashita rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Yamashita's written remarks are as follows:

"Mr. Speaker, I am in support of Senate Bill 896 SD2 HD2 CD1, Relating to High Technology. This measure will support the fledgling life sciences and biotechnology industry in Hawaii.

"Many other locations in the United States and abroad provide incentives for high technology companies to develop and grow because of the high paying jobs provided by a flourishing high technology industry.

"In the last three years, thirteen biotechnology corporations chose not to select Hawaii as a site due to a severe lack of commercial laboratory space.

"By appropriating funds to the High Technology Development Corporation, to negotiate a long-term lease of sixty-six thousand square foot technology incubator and innovation center, we will provide the needed facilities to attract life sciences and biotechnology companies in the future. Thank you."

Representative M. Oshiro rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative M. Oshiro's written remarks are as follows:

"This bill appropriates funds to the High Technology Development Corporation to negotiate a ten-year lease to house a technology incubator and innovation center in a life sciences research complex. This will allow HTDC to participate in a public-private partnership with Kamehameha Schools and developers KUD International and Phase III properties to build wet lab space so that Hawaii can be competitive with life science hubs around the world.

"This life sciences complex will be built in close proximity to the John A. Burns School of Medicine and the Hawaii Cancer Research Center. With the addition of this complex to the cluster of research and development activity presently existing in Kakaako, this concentration of research laboratory space, medical facilities, and high caliber scientists will serve as a signal that Hawaii is a serious option for companies to relocate or establish branch laboratories.

"Currently, one of the major obstacles preventing mainland technology companies from establishing businesses in Hawaii and local technology companies from expanding their operations has been market cost and lack of facilities. Consequently, this bill will directly assist in the growth of the science and technology sectors by helping to provide wet laboratory facilities that are presently in demand. Additionally, the life sciences facility will create an estimated 1,000 new living wage jobs, creating opportunities to bring skilled *kamaaina* back from the Mainland. It is my understanding that the average annual salary in life sciences is \$62,000.

"This bill is one means of ensuring that Hawaii's fledgling startups have what it takes to expand their existing businesses. I urge my colleagues to support this bill."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 896, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY," passed Final Reading by a vote of 50 ayes, and with Representative Cabanilla being excused.

Conf. Com. Rep. No. 109 and S.B. No. 880, SD 2, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 880, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Awana rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Awana's written remarks are as follows:

"Mr. Speaker, I am in support of SB 880, SD2, HD2, CD1. This measure will preserve and promote Hawaiian culture by first creating a committee which will assist in establishing a Museum of Hawaiian Music and Dance. As a member of the Finance Committee, I was privileged to receive testimony in support of this bill from Mr. James Stone, Jr., President of the Hawaiian Music Hall of Fame expressed beautifully sentiments of many Hawaiians when he stated:

Of particular importance to Hawaii is the unique voice Hawaiian music gives to its people. Hawaiian music and hula express the language of the heart, and therefore the heart of the Hawaiian people. This bill is a tangible ... expression by this body that Hawaiian music and hula are important to our cultural life.

"I am excited about the potential of this bill, and look forward with great anticipation to the Committee's work and the establishment of the Museum of Hawaiian Music and Dance. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 880, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE MUSEUM OF HAWAIIAN MUSIC AND DANCE," passed Final Reading by a vote of 50 ayes, and with Representative Cabanilla being excused.

Conf. Com. Rep. No. 110 and S.B. No. 1228, SD 1, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1228, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Ching rose in support of the measure, stating:

"In strong support."

Representative Karamatsu rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Karamatsu's written remarks are as follows:

"I am in support. The story of the wrongful and unconstitutional internment of Japanese Americans by the United States government during World War II must never be forgotten. Many of them lost their jobs and property because of their imprisonment for simply having Japanese ancestry. Unfortunately, some died in these internment camps. Many young Japanese American men volunteered for military service and died for their country while their families were imprisoned by the very country they were fighting for.

"Through this bill, the State of Hawaii supports establishing a process to determine the most appropriate means of memorializing the World War II Japanese American internment camp experience in Hawaii. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1228, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO

HISTORICAL PRESERVATION," passed Final Reading by a vote of 50 ayes, and with Representative Cabanilla being excused.

Conf. Com. Rep. No. 111 and S.B. No. 1026, SD 2, HD 3, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1026, SD 2, HD 3, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Finnegan rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. In support with reservations and just a short explanation why. I'm against the accepting of the two liters bottles, however, I support the flexibility to suspend the fee increase."

Representative Brower rose in opposition to the measure and asked that the remarks of Representative Finnegan be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Meyer rose in opposition to the measure, and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Meyer's written remarks are as follows:

"Mr. Speaker, I am against this bill. This bill is about increasing the size of containers under the current bottle law from 64 to 68 ounces.

"It should be noted that there is one good thing in the bill—an added provision that allows the Director of the Department of Health to temporarily suspend the extra one cent or one-and-a-half cent fee if the deposit beverage container special fund contains sufficient funds. That's a good thing.

"But the rest of the bill is unnecessary. Some Reasons:

It's another example of a regressive tax.

Reverse vending machines as currently made don't allow for 2-liter bottles and would need to be repurchased or retrofitted.

Passage of this bill and its effect on the amount of the litter involved, especially roadside litter or beach litter, is considered of "little impact" by the Department of Health.

And, finally, this will have an adverse on low-income families who try to get some economic advantage by purchasing larger packaging size, and we're taking that advantage away with this bill.

"For these reasons, I'll be voting no. I urge all my colleagues to vote no, as well."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1026, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SOLID WASTE," passed Final Reading by a vote of 47 ayes to 3 noes, with Representatives Brower, Marumoto and Meyer voting no, and with Representative Cabanilla being excused.

Conf. Com. Rep. No. 113 and S.B. No. 1882, SD 2, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1882, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Marumoto rose to speak in support of the measure, stating:

"Yes, Mr. Speaker. Just to say I'm really very happy to see the reinstatement of a Low Income Food Tax Credit. Just to let the folks know that we used to have an Excise Tax Credit and a Low Income Tax Credit, and these two have been sort of meshed together into one. It's not enough, but I'm very happy to see it here. Thank you very much."

Representative Awana rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Awana's written remarks are as follows:

"Mr. Speaker, I rise in support of SB 1882, SD2, HD1, CD1. This measure will grant much needed relief to low income individuals by expanding the current low-income refundable tax credit. Food is a basic need. We cannot sit back and watch some of our neediest citizens struggle to purchase food. The tax credit in this bill helps recognize the high cost of living and helps in mitigating this issue by giving these individuals much needed relief. Thank you, Mr. Speaker."

Representative Belatti rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I rise in support of this measure, but with some serious reservations. I started this Legislative Session with high hopes for the working class families of our State and that there would be a strong, progressive, systemic changes to our tax system that would alleviate the tax burden on the working poor and the middle class throughout the State.

"There were many proposals from both sides of the aisle that were considered by this body. An Earned Income Tax Credit, the Low Income Refundable Tax Credit, inflation adjustments to the Standard Deduction, personal exemptions, and tax brackets, and income tax credit equal to the general excise tax assessed on gasoline, increases to the standard deduction, and elimination of the GET on certain food items. Some of these proposals rose to the top and others fell to the wayside. All part of the legislative process.

"While S.B. 1882 in its final form as a refundable food excise tax credit did come from of these initial proposals and while this measure does provide for some targeted relief for which I'm grateful, I have concerns with substance and procedure.

"On matters of substance, Mr. Speaker, this bill does not go far enough. Preliminary analysis of this bill by the Center for Budget and Policy Priorities shows that we will have done little to alleviate the tax burden on the poorest among us, and for families. For example, for single parent families of three at the poverty line, we will move from first worst in the nation to second worst in terms of State tax burden. For two parent families of four at the poverty line, we will move from second worst to seventh worst. And for two parent families of four, we move from third worst to ninth worst in terms of State tax burden.

"On matters of procedure, Mr. Speaker, my concern relates to how S.B. 1882 appeared at the eleventh hour in Conference Committee at the expense of another measure. That was both a part of the Senate Majority package and signed on to and introduced by all of the Majority in the House. This is, of course, on the Earned Income Tax Credit. Mr. Speaker, my concern about procedure is twofold. First, many advocates within the community strongly believed that we were going to act on the Earned Income Tax Credit. Energy was focused on that proposal. Again, while this measure, S.B. 1882, did move to the legislative process, it did not receive the kind of public debate that the other had received.

"For example, Mr. Speaker, the numbers that are given in the Food Income Tax Credit, the \$85 for those earning under \$5,000 or the \$75, is that linked, my question would be, to what people are

spending and what the tax burden is for general excise tax on food? We don't know the answers to those questions.

"Mr. Speaker, it is no secret that I have been a strong supporter of the Earned Income Tax Credit all Session, because it is targeted tax relief that provides strong work incentives and provides asset building opportunities for those individuals and their families. I will not vote in opposition to this because I think that this measure does provide targeted tax relief, but I think we can do better. Thank you, Mr. Speaker."

Representative Chong rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I rise in strong support. I think that this is a good first step to address the issue of excise tax on food items. This is not the only thing that the Legislature has done. We need to remind ourselves that last year, not only did we increase the Standard Deduction, but we also increased the widening of the brackets. That is something that taxpayers are taking advantage of right now. In fact, it started this January.

"Second, in looking at the bill in terms of what the prior speaker had said. The U.S. Department of Agriculture states the average household spends, if I'm not mistaken, about \$1,500 per household on food items bought at the store. Again, this does not include food purchased at the restaurants or other means. We took a look at increasing that amount kind of based on some general inflationary numbers on food items, and came out with a range between \$75 and \$85 per household, in what people pay for taxes.

"Could we have done more? Yes. But I think, like we talked about in House Bill 500, the basic needs of the State, this will provide good targeted relief for the working families of Hawaii, again, not just for low income, but middle income families.

"I would also like to point out, and this is my own individual opinion on the Earned Income Tax Credit. I think it was one of those things that it is a good bill. We need to still take a look at it. At the same time, there are many programs, both in the budget and other bills, that address the issues of those in need. Whether we are going to talk about the \$700 million we spend every year in human services programs, not including the federal match, to all the other programs in Medicare, Medicaid. I think that this overall budget and these various tax bills is a good step for Hawaii's people. Thank you."

Representative M. Oshiro rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in support of this measure. First, Mr. Speaker, I'd like to thank the Representative from Kahala, Kaimuki who was with you and I back in mid-90s, Mr. Speaker, when we had to make the tough decision to repeal the Food Tax Credit to basically fund essential services in health care, education, elderly, and basic government services because of the recession we were in. And something that had really plagued me for the last 12 years since I've been in the State House. So, for me, this is an important measure to return to a promise, I guess, I made to myself about 12 years ago, Mr. Speaker. That should I have the opportunity and the ability to reinstate the Rental and the Food Tax Credit for the low income, then I'll do so. So, for me, Mr. Speaker, today is a day of reckoning with myself and my conscience to for what we did about 12 years ago during that recession.

"But, more important, Mr. Speaker, I think this measure, as mentioned by the previous speaker, allows us to expand the Low Income Tax Credit and combined with the Food Tax Credit, so we can start touching the lives of the middle income families, not only the low income families.

"And another point on this particular measure, Mr. Speaker, is that unlike the prior tax credit that we had in the '90s which applied to anyone regardless of income, this one is very focused and measured

to those who really need it the most, the low income working families and the middle class families.

"You know, Mr. Speaker, I wish I had the luxury of espousing all kinds of tax measures and ideas and suggestions to address my constituents also. But I have the responsibility of looking at the numbers as they are before me and to take heed. And just so the body can know, I had a meeting this afternoon with Director Kawafuchi and he came me some very sobering information. He basically told me that given the current tax collection trends that we've been experiencing the last several months, he does not think, Mr. Speaker, we will reach the six percent Council on Revenue projections. We may not even get to four percent.

"He also suggested to me this afternoon, Mr. Speaker, that in order for us to even reach that point, we would have to generate 20% more taxes on the next two months than we did in 2006. It was very glum, but that's the reality, Mr. Speaker.

"I'm glad we're getting this measure out, Mr. Speaker because, hopefully, it'll stand against what the Governor and what this Legislature may have to do next year should the forecast remain as stated by the Director of DOTAX. Mr. Speaker, I have some written remarks. I'd like to ask for permission to submit them later," and the Chair "so ordered."

Representative M. Oshiro's written remarks are as follows:

"Mr. Speaker, I am in strong support for Senate Bill No. 1882, Senate Draft 2, House Draft 1, Conference Draft 1, Relating to Taxation and submit these additional comments to the House Journal.

"This bill renames the current Low Income Refundable Tax Credit to the Refundable Food/Excise Tax Credit, provides additional income tax brackets that qualify for the tax credit, and increases the amounts of the tax credits for each bracket.

"Act 134, Session Laws of Hawaii 1995, reduced the food tax credit from a maximum of \$55 to a single rate of \$27 and repealed the general excise and medical services tax credits as part of a package to address the projected deficit in balancing the overall biennium budget. Act 157, Session Laws of Hawaii 1998, repealed the food tax credit and established a low income refundable tax credit which provides a maximum tax credit of \$35 per a qualified exemption for taxpayers with adjusted gross income under \$10,000.

"According to the latest tax credit report by the Department of Taxation, the low income tax credit was taken by 30.4% of the returns filed by individuals in tax year 2004. The credit amounted to \$8.1 million in tax year 2004 and \$8.3 million in tax year 2003. Senate Bill No. 1882, Conference Draft 1 with its expanded brackets will result in approximately 60% of the taxpayers receiving some benefit from these changes at revenue loss of approximately \$ 31 million. Senate Bill No. 1882, Conference Draft 1 will provide a greater impact on addressing the regressivity of the general excise tax and at the same time providing more relief to those at the very bottom of the income scale.

"The 2005 - 2007 Tax Review Commission cautions against exempting health care services, food, apparel, or shelter from the general excise tax to address its regressive nature, but suggests "that if the Legislature finds it desirable to grant such tax relief on equity grounds, that it should pursue those goals either through low-income tax credits against income taxes or through the appropriation and expenditure process, which enhances transparency and accountability."

"For these reasons, I urge my colleagues to support this measure. Thank you, Mr. Speaker."

Representative Ward rose to speak in support of the measure, stating:

"I rise in support of the measure. While one confession deserves another, I, too, confess that I voted for the repeal of this. In the '90's, in fact, we not only raided this, we raided just about anything that had any money left, and we're still in pain because we've got unfunded mandates here, unfunded mandates there, and we're still not recovered from that. I really appreciate the frankness and the heartfelt confession from the Chair of Finance.

"However, Mr. Speaker, I think I have to go back to the words of the Representative from Makiki who said, Mr. Speaker, we can do better than this. I think that's what is a resounding underlying factor of this. Even though it's reinstated, it's small, we give a little, we feel good. But I think we're still damning with faint praise. Why don't we just get off the backs of the poor and get on with developing this State for its future. Every Session we've got promises that we don't keep. As I began my speaking in reservation against the budget, if we beat our chest and we claim to these people that we're going to help and we don't help them, and they come back every year. And we say again we're going to do it the next year.

"Mr. Speaker, we need the political will to do this and to finalize this. Right now, we still have one-third of our population dependent upon some kind of a government program, or subsidy, or financing to keep them above water. That is not a good sign. And we were reminded earlier today that only Alabama taxes its people as heavy as we do. That is not a good reputation. So, Mr. Speaker, we can do better. This is a good beginning and I think it great and I applaud it, but I think this should be a beginning for a momentum by which we can restore, educate, get the poor to be on their feet, to be independent so that we can get on with all the other development needs that this State has to do. Thank you, Mr. Speaker."

Representative Souki rose to speak in support of the measure, stating:

"Thank you very much, Mr. Speaker and Members, I speak for the bill. I've been hearing a lot about that we should be doing more and I think we all want to do more. That's why we're here. We're here because we want to serve and we want to help those who cannot help themselves. That's why we're here.

"But if you compare us to the other states, that are ahead of us as far as providing less tax burden than we do, you need to look at the total picture. You compare apples and apples? Or apples and oranges? Most of the states, including Alabama, have other means of drawing income besides the normal taxes that they have. Also, as a state, we're very unique, in that we are responsible for the education budget. All the other states go through either the cities, Board of Education or the respective counties. We are responsible for education. We are responsible for all the district courts where none of the other states are responsible for the district courts. We are responsible for social services. Most of the other states have the cities or the counties running social services.

"So, when you begin to compare all these things, look at the burden that the State has relative to the other states in the nation, our burden is that much greater. So, inevitably, our taxes to maintain these services that we are providing, unlike the other states, need to be higher. So, if we want to change this, you need to look at other sources of income. Do we have other sources of income? And I'm not suggesting anything. I'm just saying be realistic. Do we want to delegate? Does the county want to pick it up? I don't think they have the capability. They did at one time. The counties ran the courts, the district court. The county ran the hospitals. The counties ran the school system as far as the buildings and repair. And they came to the State and they said, 'Please, take it over,' and we did. So the burden is with us. So, please, when you look at our taxation, look at what we have to do to arrive and save in order to serve the people. Thank you."

Representative Finnegan rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In regards to CCR No. 113, it's been said that this is a good first step. But like the Finance Chair had mentioned, it's not guaranteed that we're going to have additional surplus money in the future. In fact, if it is true, then we are looking at a little gloomier expectation for the future.

"So, in regards to a good first step, I think the comment should more likely reflect that it's probably the only step. This is our chance to do a significant tax relief for the State of Hawaii, at least for the upcoming few years. So, in regards to we could have done better. I know that the budget was stretched to try and address many needs, but the State Constitution and all of the other language in the part about wanting to do what is right, which is return money to the taxpayers because of the type of collection."

Representative Lee rose to speak in support of the measure, stating:

"Mr. Speaker, in support and written comments in the Journal, but I just wanted to say that in many ways we have helped low income people by our investment in those people. For example, the Keiki Care bill that we just passed, and maintaining the social safety net. In a state like Alabama, I am sure, that is not as nearly as complete. So, I think we've really used our resources to invest in our people, in our school system, in our health system and in many other ways. Thank you."

Representative Lee's written remarks are as follows:

"I am in support. Mr. Speaker, this modest credit will go a long way in providing the most needy of our citizens some help with rising food costs.

"In general, I have not supported removal of the excise tax on food because much of our tax revenue is derived from the many meals and food stuffs purchased by tourists.

"However, this credit is fair and reasonable. I urge the Members' support."

Representative Caldwell rose to speak in support of the measure, stating:

"Mr. Speaker, brief comments in support. I think it's more than a first step, Mr. Speaker, and when you look at what we did last year, we can all be proud of that. We did provide a significant tax relief. We have expanded the brackets by 20%, which resulted in \$38 million in savings, which we benefit again this year, in fiscal year '07 - '08. And we increased the standard deduction by 40% of the federal level, which resulted in \$10.8 million, almost \$11 million, which we again can claim in the fiscal year '07 - '08.

"Now, you add the food tax credit, you add the forgiveness of the excise tax on gas, and you're looking at about \$150 million worth of tax breaks to those on the 60%, or the lower end of the economic spectrum. These are all things we can be proud of and it's a continuing step. Things like EITC, which are strongly supported by members of this Caucus, and if money was no object, we would be looking at EITC today. But to imply somehow we don't support it or that we're not going to look at it in the future is not correct, and the hope is that through being fiscally responsible this year, that perhaps next year there will be funds to continue additional steps to address those who need the help the most, which is what we focused on this year. That you very much, Mr. Speaker."

Representative Ward rose to respond, stating:

"I rise with further comments, brief comments. Mr. Speaker, we are, in the first time in our history, people who are 40 years and older, more educated than our 25 year olds. We have students come out of our high schools, they go into the university. Sixty per cent of them have to take remedial math and English. My point of saying this is that when the Chair of Finance and I confessed that we had

taken away this tax credit, right now I bet you it's twice what it was before. But, yet, the poor among us we still have is the same numbers, or the same problems, or the same issues that we're doing previously. So, there's something we've got to do better, and I go back to what the Representative from Makiki said. Mr. Speaker this is the beginning, but we can do better. Thank you."

Representative Luke rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In support. I do share some of the concerns that the Representative from Makiki brought up, and I'd like to request that written comments be inserted into the Journal," and the Chair "so ordered."

Representative Luke's written remarks are as follows:

"Mr. Speaker, I am in support of this bill but have some reservations. This Session, we had an incredible opportunity to help relieve some of the tax burden from our working families. However, most of this opportunity was wasted because we did not have the will or vision to push for more progressive tax reform.

"While a refundable Food/Excise Tax Credit is one small step in the right direction, we should have been more aggressive. Our record-low unemployment rate offset by the extremely high cost of living tells us that people are working, but they just cannot keep up. Why should these hard working families have to live by just scraping by each month? They deserve better.

"A more progressive solution would have been to pass a refundable State Earned Income Tax Credit (EITC). This is a proven mechanism for directing truly meaningful relief to those who need it most.

"Like with so many issues this Session, we stopped short of the finish line on meaningful tax relief. I hope in the future we will continue to push for more progressive initiatives that will benefit all the residents of our State. We owe it to them to do better. Thank you."

Representative Takai rose in support of the measure, asked that the remarks of Representative Belatti be entered in the Journal as his own, and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Takai's written remarks are as follows:

"Mr. Speaker, I speak in support of this bill with reservations.

"This Session we had an incredible opportunity to begin to lift the burden of our State taxes from the shoulders of Hawaii's workers who can least afford them. Following multiple years of a budget surplus due largely to taxpayers in this State, a lack of funding is not an issue that should stop meaningful, systemic change in our tax code to put the best interests of working people first.

"A refundable food/excise tax credit is one small step in the right direction. However, given the tremendous resources now available to the State and the increasing majority of families in Hawaii that find it harder and harder to get by each year, we could have been more aggressive. Hawaii continues to have a skyrocketing cost of living, yet record-low unemployment rates. People are working, but they just cannot keep up. Better long-term solutions are needed today to help the countless workers in Hawaii who are just scraping by.

"One such solution is a refundable State Earned Income Tax Credit that has been debated thoroughly in our community and heard in numerous legislative committees this year. While the Food/Excise Tax Credit is certainly admirable, the effectiveness of federal and State Earned Income Tax Credits in supporting work, alleviating child poverty, and encouraging asset-building among low-income families should have been given greater weight. As a legislative

body, we are constantly asked to weigh policies against one another. In this instance, had our priorities been set out more openly from the beginning, we could have had a better solution for working families and for the community at large. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1882, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Final Reading by a vote of 50 ayes, and with Representative Cabanilla being excused.

At 6:31 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 1402, SD 1, HD 1, CD 1
S.B. No. 896, SD 1, HD 2, CD 1
S.B. No. 880, SD 2, HD 2, CD 1
S.B. No. 1228, SD 1, HD 1, CD 1
S.B. No. 1026, SD 2, HD 3, CD 1
S.B. No. 1882, SD 2, HD 1, CD 1

Conf. Com. Rep. No. 117 and S.B. No. 1672, SD 2, HD 3, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1672, SD 2, HD 3, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Finnegan rose, stating:

"Yes, Mr. Speaker. I'm in support of this, Mr. Speaker, but I do have a question."

At 6:32 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 8:02 o'clock p.m.

Representative Finnegan continued, stating:

"Thank you, Mr. Speaker. I rise with reservations. You know what, Mr. Speaker? No reservations, but I do have some questions on this particular bill. I brought it up the last time that we had this on the Floor. Basically, the general fund amount for this should be more along the lines of being about \$30,000 and currently it's about \$16,000 that is appropriated in this bill. Did I say, 'million'? Sorry.

"Currently, it should cost about \$30 million and there's \$16 million appropriated in the bill. I don't know that once you've paid out the \$16 million, or \$8 million per year, that if we have to come back for an emergency appropriation? Or we just say first come, first serve and then after that we revert to an old schedule. So, I do have concerns about that.

"I think that what we're trying to accomplish in the bill is really good, but in regards to knowing the overall financial picture, understanding the budget, all of those types of things, that this comes into play. So, if it does it affect and we do end up asking for an emergency appropriation, Mr. Speaker, I think that it would be better if we planned and had the full amount in here. And then, as I mentioned before, that in 2008, we are scheduled to merge both the QUEST and Medicaid programs together, the fee for service programs with QUEST. So, those are my concerns."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1672, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 49 ayes, and with Representatives Bertram and Sagum being excused.

Conf. Com. Rep. No. 118 and S.B. No. 1676, SD 2, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 1676, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION," passed Final Reading by a vote of 49 ayes, and with Representatives Bertram and Sagum being excused.

Conf. Com. Rep. No. 120 and S.B. No. 1060, SD 1, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1060, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Marumoto rose to speak in opposition to the measure, stating:

"Mr. Speaker, I am in opposition to Senate Bill 1060, C.D. 1 regarding the workers' compensation law. There is one good feature about this measure and it will exempt small businesses from having to purchase workers' comp insurance, so that's a glimmer of hope. However, I think the rest of the bill will cost employers a lot more and I fear for the cost and availability of workers' comp insurance.

"We've received countless letters from employers in opposition to this bill, but I would just like to read one letter that I received, and it is from the owner of Foodland, a young woman named Jenai Wall, and she writes:

I'm writing of behalf of Foodland Supermarket, Ltd., to express our company's strong objection to this bill, and urge you to veto it. As a locally owned company that has been serving Hawaii for the last 59 years, we believe Senate Bill 1060, CD 1 will seriously impact our ability to run our business.

And as we all know, Foodland employs a lot of our friends and family. I continue.

Currently, an employer may require an independent medical examination, IME, if they feel that the injured worker has reached maximum medical improvement. Or, in other words, no further medical progress will be made. IMEs are one of the few tools an employer has to manage workers' compensation cases.

I'll skip a paragraph or two.

As you know, Senate Bill 1060 seeks to change this process, the most burdensome of which would require mutual agreement between the employer and the employee on an IME physician. Mutual agreement can be difficult to achieve in situations where an employer is challenging the treatment rendered by a provider. Other proposed changes to the process include detailed and somewhat onerous experience requirements for those who would be allowed to perform an IME, and allowing the employee to bring their physician to the IME and make the employer pay for it. The latter proposal presumably would enable the treating provider to challenge the credentials of the IME physician and could be viewed as intimidation.

"I will just end it there. I would ask you to look at this bill quite carefully. It will increase referrals to vocational rehabilitation. It will increase cost. You will have to wait until there's a hearing and the Director of the Department of Labor must determine when maximum medical improvement is achieved. It will be very difficult for the employer to retrieve any reimbursement from excess medical care and this bill, I fear, will create more problems than it will solve. I urge your no vote. Thank you."

Representative Meyer rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I'm also rising in opposition to this measure. As the previous speaker said, there is one good section, but it is overwhelmed by a host of bad and wasteful provisions.

"Some of the troublesome provisions are that the bill would allow an allegedly injured employee to unilaterally ignore a finding by the employer or the employer's insured that certain workers' comp medical treatments are no longer medically justified for the employee. The employer would be forced to continue paying for this unnecessary treatment until the Director of the Department of Labor and Industrial Relations issued an order to stop the treatment. Worse yet, even if the Director of DLIR ruled that medical treatments were medically unjustified, the wasted money would not be recovered from the worker unless actual fraud could be proven.

"Another troublesome provision is the current law allowing vocational rehab benefits for permanently disabled workers would be amended to include workers who are able to work at a reduced capacity, but who have not received a job offer from their old employer that offers them their old pay levels for this lesser level of work. That is, the employer would have to either pay an employee more money than their labor is worth or else pay for some costly rehab procedures that might not result in the worker being able to earn more money.

"Still another wasteful provision requires paying Temporary Total Disability payments even if the employer has determined that the employee is able to resume work if the employer can find any physician or chiropractor who will state that the employee is not ready to return to work. In essence, a chiropractor who has a vested financial interest in the employee not returning to work, could override the decision by a physician who went to medical school.

"Further, this provision says that even if an employee is able to return to work, they can keep getting this total disability payments anyway unless the old employer has made a bona fide offer of suitable work within the employee's medical restrictions. In other words, Mr. Speaker, the employer would be forced to either pay disability benefits to an employee who is not disabled or offer the employee a job even if they have no productive work available that the employee is capable of doing, instead of the employee simply finding another employer who does have productive work available which they can do.

"I could go on and on about the bad provisions in this bill. But in the interest of brevity, let's just say that this bill could be titled, 'the omnibus stick-it-to-the-employers and suck up to labor unions bill.' If you're looking to end our economic expansion and drive employers out of business and cost employees their jobs, this bill is a heck of a start. Thank you, Mr. Speaker."

Representative Sonson rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In support of this omnibus workers' compensation bill. Let me point out all the good provisions in this measure. Section 1 is an alternative dispute resolution that was recommended by the Director of Labor. This is one of the Governor's package that tried to introduce rules when we didn't want it at the Legislature. I stuck it in here. We're sticking it in here because the Department of Labor and the Lingle Administration really wanted this provision. Labor didn't want it, but we put it in here anyway.

"Also, one good thing in here that we took out is the handcuff that we had on the Director. We took it out of here because the Lingle Administration didn't want it, so, that was one provision that we took out.

"Section 2, Rule Making. That one right there is according to Mr. Hardaway it's fine. It was just an omission.

"Section 3, Small Business Exemption. It's been very, very difficult to pass this provision. A lot of people don't like this provision because it does weaken the whole concept of a safety net for workers. But we put it in here because it's very, very important to the business community, and I think it makes sense in order to balance this bill.

"Section 4, Continuation of Medical Services. Now, most businesses who actually understand this bill, employers say, 'You know what? We want to take care of our workers.' This says that in those situations, where medical treatment is necessary to prevent further injury or degradation of the injured worker, then you continue it. It doesn't include things that are not necessary for the person. Plus, it has a 30 day window. How many treatments, how many doctor visits can you take within 30 days? Not much. So, really, this is not much of a benefit.

"Actually labor wanted a lot more, but we wanted to make sure this is a well-balanced bill going forward. And since this is the work of a Committee, this is what comes out, a lot of give and take. And that's why there was a lot of give from the labor, so that business can keep on taking. Or if you say business in this case, it's not really employers. Business in this case is the insurance companies. And I will get to that a little later when I explain the other provision that's really good for employers.

"In vocational rehabilitation and under the law, there's only a right to work, a right to return to your work. If you got injured and somehow you come back, the employer sometimes in a real situation, in real life scenarios, they don't want you back because you are liability. Because as you know, once an employer spends about \$10,000 within three years, you will be considered high risk. High risk means you are about to pay triple your regular yearly premiums. It's just the way high risk is done. The high risk provider is HEMIC and I'll tell you about HEMIC a little later, too. So, vocational rehab here, I wasn't really in support of this, Mr. Speaker."

Representative Thielen rose, stating:

"Mr. Speaker, I think he's exceeded his time."

Representative Nakasone rose to yield his time, and the Chair, "so ordered."

Representative Sonson continued, stating:

"Thank you very much, Representative Nakasone. The vocational rehab provision in here is just to ensure that those individuals who are discriminated against in a very subtle way, which is, we don't have work for you. We don't want you anymore after 30 years of service. Because it could happen and it happens in real life. They are a liability to an employer so they rather not rehire them. So, in that case, Mr. Bob Dove crafted that very language that we stuck in here. Mr. Dove is, of course, the head of HEMIC, and he is Mr. Insurance in the State of Hawaii. And, so, he crafted that language and I hope that you could support that.

"Now, the next section that is really good is the IME provision. This provision is not new. Mutual consent is not new. If you look at our no-fault statute, we've been doing that for automobile. When there is a question regarding reasonable treatment and the insurance company says, we need to subject you to an IME, independent medical examination, the independent medical examination is chosen by both the insurance company and the claimant, in which case, there's no problem with that. Except if they don't agree, if they don't agree in the no-fault area, I'm not talking about this bill, this bill is much better. If they don't agree in the no-fault area, existing law in no-fault, what happens is you go directly to hearing. So what we did in the provisions under this bill, is we made it better so that if they don't agree within ten days, the Director can choose for them, so there's no lag time. We save money based on that.

"And why do I say the intent for this is to save money? Because let me tell you why. They may claim that they need this tool. But they claim a lot of other things. They say they need this to ensure there is no excessive treatment, and that the employee is not receiving too much benefits or medical treatment, treatments that are not necessary. That's a good way take a looking at why they want it. But we have to take a look at the record of what's going on.

"According to national standards, seventy per cent of all premiums are supposed to go to benefit people that are injured, workers that are injured. That's the national standard. Seventy per cent of premiums. Now, let's take a look at an example in the State of Hawaii. Oh, let's see, HEMIC. Since they post their financial statements on their website, it's accessible. In 2005, they collected from employers \$87 million in premiums. Seventy per cent of that is approximately \$60 million. That's how much they should give in benefits. And what the actual financial statement say, \$20 million went for medical and TTDs, that's the temporary total disability, lost wages.

"Now, even if you add that together, it's only 36% for premiums. So where's the rest? The rest is in their pockets. And it's clear that it's in their pockets, and it should be in the employer's pockets. That's why this is a bill to help employers and employees. It is a well balanced bill. Let me also add that they spent in the same year \$14 million in what we call IMEs in defense attorneys. Fourteen million dollars for that? Shouldn't we just have given that as benefits? It doesn't even come up to seventy percent.

"The next section that is good in here is the submission of treatment plans. Doctors always complain that there's too much paperwork and that's why this provision is there, in order to mitigate their complaints so that they can go on with their job of treating their patients.

"Now, Section 10, Annual Report. Here's a good one. This is very good for employers because this will break down what we call loss cost reporting. What is being currently reported to the Commissioner in order for the Commissioner to establish the rate, in order for them to get a rate set so that an insurance company can use this rate ..."

Representative Lee rose to yield her time, and the Chair, "so ordered."

Representative Sonson continued, stating:

"Thank you for volunteering your five minutes. Thank you. I really appreciate it. I'm almost done. But there's so many good things in this that I really need to explain, because it is a comprehensive bill. And it is very difficult to understand.

"Again, the annual reporting that's been done is what we call loss cost. Right now, it's lumped all together so we really don't know how they set rates. But, my point is that this is requested by the Department. This Department wants clarification, too. It's good to have 'sunshine'. We need to know what is the reason why employers are paying so much in premiums. Employers are paying way too much premiums. But do you know why they are paying so much premiums? They don't know why. Because the Insurance Commissioner sets rates according to what we call, loss cost. But loss cost is not what we think it is. We thought, and I thought, prior to being the Labor Chair in which I have access to some information now. I got real smart. Well, not that smart. I got a little smarter because of the information provided. In loss cost, it's not actually what I thought it was. I thought loss cost was what the insurance company paid out to injured workers in benefits. But, no, it's not. And that is why we need to break that down because what is being reported to the Insurance Commissioner is a lump sum which actually lumps the benefits for injured employees and it also includes containment cost. In other words, when every time and each time that the employer, or in this case, insurance carrier, questions the kind of treatment that an injured worker is receiving from ..."

Representative Cabanilla rose to yield her time, and the Chair, "so ordered."

Representative Sonson continued, stating:

"I'm trying to speak really quickly, but, then again, there are a lot of good provisions in this bill. We must not miss any of them. And that is why this is a cost savings if we understand that employers are, indeed, paying for IMEs and the use of IMEs. Some IMEs are making a million dollars not practicing medicine. They are practicing IMEs. IMEs are supposed to be independent. If they are not independent, we're trying to address that problem with this bill."

The Chair then stated:

"Would you like to summarize your remarks at this time, Representative Sonson?"

Representative Sonson continued, stating:

"I'm trying to make sure I don't miss any, but, yes. In summary, this is a very good bill. It brings sunshine. It really tried to bring peace between employer and worker, because if you ask the Chamber of Commerce, they care about their employees. And the number one priority is to take care of their employees. And that's what this bill is all about, to take care of employees. There is nothing here that will stick anything to the employer. We are probably sticking it to the insurance carrier, but that is another matter. So, thank you very much. I'm sorry it took so long to explain that."

Representative Manahan rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1060, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION LAW," passed Final Reading by a vote of 27 ayes to 22 noes, with Representatives Awana, Belatti, Berg, Brower, Ching, Evans, Finnegan, Green, Hanohano, Har, Marumoto, Meyer, Morita, Nishimoto, Pine, Saiki, Takai, Takamine, Takumi, Thielen, Tokioka and Ward voting no, and with Representatives Bertram and Sagum being excused.

Conf. Com. Rep. No. 126 and H.B. No. 436, HD 1, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 436, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro

Representative Mizuno rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Mizuno's written remarks are as follows:

"I am in support of this measure, Mr. Speaker, HB 436.

"Chiropractic as a distinct form of healthcare dates back in 1895 and is now practiced by more than 100 countries including the United States. Here in Hawaii, chiropractic is fast becoming a popular and effective alternative mode of treatment for patients. This measure which seeks to include chiropractic in the coverage of medical assistance programs such as Medicaid and QUEST, if enacted into law, will be another milestone in improving health care access to the people of Hawaii.

"It requires medical assistance programs such as QUEST and Medicaid to include chiropractic coverage.

"Hawaii will be the 31st state to include chiropractic coverage in healthcare plans.

"Thirty states offer some form of medical chiropractic benefit under a fee-for-service agreement.

"Twenty states extend coverage to those considered medically needy but who do not qualify for financial assistance."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 436, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES," passed Final Reading by a vote of 49 ayes, and with Representatives Bertram and Sagum being excused.

Conf. Com. Rep. No. 127 and H.B. No. 506, HD 1, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 506, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ETHANOL," passed Final Reading by a vote of 49 ayes, and with Representatives Bertram and Sagum being excused.

Conf. Com. Rep. No. 129 and H.B. No. 718, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 718, SD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro

Representative Brower rose to speak in support of the measure, stating:

"Mr. Speaker, in strong support. Thank you."

Representative Awana rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Awana's written remarks are as follows:

"Mr. Speaker, I am in support of HB 718, SD2, CD1. The purpose of this bill is to ensure that children and their families have access to one of the State's most precious water resources – the fishing cove at Kewalo Basin.

"In addition, I am proud to support the Kewalo Keiki Fishing Conservancy, just like many others who spoke in support of this bill. During testimony, one grandfather spoke about taking his grandchildren fishing at this site. Fishing provides a safe and healthy environment for families. These are lifelong experiences that family members will share for generations. Such experiences are priceless. My hopes are that this conservancy is kept in its current place and for many generations to come. Thank you, Mr. Speaker."

Representative Mizuno rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Mizuno's written remarks are as follows:

"I am in support of HB 718, Mr. Speaker.

"This measure will ensure our *keiki* have access to fishing and to be educated about our marine resources and Hawaiian culture.

"Background – This program will take a group of ten to a cove located at Kewalo Basin for their fishing excursion; and the group will consist of youth, the disabled (blind and deaf children and the mentally challenged – certified workers with them, pair up worker and program member) and our *kupuna* (this program will enable our disabled and *kupuna* the opportunity to experience fishing).

"Some of the organization that have been involved with this fine program: Cub Scouts, Girl Scouts, Adult Retardation Center, Tutu and Me traveling pre-school program, all have taken advantage of this fine program.

"Education and Conservation – 100% Tag and Release Program – Participate in a tag and release program – wherein they have already tagged and released over 17,500 fish and have a recovery rate of 35% or over 6,000 fish which have been recovered, since 2004; and this program has been endorsed by the Department of Land and Natural Resources, Aquatics Division. Recapture is statewide with fish caught as far as Kona, Molokai, Kauai, and Maui. This proves our fish completes channel crossing – valuable data as we first believed our fish would remain local (on the same island). All participants, *keiki*, disabled, and *kupuna* are directly involved in this program – providing empirical data for the State of Hawaii.

"Strong Family Component and Hawaiian Education – The program will teach parents how to fish and allow them to fish with their children or grandchildren (tying a knot – palamar knot, landing a fish, seasonal fish – *Akule* arrive in May and could stay as late as October – come in to spawn, the Needle Fish or *Ihe Ihe* are brought into the cove via the southwest winds from Kauai and this is in January and they will remain in or near the cove until March, *OWAMA* come in late August and remain until October, Squid move in year round and the cove is an ecosystem, thus, a haven for the smaller fish and the larger predatory fish drop by looking for a meal).

"The Hawaiians would reserve or close off the season (spawning season for certain fish), for example, January to March would be closed for Mullet (*ama ama*) because they are spawning and how a relation exist between the fish and the moon, tide, season of the year.

"Because of the ecosystem of the cove, we always have such fishes as *Palani*, *Weke*, *Kale*, *Uhu*, and *Papio*. They also do clean up projects to take discarded trash, tires, bikes, from the cove and shoreline area for proper disposal, thus, reconfirming the need for preservation of our natural resources.

"One of the most important aspects of the program is that it is not about money – 6 days a week, two classes a day, three hour excursions for these volunteers who do not get paid a single penny, but are providing this service wishing to help our youth, the disabled, and our *kupuna*, without expecting anything in return. Helping the people of Hawaii to better learn about the Hawaiian culture and to preserve our ocean resources.

"For the foregoing reasons, I ask our members to support HB 718. Thank you, Mr. Speaker."

Representative Meyer rose in support of the measure with reservations, and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Meyer's written remarks are as follows:

"Mr. Speaker, I am with strong reservations. I understand the purpose of this legislation is to give our young *keiki* a place to fish. I'm all for that.

"But here are some of my concerns:

Through this bill, the Legislature is now dictating to HCDA where and how it should put this so-called fishing conservancy.

HCDA is an authority that is supposed to be run by its Board of Directors, not the Legislature.

The Legislature has received little or no input from the fishing community.

Finally, there are questions about access to this site and the safety of this site that remain unanswered.

"For these and other reasons, I can't throw my whole support behind this bill despite its good intentions. Thank you."

Representative Waters rose to speak in support of the measure, stating:

"In support. Thank you, Mr. Speaker. I just want to thank and congratulate Scotty Furushima for all his hard work on this bill. I think on Friday night he was limping out of the building, and it just shows how hard he worked. Thank you."

Representative M. Oshiro rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative M. Oshiro's written remarks are as follows:

"Mr. Speaker, I am in strong support of this bill. As an island state, there are many cultural, recreational and historical values significant to Hawaii, but the ocean is our unique treasure and a most distinguishing source of recreation, healing, sustenance, and sport.

"Fishing, a practice passed on from generation to generation, is one of the Hawaii's greatest values. I recall my initial experiences fishing with a bamboo pole for *aholehole* at Kawela Bay. As I got older, we learned to fish with rod and reel and soon were "dunking" for *ulua* at Pukea and Paumalu, or "whipping" for *papio* at Haleiwa or Waialua. Much of what I learned about shoreline fishing came from uncles Richard and Choko. But, more than mere technique and style, I learned about ocean conservation and customary Hawaiian fishing *kapu* and practice. Keep in mind Mr. Speaker, that this was in the 60s and 70s before environmentalism became vogue and conservation became a trend. These lessons have stood the test of time and remain relevant and instructive today.

"Today, however, it is not very common for many Oahu youngsters to experience the same "hands-on" fishing experiences that I had growing up. Many of my peers don't fish anymore and access to fishing areas are being curtailed by private shoreline development and unmonitored closure of fishing areas. It is my opinion that most people won't lift a finger to protect what they can't see, touch, or experience, and without fishermen and fisher-women, we may lose appreciation for fishing as a recreational activity, vocation, or cultural practice.

"Fortunately, the Kewalo Keiki Fishing Conservancy, a non-profit organization, provides "hands-on" education to children on proper fishing techniques for the conservation and preservation of fishing resources. Teachings are passed on from *kupuna* to youngsters to instill cultural principles in the generations to follow. Not only do children learn the simple pleasures of fishing, but also the Hawaiian cultural principles of *malama*, *aloha aina* and *kai*, and *aloha*.

"The Kewalo Keiki Fishing Conservancy provides a convenient venue and means for perpetuating proper fishing practices that is critical to the sustainability of aquatic resources for future generations. Exposing young people to the joy of fishing and the responsibility inherent in such activities ensures that future generations will protect and preserve this treasured activity and sport, and help to support fishing today so that future generations can ensure fish for tomorrow.

"Finally, I wish to acknowledge the one person whose tireless and boundless passion had much to do with the Legislature passing this measure. His name is Scotty Furushima. He is to be commended for this community activism as he exemplifies the notion that one person, with the right motivation and cause, can make a big difference in the lives of so many.

"For the aforementioned reasons, I strongly support the passage of this measure. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 718, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO KAKAAKO," passed Final Reading by a vote of 49 ayes, and with Representatives Bertram and Sagum being excused.

Conf. Com. Rep. No. 130 and H.B. No. 13, HD 1, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 13, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 49 ayes, and with Representatives Bertram and Sagum being excused.

At 8:27 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 1672, SD 2, HD 3, CD 1
 S.B. No. 1676, SD 2, HD 1, CD 1
 S.B. No. 1060, SD 1, HD 2, CD 1
 H.B. No. 436, HD 1, SD 1, CD 1
 H.B. No. 506, HD 1, SD 1, CD 1
 H.B. No. 718, SD 2, CD 1
 H.B. No. 13, HD 1, SD 1, CD 1

STANDING COMMITTEE REPORTS

Representative M. Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 2135) recommending that S.B. No. 1210, SD 1, pass Third Reading.

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 1210, SD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH CARE FACILITIES," passed Third Reading by a vote of 49 ayes, with Representatives Bertram and Sagum being excused.

At 8:28 o'clock p.m., the Chair noted that S.B. No. 1210, SD 1, passed Third Reading.

Representatives Magaoay and Waters, for the Committee on Legislative Management and the Committee on Judiciary presented a report (Stand. Com. Rep. No. 2136) recommending that H.R. No. 176, as amended in HD 1, be adopted.

Representative Caldwell moved that the report of the Committees be adopted, and that H.R. No. 176, HD 1, be adopted, seconded by Representative B. Oshiro.

Representative Ward rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in support of Stand. Com. Rep. No. 2136. Mr. Speaker, this measure is what's left of House Bill 1909, the ethics bill, which led us to believe that we might have an Ethics Committee, we might have equal representation, and it might actually shape us up a bit in our behavior.

"What we have here is essentially the fourth morph if I can remember what HB No. 1909 was in the beginning. This one comes from the Republican Caucus and is a call for a resolution for a study by the Ethics Commission to see if we needed to set something up here in the House, that is on conduct, etc. Mr. Speaker, in my support, in my remarks by saying that in the hearing which you graciously testified, in fact probably the longest I've ever seen you in front of a Committee, 10 to 15 minutes as it was, you said you would be open to the possibility of equal Republican, as well as equal Democrat representation. And as we know in the U.S. Congress, the

Senate has three Republicans, three Democrats. The Congress has four Republicans and four Democrats. I hope this taskforce that looks through this in the interim period will be equally represented and therefore more credible and more apt to be believed by the public. Thank you, Mr. Speaker."

Representative Luke rose to speak in opposition to the measure, stating:

"Mr. Speaker, I rise in opposition. And the reason why I rise in opposition is because I believe that, we don't really need a taskforce to do what we need to do. We don't need a taskforce to figure out what we need to do as far as ethics is concerned. And I'm confident in that because my esteemed colleague, the good Majority Leader, has drafted what he believed would have been a good ethics bill. So I think he knows exactly what needs to be done and I have the confidence in him to figure it out without the taskforce. I know he was very confident in that he had to even call a press conference in the beginning of Session. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committees was adopted and H.R. No. 176, HD 1, entitled: "HOUSE RESOLUTION ESTABLISHING AN INTERIM HOUSE TASK FORCE TO EVALUATE THE PROPRIETY, MERITS, AND, IF FOUND, POSSIBLE PROCEDURES FOR A STANDARDS OF CONDUCT COMMITTEE TO HANDLE POTENTIAL CONFLICTS OF INTERESTS AND OTHER BREACHES OF THE STANDARDS OF CONDUCT BY MEMBERS OF THE HOUSE OF REPRESENTATIVES," was adopted, with Representative Luke voting no, and with Representatives Bertram and Sagum being excused.

Representative Magaoay, for the Committee on Legislative Management presented a report (Stand. Com. Rep. No. 2137) recommending that H.R. No. 153, HD 1, as amended in HD 2, be adopted.

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.R. No. 153, HD 2, entitled: "HOUSE RESOLUTION REQUESTING THE HOUSE OF REPRESENTATIVES COMMITTEE ON TRANSPORTATION TO CONVENE A HEARING WITH THE PARTICIPATION OF THE DEPARTMENT OF TRANSPORTATION AND THE DEPARTMENT OF PLANNING AND PERMITTING OF THE CITY AND COUNTY OF HONOLULU TO CONSIDER THE LIKELY IMPACTS ON TRAFFIC BY THE PROPOSED TURTLE BAY RESORT EXPANSION AND MITIGATIVE MEASURES THAT MAY BE REQUIRED BY THE EXPANSION," was adopted, with Representatives Bertram and Sagum being excused.

Representative Magaoay, for the Committee on Legislative Management presented a report (Stand. Com. Rep. No. 2138) recommending that S.C.R. No. 160, SD 1, be adopted.

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.C.R. No. 160, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A SUNRISE REVIEW OF THE REGULATION OF ENTITIES GOVERNED BY CHAPTER 514A OR 514B, HAWAII REVISED STATUTES, AND THE ENFORCEMENT OF POLICIES RELATING TO CONDOMINIUMS IN THE STATE THROUGH THE CREATION OF A CONDOMINIUM COMMISSION," was adopted, with Representatives Bertram and Sagum being excused.

Representative M. Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 2139) recommending that S.C.R. No. 91, SD 1, be adopted.

Representative Caldwell moved that the report of the Committee be adopted, and that S.C.R. No. 91, SD 1, be adopted, seconded by Representative B. Oshiro.

Representative Lee rose to speak in support of the measure, stating:

"Mr. Speaker, I would like to speak in support of this Resolution. I don't want to speak a long time, but it is an important part of the comprehensive approach to doing something about the trafficking problem, not only in our State, but internationally. And it's really important that we have an assessment of the needs of social service for the people who are trafficked here in Hawaii. I'm hoping that eventually with this Resolution and with a new anti-trafficking bill next year that we can finally solve the problem and get going on our anti-trafficking work. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 91, SD 1, entitled: "SENATE CONCURRENT RESOLUTION CONVENING AN INTERNATIONAL NETWORK ADDRESSING DOMESTIC VIOLENCE AND SEX ASSAULT," was adopted, with Representatives Bertram and Sagum being excused.

Representative M. Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 2140) recommending that S.C.R. No. 137, be adopted.

Representative Caldwell moved that the report of the Committee be adopted, and that S.C.R. No. 137, be adopted, seconded by Representative B. Oshiro.

Representative Takai rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Takai's written remarks are as follows:

"Mr. Speaker, I speak in support of this measure.

"One hundred years ago, the University of Hawaii was born. Far from the world-renowned 10-campus system we have today, it all humbly began in a small house on Young Street.

"On March 25, 1907, Territorial Governor George Carter signed Act 24, which established the College of Agriculture and Mechanic Arts.

"In 1908 there were 13 faculty teaching five freshmen and five preparatory students. Four years later, four students graduated from the College with two receiving science degrees, one receiving an agriculture degree and one receiving an engineering degree.

"Today, our University serves more than 50,000 students across Hawaii through our 10 main campuses across the state, through educational centers in West Oahu, West Hawaii, Maui, Molokai and Lanai, and via distance learning technologies through the Internet, two-way video or cable television.

"The University does much more than educate degree-seeking students. Each year, more than 75,000 people take non-credit courses, more than 33,000 people participate in university-sponsored conferences and training sessions, and nearly 130,000 people each year attend theatre, music and dance events at the University's four performing arts centers. And each year, nearly 700,000 people cheer on the UH athletic teams from Manoa and Hilo.

"There are more than 250,000 UH alumni residing in all 50 states and in more than 80 countries around the world. The Hawaii State Legislature proudly boasts 38 alumni in the House of Representatives and 15 alumni in the Senate.

"The centennial gives all of us an opportunity to reflect on the many contributions the University of Hawaii has made for the State of Hawaii and to each one of us. Members of the faculty have enriched our parents, our children and all of us. They and the

University have been our mentors and innovators, creating educated, committed individuals that enhance Hawaii's work force and economy.

"Researchers at the University have made significant contributions of the world's body of knowledge.

"While the past 100 years have been truly worthy of praise, what I am most excited about is the future of the University of Hawaii. We have a unique opportunity and responsibility to shape the next 100 years.

"The Legislature over the past couple of decades has unleashed our firm grip on the University. We granted the University increased administrative and financial flexibility, culminating in the UH flexibility constitutional amendment passed by the voters in 2000.

"Those of us around during the 1995 Legislative Session recall a very painful downturn in the economy. The University suffered greatly during this economic recession. Another downturn will come. It's not a question of if it will come, but when it will come.

"We cannot afford to neglect our University in the future. Because of this, we call upon the leaders of this state to come together today to work with us to ensure the continued prosperity of our University. Working together with Rep. Jerry Chang and Sen. Norman Sakamoto, the two Chairs of our Higher Education Committees, we will develop a plan to address the new partnership and relationship between the taxpayers, the students (and future students) and the University.

"This commitment will boldly go where no one has ventured before. Should we, for example, fund the University based on outcomes and benchmarks, such as graduation rates and job placements? And should we fund the University based on its response to statewide needs and job shortage areas? And should we embark on a funding formula that prioritizes these outcomes and benchmarks?

"One hundred years from now, what will they be saying about the University? What will become of our University? Whatever it is, know that what we do today for and with the University of Hawaii does matter.

"This centennial celebration honoring the good deeds of our alma mater is only as good as our combined commitment to ensure a brighter, more productive, more profound and far-reaching second century. It's a commitment to a second century of promise.

"Each of us has our very own University of Hawaii story. For me, the University has made me what I am today. I have been tied to the University for more than 22 years – more than half of my life. As a recipient of a cherished college degree through an athletic scholarship from the University and a master's degree while working at the University of Hawaii, I owe much to our University.

"I love our University. I'm proud of my alma mater. Our university and the future students have my commitment to do our very best for our University of Hawaii.

"Here's to our commitment, The Second Century of Promise!

"Happy Birthday University of Hawaii!"

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 137, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE UNIVERSITY OF HAWAII TO DESIGN A LONG-TERM COMPREHENSIVE FINANCIAL PLAN," was adopted, with Representatives Bertram and Sagum being excused.

Representative M. Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 2141) recommending that S.C.R. No. 178, be adopted.

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.C.R. No. 178, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT A STUDY ON THE IMPACT OF VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS ON PUBLIC EMPLOYEES AND EMPLOYERS AND TO PROVIDE A BASIS FOR THE LEGISLATURE TO DECIDE WHETHER TO EXTEND ACT 245, SESSION LAWS OF HAWAII 2005," was adopted, with Representatives Bertram and Sagum being excused.

Representative M. Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 2142) recommending that S.C.R. No. 197, be adopted.

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.C.R. No. 197, entitled: "SENATE CONCURRENT RESOLUTION ENCOURAGING THE COUNTIES TO FORM PARTNERSHIPS WITH THE STATE AND PRIVATE SECTOR TO COVER HEALTHCARE INFRASTRUCTURE AND OVERHEAD COSTS FOR PRIMARY CARE AND SPECIALTY PHYSICIANS PRACTICING MEDICINE IN HAWAII'S RURAL AREAS," was adopted, with Representatives Bertram and Sagum being excused.

Representative M. Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 2143) recommending that S.C.R. No. 213, be adopted.

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.C.R. No. 213, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE GOVERNOR TO FUND BREAST CANCER AND CERVICAL CANCER SCREENING FOR LOW-INCOME WOMEN IN HAWAII," was adopted, with Representatives Bertram and Sagum being excused.

Representative M. Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 2144) recommending that S.C.R. No. 220, SD 1, be adopted.

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.C.R. No. 220, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO CONDUCT A STATEWIDE NEEDS ASSESSMENT OF NON-CITIZEN VICTIMS OF HUMAN TRAFFICKING," was adopted, with Representatives Bertram and Sagum being excused.

Representative Ito, for the Committee on Water, Land, Ocean Resources & Hawaiian Affairs presented a report (Stand. Com. Rep. No. 2145) recommending that S.C.R. No. 24, SD 1, be adopted.

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.C.R. No. 24, SD 1, entitled: "SENATE CONCURRENT RESOLUTION AUTHORIZING THE GRANT OF A TERM, NON-EXCLUSIVE EASEMENT COVERING PORTION OF SUBMERGED LANDS AT LAHAINA, MAUI, FOR DIVE SITE FOR COMMERCIAL SUBMARINE TOURS," was adopted, with Representatives Bertram and Sagum being excused.

Representative Ito, for the Committee on Water, Land, Ocean Resources & Hawaiian Affairs presented a report (Stand. Com. Rep. No. 2146) recommending that S.C.R. No. 25, SD 1, be adopted.

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.C.R. No. 25, SD 1, entitled: "SENATE CONCURRENT RESOLUTION AUTHORIZING THE ISSUANCE OF A TERM, NON-EXCLUSIVE SURFACE EASEMENT AT KAHALUU, NORTH KONA, HAWAII," was adopted, with Representatives Bertram and Sagum being excused.

CONFERENCE COMMITTEE REPORT

Conf. Com. Rep. No. 204 and S.C.R. No. 209, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.C.R. No. 209, HD 1, CD 1, entitled: "A BILL FOR AN ACT REQUESTING THE AUDITOR TO STUDY THE SOCIAL AND FINANCIAL IMPACT OF MANDATORY HEALTH INSURANCE COVERAGE FOR THE USE OF MEDICAL VIGILANCE SERVICES IN ACUTE CARE HOSPITALS," was adopted with Representatives Bertram and Sagum being excused.

At this time, the Chair announced:

"Members, at this time the Chair will call a short recess to circulate the Supplemental Calendar #2."

At 8:33 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 8:41 o'clock p.m.

SUPPLEMENTAL CALENDAR #2

GOVERNOR'S MESSAGES

The following messages from the Governor, (Gov. Msg. Nos. 373 and 374) were received and announced by the Clerk, and (Gov. Msg. Nos. 372, 326, 360, 332, 342, 363, 361, 369 and 356) previously received, were taken from the Clerk's desk and the following action taken:

Gov. Msg. No. 372, informing the House that on April 27, 2007, H.B. No. 10, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS" was vetoed.

Representative Caldwell moved to override the veto of H.B. No. 10, SD 1, as contained in Gov. Msg. No. 372, seconded by Representative B. Oshiro.

At this time the Chair called for a roll call vote and the motion to override the veto of H.B. No. 10, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS," as contained in Gov. Msg. 372, was put to vote by the Chair and carried, and was approved by the required two-thirds vote of the House pursuant to Section 17 of Article III of the Constitution of the State of Hawaii on the following show of Ayes and Noes:

Ayes: 46: Awana, Belatti, Berg, Brower, Cabanilla, Caldwell, Carroll, Chang, Ching, Chong, Evans, Green, Hanohano, Har, Herkes, Ito, Karamatsu, Lee, Luke, Magaoay, Manahan, Marumoto, McKelvey, Mizuno, Morita, Nakasone, Nishimoto, B. Oshiro, M. Oshiro, Pine, Rhoads, Saiki, Say, Shimabukuro, Sonson, Souki, Takai, Takamine, Takumi, Thielen, Tokioka, Tsuji, Wakai, Waters, Yamane and Yamashita.

Noes: 3: Finnegan, Meyer and Ward.

Excused: 2: Bertram and Sagum.

At 8:45 o'clock p.m., the Chair noted that the motion to override the veto of H.B. No. 10, SD 1, as contained in Gov. Msg. No. 372, had carried.

Gov. Msg. No. 326, informing the House that on April 13, 2007, H.B. No. 853, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC WORK PROJECTS" was vetoed.

Representative Caldwell moved to override the veto of H.B. No. 853, HD 2, as contained in Gov. Msg. No. 326, seconded by Representative B. Oshiro.

Representative Thielen rose to speak in opposition to the override, stating:

"Thank you, Mr. Speaker. Mr. Speaker, I'm rising to speak against the motion. Mr. Speaker, I'm in receipt of information from the General Contractors Association of Hawaii and before I go on with my remarks, I would like to disclose that my two sons are contractors and do ask whether or not that presents a conflict," and the Chair ruled "no conflict."

Representative Thielen continued, stating:

"Thank you. I'd like to also note that none of them are on this list of contractors that have written to me, so, I'm not speaking on behalf of them because they aren't one of the members of this group that has sent this in.

"The general contractors are saying that this is the most detrimental bill this Session to the construction industry and request that the Governor's veto be sustained. I'm just going to mention a few of the names because I'm sure that members here know people that work for these companies while the companies ..."

The Chair then stated:

"Representative Thielen, would you like to insert those names in the Journal?"

Representative Thielen continued, stating:

"I'm only going to read six names and it will be quick. Albert Kobayashi, the General Contractors Labor Association, Harry Asato Painting, T. Iida Contracting, SNM, Sakamoto, Ralph Inouye, Keeno Farms Construction Company. These are just a few of the myriad of 50 names that are here.

"Specifically, they're saying that the bill is grossly unfair to the contractor who has numerous public works jobs going on at the same time. And the same violation, no matter how minor, and regardless of whether or not the violation was committed knowingly or not, it would be counted as multiple violations under this legislation. And then on the receipt of a third violation, a contractor would be precluded to performing any new public work construction for a three-year period. This would reduce the number of contractors available to the public works construction for these minor or inadvertent violations. And actually what it will do is it will affect the ability of this State and the counties to build, repair, rebuild and upgrade government roads and buildings when we knock these people off the list for three years.

"I think the bill is excessive in its scope and penalties, and I would suggest that we uphold the Governor's veto."

Representative Sonson rose to speak in support of the override, stating:

"Thank you very much, Mr. Speaker. In support. This is a very important measure. Prevailing wage requires employers to comply with wage requirements. Basically, the law says you have to pay prevailing wage. You should. Now, these construction companies

have been in business for many, many years. They know what the law is. They know how to avoid penalties. This bill is merely to catch those who continue to evade the law both in letter and spirit. It is not draconian.

"If you look at it in light of the Director who is enforcing this, even if it is not a bundling like this one, there's really not that many that they investigate and there's not many that they cite. In fact, they take two years to do an investigation, for that matter. And maybe that's one those things we have to fix for next year. But this bill makes sure that those who are cheating, using the system, the way it is right now and cheating, will be caught.

"And with this, you can also be rest assured that those *de minimis* type of infractions, those are unfounded because the Department of Labor already has the authority through rules to look at those *de minimis*. You know, those little minor errors that they are complaining about. Those don't exist because there is this discretionary power of the Director under their own rules.

"So, we are making too much of a big deal of this and it will continue to be a big problem out there if we don't correct it. Thank you, Mr. Speaker."

Representative Pine rose to speak in opposition to the override, stating:

"Yes, in opposition. The previous speaker talked about these contractors that have been in business for a long time and they should not be making these mistakes. Well, Mr. Speaker, 'Thou who has not sinned should throw the first stone.' We just amended about 10 to 11 bills because we made mistakes. And many people in this House who have been here for so many years, and they should know not to make those mistakes. But we are all human. These contractors are human. And to have the punishments of saying you can never step foot on this type of contract again, is just wrong."

Representative Marumoto rose to speak in opposition to the override, stating:

"Thank you, Mr. Speaker. The Representative from Kailua gave my speech and she was in opposition, and I, too, am also in opposition. But I have the same pack of testimony and the same list of contractors in opposition to this.

"This is a three strikes bill. If you're out, you're out for three years. You're debarred and that is a serious consequence. The Chair of the Labor Committee said the Department of Labor will overlook *de minimis* errors and I have an article here written by the head of the Building Industry Association who said no matter how small the error, it becomes a violation and the same classification may occur more than once until the error is identified. Sometimes the books are checked over, maybe two years after a job and at the time the contractor may be working on other State and county jobs. But if there is a violation found, then all work must stop immediately and all the projects must be rebid.

"This is just too drastic a law. I urge all of you to vote no because this is not a sane law. We will be the laughing stock if we pass it. Thank you."

Representative Caldwell rose to speak in support of the override, stating:

"Mr. Speaker, in support. We've heard a lot of discussion tonight about the contractors. But what's missing from this equation are the workers, and that's what we're talking about here. We're talking about paying a prevailing wage to the men and women of our State who work in the construction industry, and it's an important requirement.

"We talk a lot about affordability. We've heard the Governor talk about it. And this how we can help the people of our State afford to

live here by making sure they are paid a prevailing wage on government contracts. And what we have here is the situation where people can do multiple violations, they bundle them together as one violation. We're de-linking that. It is true, it is a three strikes bill. We've heard a lot from the Administration about three strikes on criminal issues. We passed legislation along those lines. And now we're going to do it for while-collar violations. It's something we need to do in order to honor the hard working men and women of our State.

"When you think about it, Mr. Speaker, and you look at the impact for people who fail to pay prevailing wages, and we have statistics from the Department of Labor going back for years, and these are only the ones that have been investigated. But, for example, in the year 2004, \$401,000 worth of wages were not paid to workers. In some cases, thousands upon thousands of dollars were not paid to workers. These people when they were not paid, could not pay their mortgages, could not pay their rent, could not buy food for their families. That's what we're talking about. And we forget about that aspect of it.

"Mr. Speaker, it is absolutely true that the Department of Labor looks at errors *de minimis*, and we believe just like in the investigations conducted up to this point, that they are not going to investigate *de minimis* violations, but they are going to crack down and make sure, for example, in 2004, that \$400,000 worth of additional wages are paid to the hard working men and women.

"This is a good bill, we should override the veto, and we should be strong on white-collar violations just as we are on criminal violations. Thank you very much, Mr. Speaker."

Representative Pine rose to respond, stating:

"Yes, Mr. Speaker. Just in rebuttal. I think, especially when you come from a working family, where every member of my family is a member of a union. I do sympathize with the workers and my problem with the bill is that we'll punish a particular contractor that happens to make the same mistakes on three projects going on at the same time, really believing that what they're doing is right. To me, the right way is you punish them for that one time and then, you know, because then we know that they know that that is a serious violation, and then you start counting. But if it is the same mistake on three projects going on at the same time and for some reason they don't know that that's wrong, then in one fell swoop, they will never be able to do a contract for many years to come. And that's my objection."

At 8:55 o'clock p.m., Representative Magaoay requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 9:01 o'clock p.m.

Representative Thielen rose to respond, stating:

"Thank you. Mr. Speaker, I just wanted to respond to the Majority Leader and just mention that when an inadvertent minor violation occurs, the bill doesn't distinguish between that. So those employees are going to be in great shape for three years. They won't have jobs."

Representative Meyer rose to speak in opposition to the override, stating

"Thank you, Mr. Speaker. I'm against the override. The current law is a mandatory progressive penalty structure. It allows firms to correct errors as soon as identified and ensures that the Department of Labor is able to work with contractors to provide fair wages. The problem with this new law is that it's such a complex law and imposes many difficulties to construction companies. This result is too harsh. This fails to take into account the severity and the willfulness of the contractor in committing a violation.

"The Majority Leader talked about \$400,000 of wages that weren't paid. I'm sure they were paid. They may not have been paid and that's accumulative thing of many hundreds and thousands of construction workers in a billion dollar industry. There are more problems with this bill changing from issuing violations based on investigations, to issuing violations based on projects could result in potential litigation. This also could have the effect of diminishing the amount of contractors who would be available to bid on a project which could raise the cost of all kinds of construction. This will result in higher cost for public works projects. This will slow down the State's ability to fund and execute construction and repair of highways, schools, parks, harbors and many other projects.

"I would hope that there are enough reasonable people in this Chamber that will vote against this override. Thank you, Mr. Speaker."

Representative Finnegan rose to speak in opposition to the override, stating:

"Thank you, Mr. Speaker. Against the override. I just wanted to make clear that it is because of the worker, in my opinion, when you have a construction company and construction workers, it's an interdependent relationship. Basically, the worker needs the construction company and the construction company needs the workers. When you have something like this that are minor infractions and then the contractor is precluded from performing any new project work construction for a three year period, that's serious. We want them to be able to continue to work and we want them to be able to work this out.

"Mr. Speaker, it was mentioned about this three strikes law. I believe the Majority Leader voted against the three strike law that had, basically, much harm in regards to people that would do these types of things to get into the three strikes. But yet, for minor infractions, he's willing to have a construction company be precluded from performing any new public work for three years with the possibility of not having good paying jobs for these employees. I don't think that that's consistent. Thank you."

Representative Sonson rose to speak in support of the override, stating:

"Just to recap. I did vote for the three strikes law and I'm still in support of this. I did have conversations with a lot of the opponents of this measure, and, really, I tried to ask them what is their thinking. What is *de minimis*? What is this minor? They could not give me that answer. I asked is \$500 a minor infraction? And they said, 'Oh, I don't want to give a number.' All they say is, and it is repeated throughout, that if one clerk makes a mistake in one job, it could possibly maybe make mistake in the second and third job.

"Again, if it is a minor infraction, it is not going to be something that's going to be enforced the way that you think it's going to be. There will be minor violations out there that the jurisdiction of DLIR Director has and that they will ensure that those *de minimis* infractions, however they interpret it, will protect the employers in this particular case. Thank you."

At 9:06 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 9:07 o'clock p.m.

At this time the Chair called for a roll call vote and the motion to override the veto of H.B. No. 853, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC WORK PROJECTS" as contained in Gov. Msg. 326, was put to vote by the Chair and carried, and was approved by the required two-thirds vote of the House pursuant to Section 17 of Article III of the Constitution of the State of Hawaii on the following show of Ayes and Noes:

Ayes: 38: Belatti, Brower, Cabanilla, Caldwell, Carroll, Chang, Chong, Green, Hanohano, Herkes, Ito, Karamatsu, Lee, Luke, Magaoay, Manahan, Mizuno, Morita, Nakasone, Nishimoto, B. Oshiro, M. Oshiro, Rhoads, Sagum, Saiki, Say, Shimabukuro, Sonson, Souki, Takai, Takamine, Takumi, Tokioka, Tsuji, Wakai, Waters, Yamane and Yamashita.

Noes: 11: Awana, Ching, Evans, Finnegan, Har, Marumoto, McKelvey, Meyer, Pine, Thielen, and Ward.

Excused: 2: Berg and Bertram.

At 9:09 o'clock p.m., the Chair noted that the motion to override the veto of H.B. No. 853, HD 2, as contained in Gov. Msg. No. 326, had carried.

Gov. Msg. No. 373, informing the House that on May 1, 2007, H.B. No. 854, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTINUED TEMPORARY TOTAL DISABILITY BENEFITS TO INJURED EMPLOYEES" was vetoed with her statement of objections relating to the measure as follows:

"EXECUTIVE CHAMBERS
HONOLULU
May 1, 2007

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 854

Honorable Members
Twenty-Fourth Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 854, entitled "A Bill for an Act Relating to Continued Temporary Total Disability Benefits to Injured Employees."

This bill allows the continuation of temporary total disability (TTD) benefits until the Director of Labor and Industrial Relations (Director) issues a decision terminating the benefits or until the employee's treating physician determines that the employee is able to resume work and the employer has made a bona fide offer of work within the employee's medical restrictions.

Currently, pursuant to section 386-31(b), Hawaii Revised Statutes, an employer/insurance carrier (employer) may terminate TTD benefits upon order of the Director or if an employee is able to return to work. The existing law provides that an employer must notify the employee and the Director of its intent to terminate TTD benefits at least two weeks prior to the date when the last payment is to be made. Section 386-31(b) also requires the notice to inform the employee that the employee may make a written request to the Director for a hearing if the employee disagrees with the employer's decision to terminate TTD benefits. Current law protects against unwarranted early termination of benefits by allowing the Labor Director to assess a twenty percent penalty against an employer who fails to continue paying an injured worker.

While I support the intent to ensure that injured workers collecting TTD benefits receive their benefits in a timely manner while preventing employers from unreasonably denying or delaying payment of TTD benefits, this bill is objectionable for the following reasons:

(1) It does not recognize that the twenty percent penalty already deters employers from terminating TTD benefits unless there is a valid and good faith basis to do so.

(2) Although this bill entitles an employer to a credit, any credit is limited to the amount paid to the employee after notification by the Director of the Director's determination. Any benefits paid prior to the decision of the Director are specifically not recoverable by the

employer. Because most employers will immediately terminate benefits once they receive notice of the Director's decision, the period of credit allowed by the bill is an extremely short period of time, and more importantly, specifically excludes the period in which the employee collected benefits to which the employee was not entitled. In other words, even if the Director determines that TTD benefits should have been terminated at some prior date, an employer would not be entitled to a credit nor would it be allowed to recover any of the TTD benefits paid prior to the decision of the Director, thereby allowing a employee to retain benefits to which the employee was not entitled.

(3) The bill would needlessly increase the costs of workers' compensation claims and would also create a disincentive to return to work. More specifically, it may encourage certain employees to continue to contest returning to work because even if the Director determines the employee should and could have returned to work, the employee bears no risk for failing to do so, as the benefits the employee was paid are non-recoverable by the employer.

(4) It provides a process for an employee, but not an employer, to request a hearing. Pursuant to this bill, an employer cannot terminate TTD benefits unless the Director orders the termination of benefits or the employee's treating physician determines that the employee is able to resume work and the employer has made a bona fide offer of work within the employee's medical restrictions. The bill, however, does not provide a specific process for the employer to request a hearing, establishing inequitable treatment of the employer versus the employee through this provision.

(5) Finally, this bill establishes disincentives for an employee to return to work within a reasonable time since their wage benefits continue as long as they stay away from their job and their treating medical provider allows them to do so. Since the employee must initiate the request for a Department of Labor and Industrial Relations hearing, the bill is silent as to what happens if the employee fails to request a hearing.

For the foregoing reasons, I am returning House Bill No. 854 without my approval.

Respectfully,
/s/
LINDA LINGLE
Governor of Hawaii"

Representative Caldwell moved to override the veto of H.B. No. 854, HD 1, SD 1, as contained in Gov. Msg. No. 373, seconded by Representative B. Oshiro.

At this time the Chair called for a roll call vote and the motion to override the veto of H.B. No. 854, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTINUED TEMPORARY TOTAL DISABILITY BENEFITS TO INJURED EMPLOYEES" as contained in Gov. Msg. 373, was put to vote by the Chair and carried, and was approved by the required two-thirds vote of the House pursuant to Section 17 of Article III of the Constitution of the State of Hawaii on the following show of Ayes and Noes:

Ayes: 43: Awana, Belatti, Berg, Brower, Cabanilla, Caldwell, Carroll, Chang, Chong, Evans, Finnegan, Green, Hanohano, Herkes, Ito, Karamatsu, Lee, Luke, Magaoay, Manahan, McKelvey, Mizuno, Morita, Nakasone, Nishimoto, B. Oshiro, M. Oshiro, Rhoads, Sagum, Saiki, Say, Shimabukuro, Souki, Takai, Takamine, Takumi, Thielen, Tokioka, Tsuji, Wakai, Waters, Yamane and Yamashita.

Noes: 6: Ching, Har, Marumoto, Meyer, Pine and Ward.

Excused: 2: Bertram and Sonson.

At 9:12 o'clock p.m., the Chair noted that the motion to override the veto of H.B. No. 854, HD 1, SD 1, as contained in Gov. Msg. No. 373, had carried.

Gov. Msg. No. 374, informing the House that on May 1, 2007, H.B. No. 861, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC WORKS" was vetoed with her statement of objections relating to the measure as follows:

"EXECUTIVE CHAMBERS
HONOLULU
May 1, 2007

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 861

Honorable Members
Twenty-Fourth Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 861, entitled "A Bill for an Act Relating to Public Works."

The purposes of this bill are as follows: (1) to require that public work projects financed through the issuance of special purpose revenue bonds (SPRBs) are reported by the Director of Finance to the Department of Labor and Industrial Relations (DLIR); (2) to require the DLIR to monitor projects where there is no governmental contracting agency for compliance with chapter 104, Hawaii Revised Statutes (H.R.S.), Hawaii's Wages and Hours of Employees on Public Works Law; 3) to make chapter 104, H.R.S., applicable to housing developed by the Hawaii Housing Finance and Development Corporation pursuant to chapter 201H, H.R.S.; and (4) to provide that, when a SPRB project party enters into a collective bargaining agreement with a bona fide labor union governing the project party's workforce, the wages and terms provided by that collective bargaining agreement be deemed the prevailing wage and terms for that project party's work force on the public work construction project.

SPRBs are used to build hospitals, schools, early childhood education centers, utilities, housing projects, and related works deemed to be in the best interests of the general public. Often it is non-profit organizations that seek SPRBs to finance a new structure. This funding tool is used to lower interest costs of the financing for such projects. No taxpayer funds are used and taxpayers are not responsible for a default on the bonds.

Subjecting these projects to the administrative burdens in Chapter 104 runs counter to the intent and spirit of using SPRBs to help reduce expenses incurred by strictly private and non-profit entities and may actually act as a deterrent to using this financing mechanism and decrease the number of projects on behalf of the general community.

In 2003, the Attorney General's office opined that SPRB projects are public works projects as defined under Section 104-2(a) HRS and are subject to prevailing wage provisions. However, Chapter 104 requires that the public work is to be performed by a contracting government agency that oversees the work and holds the appropriated funds. However, with SPRBs, funds go directly from the lending institution to the entity building the project and no government agency oversees the work.

This bill attempts to remedy this problem by requiring the Department of Labor and Industrial Relations to act like the governmental contracting agency. However, the Department has no authority to oversee the work of a SPRB project nor would it be able to withhold funds should the non-profit or firm building the SPRB-financed project violate Chapter 104.

Furthermore, this bill specifies when an employer has entered into a collective bargaining agreement with a labor union, the terms of that agreement will be the prevailing wages on that project. This provision has the potential to create a different prevailing wage for each project and would negate current law requiring a single prevailing wage. This provision could also result in a conflict with Section 104-2(b)(2) which requires Hawaii's prevailing wages paid to workers to not be lower than the federal rates for Hawaii.

Additionally, this bill would place enforcement and monitoring functions on the Department of Labor and Industrial Relations without the commensurate resources to carry out these duties.

For the foregoing reasons, I am returning House Bill No. 861 without my approval.

Respectfully,
/s/
LINDA LINGLE
Governor of Hawaii"

Representative Caldwell moved to override the veto of H.B. No. 861, HD 1, SD 1, as contained in Gov. Msg. No. 374, seconded by Representative B. Oshiro.

At this time the Chair called for a roll call vote and the motion to override the veto of H.B. No. 861, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC WORKS" as contained in Gov. Msg. 374, was put to vote by the Chair and carried, and was approved by the required two-thirds vote of the House pursuant to Section 17 of Article III of the Constitution of the State of Hawaii on the following show of Ayes and Noes:

Ayes: 42: Belatti, Berg, Brower, Cabanilla, Caldwell, Carroll, Chang, Chong, Evans, Green, Hanohano, Har, Herkes, Ito, Karamatsu, Lee, Luke, Magaoy, Manahan, McKelvey, Mizuno, Morita, Nakasone, Nishimoto, B. Oshiro, M. Oshiro, Rhoads, Sagum, Saiki, Say, Shimabukuro, Sonson, Souki, Takai, Takamine, Takumi, Tokioka, Tsuji, Wakai, Waters, Yamane and Yamashita.

Noes: 8: Awana, Ching, Finnegan, Marumoto, Meyer, Pine, Thielen and Ward.

Excused: 1: Bertram.

At 9:15 o'clock p.m., the Chair noted that the motion to override the veto of H.B. No. 861, HD 1, SD 1, as contained in Gov. Msg. No. 374, had carried.

Gov. Msg. No. 360, informing the House that on April 24, 2007, H.B. No. 863, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC WORK PROJECTS" was vetoed.

Representative Caldwell moved to override the veto of H.B. No. 863, HD 1, as contained in Gov. Msg. No. 360, seconded by Representative B. Oshiro.

Representative Meyer rose to speak in opposition to the override, stating:

"Mr. Speaker, I'm going to be voting no on this. This measure establishes and requires that a construction contract between private parties is a public work contract if more than 50% of the assignable square footage of a project is leased or assigned for use by any level of government, whether or not the property is privately owned. Construction project owners to sign a lease or other agreement that complies with State prevailing wage law, and copies of the lease agreement to be filed with the Department of Labor and DAGS. I just want to highlight a few points.

"This bill attempts to rewrite Administrative Rules and disregards primary purpose of Chapter 104. Currently, public works projects are classified based on contracts created after approval of plans, specifications and criteria leasing to governmental entities. Prevailing wages designed to benefit the public by using appropriate funding is a secondary public benefit byproduct of such contracts. As such, this measure disregards the primary and underlying purpose to safeguard public funds in one sweeping underdeveloped bill. This is like the tail wagging the dog.

"This measure is designed to regulate failure to pay established prevailing wages in construction projects which simply do not benefit the public. This measure will force private construction companies to bid at higher amounts in order to afford prevailing wages and ultimately the State pays the bill. This measure will have exponential unintended consequences, including unauthorized access to payroll information for regulating whether prevailing wages have been paid. This measure has conflicting underlying purposes and simply is confusing because it does not address real and likely negative consequences. Thank you very much."

At this time the Chair called for a roll call vote and the motion to override the veto of H.B. No. 863, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC WORK PROJECTS" as contained in Gov. Msg. 360, was put to vote by the Chair and carried, and was approved by the required two-thirds vote of the House pursuant to Section 17 of Article III of the Constitution of the State of Hawaii on the following show of Ayes and Noes:

Ayes: 46: Awana, Belatti, Berg, Brower, Cabanilla, Caldwell, Carroll, Chang, Chong, Evans, Finnegan, Green, Hanohano, Har, Herkes, Ito, Karamatsu, Lee, Luke, Magaoay, Manahan, McKelvey, Mizuno, Morita, Nakasone, Nishimoto, B. Oshiro, M. Oshiro, Pine, Rhoads, Sagum, Saiki, Say, Shimabukuro, Sonson, Souki, Takai, Takamine, Takumi, Thielen, Tokioka, Tsuji, Wakai, Waters, Yamane and Yamashita.

Noes: 4: Ching, Marumoto, Meyer and Ward.

Excused: 1: Bertram.

At 9:20 o'clock p.m., the Chair noted that the motion to override the veto of H.B. No. 863, HD 1, as contained in Gov. Msg. No. 360, had carried.

Gov. Msg. No. 332, informing the House that on April 16, 2007, H.B. No. 1672, entitled: "A BILL FOR AN ACT RELATING TO LEGISLATIVE SERVICE AGENCIES" was vetoed.

Representative Caldwell moved to override the veto of H.B. No. 1672, as contained in Gov. Msg. No. 332, seconded by Representative B. Oshiro.

Representative Meyer rose to speak in opposition to the override, stating:

"Thank you, Mr. Speaker. This is a bill that is going to increase the maximum salaries of the Deputy Auditor, the First Assistant to the Ombudsman, and the First Assistant to the Director of the Legislative Reference Bureau. These are similar to Deputy Directors of various State departments.

"The formula they use is that the Deputies will now get 92% of what their boss gets. As the Governor said in her veto message, she found that this was not acceptable. In the situation with the Legislative Reference Bureau, the Assistant's salary would go from \$90,500 to \$97,600. That's an amount that's more than the Director of the Department of DLNR, who has just recently lost his job. I don't think you would say that the Ombudsman's Office, the number of people they have to manage and the kind of work they have to do, comes anywhere near running a department the size of DLNR.

"I know that the people that work in these departments and work here for us much of the time work hard, they do a great job, but I think we have to look at the balance of things. It's hard to justify that kind of an increase. The Chairman of Finance on the Floor just a little while ago was concerned about the fact that our economy is not growing at such a robust state as it has been, and the tax revenues have dropped.

"So, I think we have to be realistic. It's nice to play Santa Claus, but none of it is money out of our pockets. It's taxpayers in the State of Hawaii. They are somewhat beleaguered. We are an island state, which makes everything cost more. And I think that this is out of line and I think that the Governor is appropriate in having sent this bill back. And I think we should all sit back and think twice about what we are about to do. Thank you."

Representative Thielen rose to speak in opposition to the override, stating:

"Thank you. Mr. Speaker, I wanted to just add to what my colleague just stated. I'm opposing the override of the Governor's veto. Mr. Speaker, in her veto message, she's noting that this bill, under this bill, the First Assistant to the Ombudsman will get \$97,631 starting July 1 in 2007, under this bill.

"When you take a look at the Chairman of the Public Utilities Commission, the Chairman makes \$81,000. The Chairman's responsible for a huge effort by this State to reduce global warming, our footprint in global warming, to manage all of the other entities, utilities, and everything else that's under his purview. I just don't see how it's justified to give this increase for a First Assistant to the Ombudsman who only supervises eight investigators and give that person \$97,000 and a Public Utilities Commission Chair is getting \$81,000. I mean something's totally out of whack here.

"I think that we should support the Governor's veto, take a look at this, and if anything is done with money that will be available next year, I would say the PUC Chairman and the Public Utilities Commissioners, who have a huge amount of work to do, their salaries should be looked at and increased, provided, that the Finance Chair finds that we have the money available to do that. This is spendthrift and we should not override the Governor's veto."

At this time the Chair called for a roll call vote and the motion to override the veto of H.B. No. 1672, entitled: "A BILL FOR AN ACT RELATING TO LEGISLATIVE SERVICE AGENCIES" as contained in Gov. Msg. 332, was put to vote by the Chair and carried, and was approved by the required two-thirds vote of the House pursuant to Section 17 of Article III of the Constitution of the State of Hawaii on the following show of Ayes and Noes:

Ayes: 43: Belatti, Berg, Brower, Caldwell, Carroll, Chang, Ching, Chong, Evans, Green, Hanohano, Har, Herkes, Ito, Karamatsu, Lee, Luke, Magaoay, Manahan, Marumoto, McKelvey, Mizuno, Morita, Nakasone, Nishimoto, B. Oshiro, M. Oshiro, Rhoads, Sagum, Saiki, Say, Shimabukuro, Sonson, Souki, Takai, Takamine, Takumi, Tokioka, Tsuji, Wakai, Waters, Yamane and Yamashita.

Noes: 7: Awana, Cabanilla, Finnegan, Meyer, Pine, Thielen and Ward.

Excused: 1: Bertram.

At 9:29 o'clock p.m., the Chair noted that the motion to override the veto of H.B. No. 1672, as contained in Gov. Msg. No. 332, had carried.

At 9:29 o'clock p.m., Representative B. Oshiro requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 9:29 o'clock p.m.

Gov. Msg. No. 342, informing the House that on April 18, 2007, S.B. No. 14, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII" was vetoed.

Representative Caldwell moved to override the veto of S.B. No. 14, SD 1, HD 1, as contained in Gov. Msg. No. 332, seconded by Representative B. Oshiro.

Representative Meyer rose to speak in opposition to the override, stating:

"Thank you, Mr. Speaker. I'm rising in opposition to this attempt to overturn the Governor's veto. This bill is the vehicle to implement the Constitutional Amendment approved by the voters in 2006. The language on the ballots simply asked, 'Shall the Governor be required to select Board of Regents candidates from a pool of qualified candidates screened and proposed by a Candidate Advisory Council for the Board of Regents of the University of Hawaii as provided by law?' It doesn't say what that advisory council is going to be, who will be on it, how many people, who will name them. None of those things.

"This bill establishes a seven member Candidate Advisory Council and exempts that council from open meeting provisions from Chapter 92, the Sunshine Law. It also increases from 12 to 15, the number of University of Hawaii Regents and establishes geographic criteria, and that's new, for 12 of the Regent positions.

"The bill contradicts what public citizen trusteeship should be. The membership on the Board of Regents says it is vital that we find people who are independent in their individual and collective judgment and who serve the people of Hawaii, not one group or another.

"This bill would act as a roadblock to this need by establishing a narrowly focused constituency-based selection council, with each member appointed by separate interest, those being one member, each appointed by: one, the Governor; two, the Speaker of the House; three, the Senate President; four, All Campus Council and faculty Senate Chairs; five, the Executive Council of the University of Hawaii Student Caucus; six, the Association of Regents Emeritus; and, seven, the President of the Alumni Association.

"What's worse is the Board can recommend only two names to fill a vacancy on the Board of Regents, further contributing to the partisan and narrow focus of potential Regent candidates greatly reducing the Governor's ability to choose qualified individuals. The Association of Governing Boards of the Universities and Colleges, the Western Association of Schools and Colleges, and the Accrediting Commission of Community and Junior Colleges have each pointed out that this bill runs counter to national best practices in university governance.

"I'm not going to go through it all. I'm speaking to you folks here that know what's in it, and we argued at length from the Floor, but it's hard to justify that we would want to have such narrow membership and not open it up to the widest pool possible and pick the brightest people we could possibly have on there rather than dictating what the various membership should be. So, I'm hoping that people will have a second go at this and realize that this is not the best way to go. Thank you, Mr. Speaker."

Representative Chang rose to speak in support of the override, stating:

"Thank you, Mr. Speaker. In support. Senate Bill 14, S.D. 1, H.D. 1 is a strong, all-encompassing bill that improves public policy in how we select University Regents. The bill also reflects what the people of Hawaii voted for overwhelmingly in the last election, a selection process that aims to minimize politics and opens the field

so that the best qualified candidates are chosen to serve our University.

"The University of Hawaii Board of Regents is one of the most important boards in the State. They have the opportunity to influence the future of Hawaii through higher education and it's important that we get the best qualified people to serve. By having representatives from various geographic regions of the State makes sense since we will be developing a pool of candidates from different backgrounds and perspectives. They will know what the students in their district need from a university education.

"And having representatives appointed by different constituencies within the University System also makes sense because they all have a vested interest in seeing that the University succeeds. It does not necessarily mean that they will serve only those groups, but would come to the Council with a wide variety of experiences and an appreciation of the full spectrum of concerns and opportunities that face our University System.

"In 2004, the Association of Governing Boards of Universities and Colleges, the AGB, recommended to the Governor, as well as to all the other governors of the 50 states, the creation of a nonpartisan Advisory Council to help select Board of Regents candidates. The Governor could have simply created such a Council with a stroke of the pen by Executive Order as did governors of several other states and appoint all the members of the Council. The Governor chose not to do so. The Legislature did follow the AGB's recommendation and drafted Senate Bill 14.

"In a letter dated February 12, 2004 to Senator Hooser from Richard Novak from the Association Governing Boards of Universities and Colleges, who is the Vice President for Public Sector Programs and Executive Director for Center for Public Trusteeship and Governance, Mr. Novak wrote:

Dear Senator: We read about your bill to create guidelines for appointments and a screening nominating committee for the University of Hawaii Board of Regents. Your efforts are to be commended and supported. As a national group for Board of Trustees and Regents, the Association of Governing Boards of Universities and Colleges had advocated for this approach for nearly two decades and have worked successfully with states to see such committees enacted. Please see the enclosed state policy brief produced by the Center for Public Trusteeship and Governance. The brief makes a strong case for such committees and will give you a sense of their status in a few other states. We have also distributed the brief and communicated these ideas to the Regents directly and to Governor Linda Lingle and her Education Advisor, Randy Roth.

"Senate Bill 14 encompasses the recommendations of the AGB contained in this letter addressed to Senator Hooser. As stated in this letter, the same recommendations were communicated at the time to the Board of Regents as well as to Governor Lingle and Advisor Randy Roth.

"In a letter to Senator Colleen Hanabusa from the Secretary of Education of the Commonwealth of Virginia dated March 2, 2004, the Screening Committee in Virginia was described as containing specific designated slots for its members. This was also the case for the State of North Dakota as stated in his testimony before the Senate on March 2, 2004. Governor Lingle chose to ignore these recommendations of the AGB at that time, nor did she follow the example of some of her then distinguished colleagues, namely, former Democrat Governor Mark Warner of Virginia and former Republican Governor Mitt Romney of Massachusetts. Instead, she chose not to establish a Regents screening panel by Executive Order as was done in those states. The inconvenient truth ..."

Representative McKelvey rose to yield his time, and the Chair, "so ordered."

Representative Chang continued, stating:

"Thank you. The inconvenient truth in this matter is that the UH Administration and the Governor want to maintain the status quo. The AGB has for many years advocated screening panels for merit-based Regent selection systems and has only recently objected to constituency-based screening panels at this specific request of the UH Administration, while apparently not objecting to such constituency-based panels in Virginia and North Dakota. The AGB's objection at this time to the constituency-based screening panel in Senate Bill 14 is based on the erroneous theory that such panels always and inevitably result in constituency-based governing boards.

"By having this bill stated, the Governor wants to maintain her own power and control the appointees of the Board of Regents. That's not what is best for the future of higher education in Hawaii. And I urge my colleagues to vote to override the veto. Thank you."

Representative Ward rose to speak in opposition to the override, stating:

"Mr. Speaker, I rise to not override the veto. Mr. Speaker, one thing that's missing in the argument here is that no one has been against the Advisory Councils. It's who and how they are appointed. That is the issue here. It is not what the people voted for. The people voted for to have the Council. Correct. And the Councils are there. But the vote was silent on how those Council persons are chosen.

"What the AGB, Associated Governing Board said, and I have the article here by the President of the University of Hawaii, David McLain. They said don't politicize the University of Hawaii. And that's exactly what this bill is doing and exactly what they say not to do. Get your Advisory Board, but don't have it all politically chosen, as he called it, constituencies. And, Mr. Speaker, that's what we're falling into. We have a great University. We've given it autonomy. We've given it lots of money. But now what we're doing is politicizing it and thinking that we're making it better.

"As the quote here, it says, 'Senate Bill 14 does not represent real reform, as Senator Norman Sakamoto would have it, but rather another example of questionable practices endorsed by our Legislature.' Mr. Speaker, the question is are we trying to make it better or just trying to make it ours so it's something that the Governor has no longer the power to regulate, to embrace, to do as in the past, which we were here in this body, a hundred years of celebrating the University of Hawaii, have said, 'Great job. But by the way, we are going to restructure you, and this is the bill of how we're going to do it.' I'm not sure that's the way we make it better.

"That's why I would suggest to my colleagues that they look at the future of the University of Hawaii and the future of this bill, by not overriding the veto."

Representative Caldwell rose to speak in support of the override, stating:

"Mr. Speaker, a brief comment in support. The last time I looked, the Governor was the top political official, elected official in our State. This Governor gets, whether the Democrat or Republican gets to pick all the Board of Regents, there can't be a more political process than we currently have. What we're looking at is a way to get politics out of this system.

"And it's much like our Judicial Selection Commission that we adopted back in 1978 in response to things that Governor Burns did. That Commission is composed of different kinds of constituencies, including you, Mr. Speaker, appoints a member. The President of the Senate appoints a member. The Bar appoints a member, other constituents appoint members. No one complains how that Commission makes its decision and it sends up its recommendation. For example, we saw Mark Recktenwald be recommended by that commission, and he was confirmed by the Senate and just sworn in

yesterday. It works, and the Regents Selection Commission works in much the same way. Thank you."

Representative Takai rose to speak in support of the override, stating:

"Thank you, Mr. Speaker. I rise in support of the override. I just wanted to make a few points because I know we've already discussed this ten zillion times. But first, I'd like to incorporate the words of the Higher Ed Chair as if they were my own.

"I think it's been said but it needs to be repeated that the way we currently select our Regents, letting the Governor select her Regents for the University, is the most political of any way. This bill proposes to do it a little differently. Well, a lot differently. In fact, Mr. Speaker, if you take a look at the press release by the Governor dated April 27, 2007, in hopes of landing a Director of the Department of Land and Natural Resources, she formed a committee of 30 people from diverse environmental and culture groups, many people that have an interest, a specific interest, in who becomes the Director of Land and Natural Resources. That's what we're doing for the Candidate Selection Committee. We're allowing the people that we believe matters the most for the University: the faculty, the emeritus regents, the students, the alumni and a few others; to come together to select the best and the brightest and to give those recommendations to the Governor for her to make the final decision.

"I also wanted to mention, Mr. Speaker, that the other side talks about allowing special interest to get in the way of the selection of the Regents, but I'd like to submit to you that allowing the faculty or the students, the Emeritus Regents, or whomever to suggest a list again, it's a lot better than what we have now. And even where we have now in place with the current Board, three of the current Board members are former faculty members of the University of Hawaii: Byron Bender, Marlene Hapai, and Ramon de la Pena, all former faculty members at the University. No one says anything about them. So, why then do we start questioning the process if we allow the faculty to participate in the selection of Regents. I don't get it, Mr. Speaker.

"I also wanted to mention one other thing, and that is, so much has been said about taking away the power of the current Governor. What I'd like all of our members to realize is that I went back to the 1995 Session. That was the first Session of Governor Cayetano. And during the course of his eight years, 11 bills basically recommended what we're doing here today. In fact, Mr. Speaker, House Bill 2069 in the year 2000, actually came out of the House Committee on Higher Education and was voted on this Floor and it passed Second Reading. So, we're not talking about a take away for this current Governor. We believed back then, or a few of us believed back then, ten years ago, that this type of process needed to be done to depoliticize the selection process for the Regents.

"And lastly, Mr. Speaker, I'd like to read from a column written by Frank Boas on Sunday, July 2, 2006. Frank, by the way, is a retired attorney and a member of the UH Foundation Board, and I quote:

I look forward to the time, hopefully in the near future, when all the stakeholders of the University, including the faculty, students, alumni and employees will feel that their vital interest are represented on the Board of Regents. They will then not only have a renewed sense of confidence in the governance of the University, but they will also be able to enjoy the pride of ownership in this great institution.

"Mr. Speaker, our vote tonight to support the override will do just that. Thank you, Mr. Speaker."

At this time the Chair called for a roll call vote and the motion to override the veto of S.B. No. 14, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII" as contained in Gov. Msg. 342, was put to vote by the Chair and carried, and was approved by the required two-thirds vote of the

House pursuant to Section 17 of Article III of the Constitution of the State of Hawaii on the following show of Ayes and Noes:

Ayes: 39: Belatti, Berg, Cabanilla, Caldwell, Carroll, Chang, Chong, Evans, Hanohano, Har, Herkes, Ito, Karamatsu, Lee, Luke, Magaoay, Manahan, McKelvey, Mizuno, Morita, Nakasone, Nishimoto, B. Oshiro, M. Oshiro, Rhoads, Sagum, Saiki, Say, Shimabukuro, Sonson, Takai, Takamine, Takumi, Tokioka, Tsuji, Wakai, Waters, Yamane and Yamashita.

Noes: 10: Awana, Brower, Ching, Finnegan, Green, Marumoto, Meyer, Pine, Thielen and Ward.

Excused: 2: Bertram and Souki.

At 9:50 o'clock p.m., the Chair noted that the motion to override the veto of S.B. No. 14, SD 1, HD 1, as contained in Gov. Msg. No. 342, had carried.

Gov. Msg. No. 363, informing the House that on April 25, 2007, S.B. No. 1063, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LEGISLATIVE VACANCIES" was vetoed.

Representative Caldwell moved to override the veto of S.B. No. 1063, SD 1, HD 1, as contained in Gov. Msg. No. 363, seconded by Representative B. Oshiro.

Representative Thielen rose to speak in opposition to the override, stating:

"Mr. Speaker, I'm rising to speak against the motion. Mr. Speaker, let's just imagine a scenario. Let's imagine that Barack Obama loses the election, decides to move back to Hawaii. His membership on the mainland to the Democrat Party expires. He moves back to Hawaii and has often been called Hawaii's 'third Senator'. One of the senior Senators dies. Barack Obama doesn't have membership in the Hawaii Democrat Party. Barack Obama would not be eligible. Is that what we want to do? To limit the pool of who would be eligible to be appointed to United States Senate in the event of a vacancy?"

"I think the bill is very limiting from the six-month membership requirement as well as it's very limiting from saying you have to be a card carrying member of the party, whether it's Republican Party or Democrat Party. So many in our population identify with one or the other parties that they don't officially hold a card. So, Obama would not be eligible; neither would a large number of the population that do identify with one or the other parties. So, I think the bill is a mistake and I would hope that we would uphold the Governor's veto."

Representative Ching rose to speak in opposition to the override, stating:

"Thank you, Mr. Speaker. I rise in opposition to the veto override motion. This bill requires the Governor to select from a list three prospective appointees nominated by the party of the incumbent to fill the legislative vacancy. The bill says, it goes on to say that the process should be free of political gamesmanship or controversy to ensure the integrity of the legislative process, provide for effective representation of the residents of the legislative district. However, by placing this process in the hands of a political party, actually, aren't we adding political favoritism? Political parties by themselves, by their nature, are full of political favoritism. These parties tend to be the driving force of political gamesmanship.

"And is this the intent of this bill to be reminiscent of the days of Boss Tweed and Tammany Hall, when an organization from a political party ran the political game? We all know the history and we don't want to encourage more of the one-sided politics. It doesn't ensure the integrity of the election process. The bill places the ability for determining who may be appointed with the political party leadership of the vacating officeholder in spite of this leadership not

being elected by the public. And, therefore, it's not accountable to them. The only people that can be held accountable by the voters are those who are elected.

"A Party Chair is not elected by the voters at large. Instead, they are elected by a small portion of their population. They're not accountable to the rest of the citizens of Hawaii. So, how is that ensuring the integrity? In this very body, we currently have a Representative who's been appointed by the Governor and would anyone question this Representative's representation? I don't think so. She's representing her district nobly. So, therefore, the current system provides for the effective representation for residents.

"Others in this body may say other appointees as people who have not been effective Representatives of their districts. But where are they today? They are no longer in this body, are they? That's because the system works. If they do not step up to the plate and provide the right representation, then they do not stay.

"So, finally, in echoing the remarks of my colleague from Kailua, this limits the selection pool. By limiting the pool of potential people, we are tying our own hands. We want the best for the Legislature, the best for Hawaii, and so why should we be restrictive? And if we had these current restrictions, then the people of Molokai would have lost out today. Mr. Speaker, this measure does not accomplish what it sets out to do."

Representative Rhoads rose to speak in support of the override, stating:

"In support. I, having been through the process both at the party level and at the Governor's office, I have to say that I think the Democratic Party, anyway, took the job very seriously, tried to find good candidates, and the four that they picked were all perfectly competent. Maybe better than competent. One of whom is sitting in the audience tonight, Kevin Mulligan. Peter Leong would have been an excellent legislator, as well. As would have Roy Benham.

"As for being political, I think that the decisions made in the Governor's office were every bit as political in the 28th District case as the decisions made at the Party. I think this is a perfectly legitimate response to the events that happened in '05 and '06. Thank you very much."

At this time the Chair called for a roll call vote and the motion to override the veto of S.B. No. 1063, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LEGISLATIVE VACANCIES" as contained in Gov. Msg. 363, was put to vote by the Chair and carried, and was approved by the required two-thirds vote of the House pursuant to Section 17 of Article III of the Constitution of the State of Hawaii on the following show of Ayes and Noes:

Ayes: 41: Awana, Belatti, Berg, Brower, Cabanilla, Caldwell, Carroll, Chang, Chong, Evans, Green, Hanohano, Har, Herkes, Ito, Karamatsu, Lee, Luke, Magaoay, Manahan, Mizuno, Morita, Nakasone, Nishimoto, B. Oshiro, M. Oshiro, Rhoads, Sagum, Saiki, Say, Shimabukuro, Souki, Takai, Takamine, Takumi, Tokioka, Tsuji, Wakai, Waters, Yamane and Yamashita.

Noes: 8: Ching, Finnegan, Marumoto, McKelvey, Meyer, Pine, Thielen and Ward.

Excused: 2: Bertram and Sonson.

At 9:58 o'clock p.m., the Chair noted that the motion to override the veto of S.B. No. 1063, SD 1, HD 1, as contained in Gov. Msg. No. 363, had carried.

Gov. Msg. No. 361, informing the House that on April 24, 2007, S.B. No. 1642, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LABOR" was vetoed.

Representative Caldwell moved to override the veto of S.B. No. 1642, SD 1, HD 1, as contained in Gov. Msg. No. 361, seconded by Representative B. Oshiro.

Representative Ward rose to speak in opposition to the override, stating:

"Mr. Speaker, I rise in opposition. Mr. Speaker, my first responsibility as a Representative in the State of Hawaii is the safety of the people of the State of Hawaii. This bill asks us to be derelict in our duties. This bill seeks to overturn the Supreme Court case of the UPW v. Hannemann, in 2005, the case in which the City and County attempted to transfer refuse workers and were subsequently taken to court. It seemed like a pretty simple management decision. If people over here are idle, put them over here where they're busy.

"Now, imagine that those are police, Mr. Speaker, that your district is left unsecured, but the ability to put, reassign the police department is unable because it has to go to collective bargaining, which this bill calls for. I think, Mr. Speaker, when you see the Honolulu Police Department and all of the other counties coming down here, as they did last week, saying, 'Don't pass this bill. This is not good', I think we should listen to those. They rarely get politically involved in such as that, and when they came down and made those statements, it's saying that this bill is taking stuff out of traditional management practices and putting them into collective bargaining practices.

"I think the bottom line is that when public safety is at stake, public safety comes first and public unions would come second. If we override this veto, Mr. Speaker, it's not going to change anything. Management is always going to have to manage. Managers will always manage. What there may be is a 'Hannemann 2' or 'Hannemann 3' or 'Hannemann 4', and it'll keep going back to court. But the issue of getting the job done, that's why there's managers. That's why you're the Speaker.

"Mr. Speaker, you don't have a meeting of a committee every time you make a decision. This one says for the unions every time that there's a decision on reassignment, hiring, firing, discipline, it's a collective bargaining issue. And not that management should have their way with everything, but there's certain things, there's certain divisions of labor. That's the way society is structured and that's the way society works best; when people know who they are, what's expected of them and what to do. This one clouds the lines between the rights of management and the rights of labor.

"It's going to be confusing and when it gets down to the safety and to the security of the public, of the people of Hawaii, I'm afraid this veto is an endorsement of your responsibility on our part. Thank you, Mr. Speaker."

Representative Ching rose to speak in opposition to the override, stating:

"Thank you, Mr. Speaker. In opposition of the override. Real quickly, I'm going to read a letter. This is from the Chief of Police Boisse Correa.

The four county Police Department strongly oppose Senate Bill 1642 because its passage would jeopardize public safety. The bill's purpose is to amend the law relating to collective bargaining by making certain subject matters areas that are currently excluded from negotiating, permissible. The bill proposes to allow the negotiation procedures and criteria for promotion, transfer, assignment, demotions, layoffs, suspensions, terminations, discharge, and other disciplinary actions. It will allow current grievance procedure to be utilized in the event there are alleged violations, of negotiated and agreed upon procedures and criteria.

As law enforcement agencies, our ability to provide optimum service to the community is dependent upon our ability to direct the workforce as need arises during daily operations, and especially during an emergency. Police Departments need to be

able to assign officers, dispatchers when and where they are needed most. Requiring negotiations for the assignment of personnel due to understaffing from employees on vacation, sick, court, training, etc., would greatly impact 911 emergency response times for service. Requiring negotiations for suspensions, terminations and other disciplinary actions will reduce employee accountability. This kind of negotiation will delay the Department's ability to remove police authority from officers who are being investigated and to terminate employees who should be discharged.

The four county Police Departments believe that the public is best served by existing law that aptly ensures an environment that allows management to direct its work force and oversee operations while respecting employee and union rights at the same time. The passage of this Senate bill will have an extremely detrimental impact on the efficient, effective delivery of police services and we urge you not to override the Governor's veto.

And it is signed, Boisse Correa, Thomas Phillips, Lawrence Mahuna, and Clayton Arinaga, all acting police chiefs.

"I wanted to add just one more thing. I don't think we apply this to ourselves, do we? We want to manage our offices the best we can. I would hope that we would be equal."

Representative Takamine rose to speak in support of the override, stating:

"Thank you, Mr. Speaker. I rise to speak in favor of the motion. I think much has already been said about this particular measure, both by the opponents and proponents. And I must admit that at times our deliberations and the decisions we make get determined in part by the decibel level of those arguments that are made in the lobbying process. It appears as though, with respect to this particular measure before us, it may be helpful to understand the existing current law, what it provides for and the public policies that we've established in the area of collective bargaining.

"And, Mr. Speaker, as you and I are aware, at one time workers never had any rights, real rights to engage in concerted activity, and to join and be members of the union, and have someone bargaining on their behalf, as an exclusive representative. When Congress passed the National Labor Relations Act, for the first time these rights came into being. Hawaii as a State, not until we became a State, was covered by that law, and therefore, upon Statehood, for the first time, Hawaii workers were able to enjoy and exercise those rights to work collectively as they dealt with various measures with the employer.

"However, even at that time, public workers were not covered by the National Labor Relations Act, and, therefore, it wasn't until 1970 that this Legislature determined that collective bargaining and joint decision making should be what determines the policies in the workplace, in the public sector.

"And Chapter 89 was established, and if I can ask your indulgence, Mr. Speaker, because Chapter 89, I believe, establishes the framework for this very bill that is before us. And in that, in the very first section of Chapter 89, which is entitled Collective Bargaining In Public Employment, 89-1 establishes the statement of findings and policy and there, the existing law states: The Legislature finds that joint decision making is the modern way of administering government where public employees have been granted the right to share in the decision making process affecting wages and working conditions. They have become more responsive and better able to exchange ideas and information on operations with their administrators. Accordingly, government is made more effective.

"And the law is even more exclusive because if you look at subsection (b) of 89-1, it states: The Legislature declares that it is the public policy of the State to promote harmonious and cooperative relations between government and its employees and to protect the

public by assuring effective and orderly operations of government. These policies are best effectuated by: (a) recognizing the right of public employers to organize for the purpose of collective bargaining; and (b) requiring public employers to negotiate with and enter into written agreements with exclusive representatives on matters of wages, hours and other conditions of employment."

Representative Chang rose to yield his time, and the Chair, "so ordered."

Representative Takamine continued, stating:

"Thank you very much. So, we established as a Legislature that this would be the manner in which decision making would occur. We know that in the private sector, wages, hours and conditions of employment, the whole gamut, is subject to collective bargaining. But in the public sector it's different. In the public sector we need to protect the public's health and safety. Therefore, there were safeguards implemented in Chapter 89 and the so-called, management rights provisions are incorporated in Section 89-9(d).

"And in 89-9, which establishes the scope of negotiations, again, the statute states clearly the employer and the exclusive representative shall meet at reasonable times and shall negotiate in group faith with respect to wages, hours and conditions of employment. In 89-9(d) there were provisions to protect the so-called, management rights. And 89-9(d) states: Excluded from the subjects of negotiations are matters that would interfere with the rights and obligations of a public employer to: (1) direct the employees; (2) determine qualifications, standard for work, and the nature and contents of examinations; (3) hire, promote, transfer, assign and return employees in positions. Again, just to repeat, the hiring, the promotion, the transfer and assignments is something that is explicitly stated in the provision. In (4) it goes on to include suspend, demote, discharge or take other disciplinary action against the employees for proper cause; (5) relieve an employee from duties because of lack of work or other legitimate reasons; (6) maintain efficiency and productivity, including maximizing the use of advanced technology in government operations; (7) determine methods, needs, and personnel by which the employer's operations are to be conducted; and (8) take such actions as may be necessary to carry out the missions of the employer in cases of emergencies.

"I know I'm taking a while, Mr. Speaker, but I think it's important to note that because when we look at the measure before us, when you look Senate Bill 1642, S.D. 1, H.D. 1, the measure that was vetoed by the Governor, all of that language is intact in the bill. If you look at page 1 from lines 4, to page 2, line 13, those provisions that relate to protecting management's rights are included in the bill. Point number one.

"And I guess in light of the decibel level that we referred to earlier, there has been a lot said regarding this matter, and in fact, just this morning I'm sure all of us received the communication from the Governor's Chambers and it was transmitted to us by her Senior Policy Advisor, Linda Smith. And even there, I guess, dated May 1, 2007. 'Dear Representative. Please read this before voting to override the Governor's veto of Senate Bill 1642.'

"Specifically, Mr. Speaker, I wanted to point out that in the middle of page 2, Ms. Smith states, and that is in S.B. No. 1642: The proposed amendment requiring negotiations, requiring negotiations, over the impact of transfers, assignments, and layoffs of public employees would adversely affect the ability of a public employer to manage its employees and adversely affect the service provided to the general public. That is precisely the point made by the previous speakers.

"I raise the point because I'm sure in the lobbying efforts, sometimes we try to be a zealous advocate, we may tend to stretch what is actually incorporated in the bill and what is not. And that's why I think our Majority Floor Leader a lot of times reminds us if we wanted to know what we're deliberating about, it's important to know

what's in the bill. Because when you hear things like requiring negotiations, taking away our management rights, taking away our discretion, it is important ..."

Representative Har rose to yield her time, and the Chair, "so ordered."

"Thank you. It's important to know what the bill says and, does it really affirm that what is being represented is true. Let me just call your attention to page 3, lines 2 to 3, because here the bill says this is what is being characterized as requiring negotiations. What the bill says is that this subsection shall not preclude negotiations over the procedures and criteria on promotions, transfers, assignments, demotions, layoffs, suspensions, terminations, discharges or other disciplinary action as a permissive subject of bargaining during collective bargaining negotiations.

"It doesn't sound like a requirement to me. And I know that there can be sometimes confusion because last year we had a bill similar to this that had different language that could be interpreted as requiring negotiations on the impact of these transfer and assignment decisions. But this is the measure before us, and this is the language that is before us.

"Again, I realize that this is late into the evening and a lot has been said. But Mr. Speaker, in light of the existing law, in light of the language of the bill, I will be supporting the motion to override the Governor's veto. Thank you."

Representative B. Oshiro rose to speak in support of the override, stating:

"Very short and in support. I just really wanted to emphasize I think what the Representative from the Big Island said. It's really important to read the bill because I think there's been a lot of mischaracterizations of it. He's already cited page 3 of the bill that talks about, this shall not preclude and is permissive.

"And what this really is about is, because there was a time when before the Supreme Court came down with their decision on issues such as transfers and promotions. And it's not necessarily when you do it, but it's how you do it. It's the procedures and criteria as you see on lines 2 and 3 of page 3. That's what's going to be negotiated. Because as you already see on page 2, subsection 3, lines 1 and 2, the issues of hiring, promoting, transferring, assigning, and retaining employees in their positions. That is not able to be negotiated. That is purely within the management right. But how you do it. The standards and criteria by which you will be doing those things, that is something that can be negotiated.

"What happened was after the Supreme Court case, the union would come forward and say, 'We want to negotiate how you're going to be transferring people. How you may be promoting people.' And management would say, 'Well, after the Supreme Court case that I have, too bad, so sad, sorry. I don't need to. It's no longer necessary.' That is what the issue. Allowing them in the negotiations to negotiate the how; not the what. So, for those reasons, I stand in support."

Representative Herkes rose to speak in support of the override, stating:

"Thank you, Mr. Speaker. In support. I read the Governor's veto message as contradictory. Of course, the police chiefs, the fire chiefs are going to oppose this. It's just going to make their job a little harder.

"I learned years ago that unions are the result of bad management. I spent 15 years across the table from the ILWU, and we had to bargain everything. We had to bargain everything. Nothing was off the table, and that was fine with us. And I will tell you another thing, that union grievances resulted in showing us where we had bad

management, and we had to clean it up. There's nothing wrong with this bill."

Representative Finnegan rose to disclose a potential conflict of interest, stating:

"Thank you, Mr. Speaker. Ruling on a conflict. My husband's a firefighter," and the Chair ruled "no conflict."

Representative Finnegan continued in opposition of the override, stating:

"Thank you. In opposition. I'm starting to see it in a little different way, but I have some serious concerns because we are talking about how you determine, for instance, when doing a transfer of personnel and determining maybe you can do it under the conditions of an emergency. So the negotiations can be done upon what is considered an emergency? Is that what we're saying? I'm still confused, possibly because it is difficult to interpret what their words say. It's not just as easy. As we know, what we think we write in bills, sometimes get interpreted in all different kinds of ways after it passes out.

"So, I still have some questions about that because emergency services are so important. First and foremost, it's not necessarily a worker going to be transferred, but more so, the public safety. For instance, for firefighters, it isn't, is there an emergency at that particular time that we have to move somebody over to another station. It may be something like, there's always a need for you in the different places. It's a matter of whether or not you have the proper staffing that can respond, whether it be seven minutes versus five minutes to a location. That could make a huge difference in whether or not you will be prepared or be able to answer to an emergency. So, I'm still cloudy. I think it's cloudy in regards to what and how it can be negotiated. So, I still stand in opposition, Mr. Speaker."

Representative Takumi rose to speak in support of the override, stating:

"Thank you very much, Mr. Speaker. In support. I would like to, at the risk of expanding the House Journal, I'd like to enter the remarks from the Representative from House District 1 as if they were my own," and the Chair "so ordered." (By reference only.)

"Thank you. It's really true. When in doubt, read the bill. This bill does not in any way, shape, or form affect Chapter 89-9(d). That is the crux of the issue. So, for the previous speaker who said she's confused, I would recommend that you read the bill and you read that Chapter and you tell me what's the change to 89-9(d). There is no change whatsoever. We're just talking about permissive and that's why this whole thing is called the permissive bill, if you will. It's about those sections of Chapter 89 that may be negotiated. In this case, the bill says, 'shall not preclude negotiating'. So, I, frankly, don't know what the confusion is. It's pretty much in black and white, what this bill does and what it does not do.

"I will not read into the record, the letter that all of us got from Mr. Bob Lee, the President of the Hawaii Firefighters Association, but all of us did get that letter. And if you read it, he expressed some disappointment in the Fire Chiefs, in the way they are approaching the bill. And, Mr. Lee is a 'rank and file' firefighter, someone who is out there on a daily basis, on the front lines. Mr. Speaker, I would trust him, when he says this does not impugn the safety of our community, and I would take his word for that. Thank you very much, Mr. Speaker."

Representative Rhoads rose to respond, stating:

"Mr. Speaker, in support. This whole public safety issue, I think, is *shibai*. The Hawaii Firefighters Association Agreement in effect from July 1, 2005 to June 30, 2007, and Section 4 Management Rights clearly states that the employer, and I'm quoting, 'The

employer reserves and retains solely and exclusively all rights, authority, and prerogatives, including the right to manage, control, and direct its employees and operations, except specifically abridged or modified by this Agreement.'

"Mr. Speaker, I just don't, I can't imagine a situation where a firefighter would say, when a supervisor comes to him or her and says, 'There's a fire in Kapolei and you're based in Kalihi. But I'd like you to go help fight the fire in Kapolei,' and the firefighter says, 'No, I don't have to because it's not in my district.' Or a police officer, where there's a murder call that's outside of his normal *kuleana* and he or she says, 'No, I'm not going to go.' In the first place, in the contract, they're going to have to negotiate exactly what's in the firefighter's contract. And in the second place, even if the contract said something different, we're talking about firefighters and police officers and emergency medical service workers. This is not going to be an issue. Thank you."

Representative Marumoto rose to speak in opposition to the override, stating:

"Thank you, Mr. Speaker. I rise in opposition to this motion. I don't consider myself anti-labor. I am an associate member of HGEA and have been for maybe 25 years or so. There are worker's rights and there are management rights, and this bill is an erosion of management rights. Yes, it is permissive and the opposite of permissive is, not permissive. There is a term in there that reads, 'shall not preclude,' and the opposite of that is 'shall not.' So once you open it up, you're allowing a whole lot of negotiations which makes it a little more difficult for management to manage.

"When you're a parent, you negotiate some things. But on other issues, you say, 'Hey, I'm firm on this. This is the law. I'm sorry, it's time for bed.' This is one of those bills and I think it is very important to retain some management rights so they are able to transfer people and do other things that are necessary when they're thinking about the overall mission of their departments or agencies. I urge you to vote no. Thank you."

The Chair recognized Representative Sonson, stating:

"Representative Sonson, would you like to summarize your statement since it is 10:25, and we've had a lot of discussion on this particular measure."

Representative Sonson rose to speak in support of the override, stating:

"Thank you very much. I will keep it very brief. This is a very important issue. It does deserve a lot of press and I'm glad there's a lot of coverage in this so that we can all be educated on what this is all about.

"Chapter 89 is what we are really discussing. Chapter 89 was the work of the prior Legislature and it is intended to be legislation that will establish guidelines for decision making between employers and employees. The Hannemann case that was decided in '05, did have a holding that would require us to revisit Chapter 89, and that's why we're doing so. Because the holding did say that the transfer of employees from the base yard, from one area to another, was not subject to collective bargaining under Chapter 89A. This is the holding of the case of the UPW v. Hannemann. But it does outline, as was stated earlier, Chapter 89D says the employer has exclusive right pertaining to the hiring, promotion, transfer, etc., and the parties are permitted, they are encouraged to negotiate matters regarding wages, hours, and conditions of employments. But there is an overlap between what is condition of the employment, and when the management exercises their right to hire, promote, etc.

"So, what was relied on by the Hawaii Labor Relations Board, because they were the first to look at this case, and they found in favor of the employee. They said that when you are looking at these particular rights given by the Legislature for employer and

employees, you should balance them so that they're not really mutually exclusive. You don't take them one here, this is yours, and here is yours. Actually, the intention of the Legislature was: you talk about it, and you talk about it in good faith. That is why everything should be subject, although that is their stuff and this is my stuff, you still talk about all that because they do interact. There is an overlap between the rights. And what the Supreme Court found was this was not subject to a balancing test. But, you see, that is counter to what the intent of the Legislature was when establishing these rights. The Legislature did not intend that these will be ..."

Representative Sagum rose to yield his time, and the Chair, "so ordered."

Representative Sonson continued, stating:

"Thank you. A couple more minutes. What we're trying to do is really tell the Supreme Court that we do mean that these, that the law that we establish in Chapter 89 or the prior Legislature, establish in Chapter 89-9, is really to apply this balancing test. We're providing that mechanism so that when they look at this law again, if it ever reaches them again, then they will know for sure that that is exactly what we meant.

"It is, it is very difficult sometime for the Supreme Court to go beyond what is black and white, so that it is so important to insert or debate these things when we do research on what is the intent of the Legislature. So that now it is really clear. It is the intent of the Legislature that these rights will be subject to a balancing test. That's all. Thank you, very much."

Representative Pine then called for the previous question.

At this time the Chair called for a roll call vote and the motion to override the veto of S.B. No. 1642, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LABOR" as contained in Gov. Msg. 361, was put to vote by the Chair and carried, and was approved by the required two-thirds vote of the House pursuant to Section 17 of Article III of the Constitution of the State of Hawaii on the following show of Ayes and Noes:

Ayes: 38: Awana, Belatti, Berg, Brower, Caldwell, Carroll, Chang, Chong, Hanohano, Har, Herkes, Ito, Karamatsu, Lee, Luke, Magaoay, Manahan, Mizuno, Morita, Nishimoto, B. Oshiro, M. Oshiro, Rhoads, Sagum, Saiki, Say, Shimabukuro, Sonson, Souki, Takai, Takamine, Takumi, Tokioka, Tsuji, Wakai, Waters, Yamane and Yamashita.

Noes: 9: Cabanilla, Ching, Evans, Finnegan, Marumoto, Meyer, Pine, Thielen and Ward

Excused: 4: Bertram, Green, McKelvey and Nakasone.

At 10:30 o'clock p.m., the Chair noted that the motion to override the veto of S.B. No. 1642, SD 1, HD 1, as contained in Gov. Msg. No. 361, had carried.

Gov. Msg. No. 369, informing the House that on April 26, 2007, S.B. No. 1816, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HISTORIC PRESERVATION" was vetoed.

Representative Caldwell moved to override the veto of S.B. No. 1816, SD 1, HD 1, as contained in Gov. Msg. No. 369, seconded by Representative B. Oshiro.

Representative Ching rose to speak in opposition to the override, stating:

"Thank you, Mr. Speaker. I rise in opposition of the override. I'm just going to read here from what, maybe you have a copy of it. But I want to read just one or two sentences. Thank you, Mr. Speaker.

The bill is objectionable because it grants exclusive right of consultation to only a single entity. It doesn't require consultation with other Kohala community groups, Kamehameha Schools, Lohiau Family, Civic Club, etc., etc., etc.

"I'm just going to say that it hurts me that something like this that is for historic preservation comes out like this, but there's two reasons why I think that we should uphold the veto. When thinking of something so precious as historic preservations and our sites, we want to bring in as many vessels of wisdom as possible. They say it takes a village to raise a child. I say it takes a village to *malama malama* all the sites. We want to have input from people. Historic preservation, ironically, I think, is about knowledge, not about curtailing knowledge.

"This legislation could set a precedent where other people think they have their own, they have their own only dibs on something. And we know in historic preservation, that we're trying to bring in everybody. In sum, Mr. Speaker. historic preservation should bring people together, not exclude them. Thank you."

Representative Yamane rose to speak in support of the override, stating:

"Mr. Speaker, standing in strong support. Mr. Speaker, let's talk about this veto. What are we talking about? The Mookini Heiau located on the Big Island. The secret site where Kamehameha the Great received his blessing and birth rights in 1758 on the eve of his birth.

"Let's look at some of the facts. Let's talk about some of the people involved. The people that we involve regarding consultation, the word located in the bill. We are asking for the consultation of Ms. Leimomi Mookini Lum, a Kahuna Nui. Mr. Speaker, we're talking about vessels of wisdom. This is a living vessel. A direct descendent of the Kahuna Nui Kuamoo Mookini. I probably butchered that and I am sorry. The first Kahuna Nui and director of the building of this temple some 1,500 years ago, Mr. Speaker.

"Let's look at some other things affecting this important site. Mr. Speaker, we're talking about a 2.915 acre monument, which was donated to the State of Hawaii by the Kohala Corporation on December 1978 for its protection. This bill codifies the language contained in the deed when it was given over. I find it kind of ironic, Mr. Speaker, that our Governor's own DLNR, Department of Land and Natural Resources, testified more than once in support of this bill.

"Mr. Speaker, in the testimony it says that included in the Deed of Conveyance is a provision that prior to making any alterations or improvements within the Mookini Heiau, the State, quote, 'shall consult with the Kahuna Nui of the Mookini Heiau.' The Department's Division of State Parks maintains the Mookini Heiau and consults with the Kahuna Nui on plans for any improvements. Mr. Speaker, in their own testimony, they state that they consult. I find it kind of ironic that our own Governor will oppose the testimony in support of their own department.

"Mr. Speaker, this bill, if people actually read it, states that prior to any alterations or improvements, not including routine maintenance to the monument, including the Mookini Heiau, the Department of Land and Natural Resources shall consult. It doesn't need approval. They just need to ask for a consultation.

"Also, Mr. Speaker, this bill is talking about historic preservation. Let's not let moneymaking opportunities take over such a precious site. This bill will protect it. It states, page 3, section (c), prior to any additional organized profit making venture involving the monument, including the Mookini Heiau, the entity proposing the venture shall, again, consult with the Kahuna Nui of the Mookini Heiau. Mr. Speaker, I ask for everybody's support. Thank you."

Representative Waters rose to speak in support of the override, stating:

"In support. May I have the words of the Chair of Tourism and Culture entered into the Journal as my own? And I just want to make one further comment. I like his new forceful voice. Thank you," and the Chair "so ordered." (By reference only.)

Representative Caldwell rose to speak in support of the override, stating:

"Same here, Mr. Speaker. In support and I would like to incorporate the words of the Tourism and Culture as if they were my own. I think it sums it up better than anyone can, on what we're doing here on this veto override. And, also, I like his new voice too. Thank you, Mr. Speaker," and the Chair "so ordered." (By reference only.)

Representative Sagum rose to speak in support of the override, stating:

"Mr. Speaker, as a Native Hawaiian, I'd like to speak in favor of this bill, and I'd like to insert the words of the previous speaker in the Journal as my own," and the Chair "so ordered." (By reference only.)

Representative Manahan rose to speak in support of the override, stating:

"Mr. Speaker, in support. I just wanted to also incorporate the words of my Chair for Tourism as my own. I would just like to add that as he mentioned that this Heiau, particular Heiau, and the oral tradition that goes along with it has been entrusted to the Kahuna Nui since 480 A.D. I really don't think it's in our place to change that. Thank you."

Representative Souki rose to speak in support of the override, stating:

"Yes, Mr. Speaker, I speak in favor and I was very impressed with the speech from the Chair of Tourism. I've never seen such expression in my time. I'm sure the spirit of Momi must be watching and giving him all the graces for the evening. Thank you very much."

Representative Berg rose to speak in support of the override, stating:

"Thank you, Mr. Speaker. I, too, would like to rise in support and incorporate the words of the Representative from Mililani. In addition, I'm looking at the concerns that the Governor has. I would like to further reiterate that this particular site, which consists of three specific areas and the spaces in between, is a nationally registered historic landmark site. We are codifying the statement that already exists in the deed signed by Governor Ariyoshi in 1978, and that is present in the Executive Order.

"I'd like to reassure my colleagues that one of the concerns is what will happen when this Kahuna Nui passes on. The next Kahuna Nui has been already selected and named. So, with that in mind, when we're talking about historic preservation sites, we're not just talking about building on one site. We're talking about the *kauna* of the land and we're talking about the history of Hawaii. So, I strongly encourage my colleagues to understand and accept that the Priest of this particular site do emanate from 480 A.D. and Auntie Momi is the seventh High Priestess. Thank you."

Representative Meyer rose to speak in support of the override, stating:

"Mr. Speaker, I'm rising in support of the override. The Mookini Heiau is, without a doubt, just an unbelievable treasure and site. Mrs. Lum has worked tirelessly to get some kind of support. I think

she should be a consultant and I'm sure she will work with other groups there because one person cannot do it all alone. Thank you."

Representative Awana rose in support of the override and asked that the remarks of Representative Berg be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Finnegan rose to speak in opposition to the override, stating:

"Thank you, Mr. Speaker. In opposition. The bill talks about the entire monument, not just the Mookini Heiau. DLNR did not testify in support. They recommended the measure be amended to limit the authority of the Kahuna Nui to just the Heiau and not the entire monument. OHA, DLNR, the Kohala Hawaiian Civic Club and individual families with interest in the area, and Kamehameha Schools ask to be included. They all asked for the measure to be amended to include them, or to defer the measure and hold Kohala community hearings to provide them with a voice. Thank you."

At this time the Chair called for a roll call vote and the motion to override the veto of S.B. No. 1816, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HISTORIC PRESERVATION" as contained in Gov. Msg. 369, was put to vote by the Chair and carried, and was approved by the required two-thirds vote of the House pursuant to Section 17 of Article III of the Constitution of the State of Hawaii on the following show of Ayes and Noes:

Ayes: 43: Awana, Belatti, Berg, Brower, Cabanilla, Caldwell, Carroll, Chang, Chong, Evans, Hanohano, Har, Herkes, Ito, Karamatsu, Lee, Luke, Magaoay, Manahan, Marumoto, McKelvey, Meyer, Mizuno, Nishimoto, B. Oshiro, M. Oshiro, Rhoads, Sagum, Saiki, Say, Shimabukuro, Sonson, Souki, Takai, Takumi, Thielen, Tokioka, Tsuji, Wakai, Ward, Waters, Yamane and Yamashita.

Noes: 3: Ching, Finnegan and Pine.

Excused: 5: Bertram, Green, Morita, Nakasone and Takamine.

At 10:43 o'clock p.m., the Chair noted that the motion to override the veto of S.B. No. 1816, SD 1, HD 1, as contained in Gov. Msg. No. 369, had carried.

Gov. Msg. No. 356, informing the House that on April 23, 2007, S.B. No. 1956, entitled: "A BILL FOR AN ACT RELATING TO THE AGREEMENT AMONG THE STATES TO ELECT THE PRESIDENT BY NATIONAL POPULAR VOTE" was vetoed.

Action on S.B. No. 1956 was deferred one legislative day.

SUSPENSION OF RULES

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the rules were suspended for the purpose of reconsidering action previously taken in disagreeing to amendments proposed by the Senate to certain House bills. (Representatives Bertram, Nakasone and Takamine were excused.)

At this time, the Chair discharged all House conferees for H.B. No. 1493, HD 2, SD 1.

The Chair then stated:

"At this time, Members of the House, before we proceed on, are there any other measures on the yellow Action Sheet where the Co-Chairs want to be discharged? Please ask the Chair at this time so we can call a short recess to give all of you the opportunity to have a 48-hour notice. We will discharge conferees, move to reconsider action taken, and move to pass for Final Reading on Thursday.

"I could just do it on Thursday, but I'm giving you, the Members of the House, an opportunity."

At 10:46 o'clock p.m., Representative Yamashita requested a recess, and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:47 o'clock p.m.

The Chair then stated:

"Did everyone understand the Chair request for the Co-Chairs of all respective bills where we had disagreed, and you were a conferee, and at this point this evening you would like to be discharged so that we can address it on Thursday on the reconsideration of the disagreement. I'm not going to give anymore chances to the Co-Chairs."

Representative Green rose, stating:

"Yes, Mr. Speaker. If it's the will of leadership and the Caucus, I will agree to be discharged from H.B. No. 1479."

At 10:48 o'clock p.m., Representative Caldwell requested a recess, and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:50 o'clock p.m.

Representative Green rose, stating:

"Yes, thank you, Mr. Speaker. I spoke in error. They're still defective dates, so it's impossible. Thank you.

At this time, the Chair announced:

"Okay, thank you very much. So, that's the only measure that I'll be discharging conferees on. House Bill 1493 on page 44, and you all are hereby discharged."

RECONSIDERATION OF ACTION TAKEN

Representative Caldwell moved that the House reconsider its action previously taken in disagreeing to the amendments proposed by the Senate, and gave notice of intent to agree to such amendments for the following House bills, seconded by Representative B. Oshiro and carried. (Representatives Bertram, Cabanilla and Takamine were excused.)

H.B. No. 211, HD 1, SD 1
H.B. No. 249, HD 1, SD 2
H.B. No. 260, SD 2
H.B. No. 277, HD 1, SD 2
H.B. No. 497, HD 2, SD 2
H.B. No. 507, HD 2, SD 1
H.B. No. 870, HD 1, SD 1
H.B. No. 1155, HD 1, SD 1
H.B. No. 1253, HD 1, SD 1
H.B. No. 1256, HD 1, SD 1
H.B. No. 1291, HD 1, SD 2
H.B. No. 1334, HD 1, SD 1
H.B. No. 1338, HD 2, SD 1
H.B. No. 1399, SD 1
H.B. No. 1493, HD 2, SD 1
H.B. No. 1570, SD 1
H.B. No. 1721, HD 1, SD 2
H.B. No. 1902, SD 1
H.B. No. 1931, SD 1

At 10:54 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:07 o'clock p.m.

FINAL READING

The following bills were taken from the Clerk's desk and the following action taken:

Representative Caldwell then moved to agree to the amendments proposed by the Senate to the following House bills, seconded by Representative B. Oshiro and carried. (Representatives Bertram, Cabanilla and Takamine were excused.)

H.B. No. 18, HD 1, SD 2
H.B. No. 25, HD 1, SD 1
H.B. No. 272, HD 1, SD 1
H.B. No. 513, SD 1
H.B. No. 1044, HD 1, SD 2
H.B. No. 1207, SD 1
H.B. No. 1227, HD 1, SD 1
H.B. No. 1323, SD 1
H.B. No. 1361, HD 1, SD 1
H.B. No. 1411, HD 2, SD 1
H.B. No. 1500, HD 2, SD 2

The Chair addressed the Clerk who announced that the record of vote forms for the aforementioned bills had been received, and a quorum was present at the respective decision making sessions with a majority of the managers present voting in the affirmative.

H.B. No. 18, H.D. 1, S.D. 2:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 18, H.D. 1, on the following showing of Ayes and Noes:

Ayes, 3 (Takumi, Waters and Ching). Noes, none. Excused, 1 (Sonson).

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 18, H.D. 1 and H.B. No. 18, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 48 ayes, with Representatives Bertram, Cabanilla and Takamine being excused.

H.B. No. 25, H.D. 1, S.D. 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 25, H.D. 1, on the following showing of Ayes and Noes:

Ayes, 3 (Takumi, Sonson and Ching). Noes, none. Excused, none.

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 25, H.D. 1 and H.B. No. 25, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TEACHER LICENSING," passed Final Reading by a vote of 48 ayes, with Representatives Bertram, Cabanilla and Takamine being excused.

H.B. No. 272, H.D. 1, S.D. 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 272, H.D. 1, on the following showing of Ayes and Noes:

Ayes, 2 (Herkes and McKelvey). Noes, none. Excused, 1 (Marumoto).

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 272, H.D. 1 and H.B. No. 272, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE COMPANIES," passed Final Reading by a vote of 48 ayes, with Representatives Bertram, Cabanilla and Takamine being excused.

H.B. No. 513, S.D. 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 513, on the following showing of Ayes and Noes:

Ayes, 2 (M. Oshiro and Magaoay). Noes, none. Excused, 1 (Ward).

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 513 and H.B. No. 513, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GRANTS-IN-AID," passed Final Reading by a vote of 48 ayes, with Representatives Bertram, Cabanilla and Takamine being excused.

H.B. No. 1044, H.D. 1, S.D. 2:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1044, H.D. 1, on the following showing of Ayes and Noes:

Ayes, 3 (Shimabukuro, Green and Rhoads). Noes, none. Excused, 1 (Ching).

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1044, H.D. 1 and H.B. No. 1044, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS," passed Final Reading by a vote of 48 ayes, with Representatives Bertram, Cabanilla and Takamine being excused.

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

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1207, on the following showing of Ayes and Noes:

Ayes, 3 (M. Oshiro, Lee and Awana). Noes, none. Excused, none.

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1207 and H.B. No. 1207, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DISHONORED PAYMENTS," passed Final Reading by a vote of 40 ayes to 8 noes, with Representatives Brower, Ching, Finnegan,

Marumoto, Meyer, Pine, Thielen and Ward voting no, and with Representatives Bertram, Cabanilla and Takamine being excused.

H.B. No. 1227, H.D. 1, S.D. 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1227, H.D. 1, on the following showing of Ayes and Noes:

Ayes, 2 (M. Oshiro and Lee). Noes, none. Excused, 1 (Ward).

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1227, H.D. 1 and H.B. No. 1227, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR RISK MANAGEMENT," passed Final Reading by a vote of 48 ayes, with Representatives Bertram, Cabanilla and Takamine being excused.

H.B. No. 1323, S.D. 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1323, on the following showing of Ayes and Noes:

Ayes, 3 (Herkes, Tokioka and Marumoto). Noes, none. Excused, none.

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1323 and H.B. No. 1323, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE," passed Final Reading by a vote of 48 ayes, with Representatives Bertram, Cabanilla and Takamine being excused.

H.B. No. 1361, H.D. 1, S.D. 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1361, H.D. 1, on the following showing of Ayes and Noes:

Ayes, 4 (Shimabukuro, Rhoads, Hanohano and Awana). Noes, none. Excused, none.

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1361, H.D. 1 and H.B. No. 1361, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING," passed Final Reading by a vote of 48 ayes, with Representatives Bertram, Cabanilla and Takamine being excused.

H.B. No. 1411, H.D. 2, S.D. 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1411, H.D. 2, on the following showing of Ayes and Noes:

Ayes, 4 (M. Oshiro, Lee, Chong and Ward). Noes, none. Excused, none.

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1411, H.D. 2 and

H.B. No. 1411, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONFORMITY OF THE HAWAII INCOME TAX LAW TO THE INTERNAL REVENUE CODE," passed Final Reading by a vote of 48 ayes, with Representatives Bertram, Cabanilla and Takamine being excused.

H.B. No. 1500, H.D. 2, S.D. 2:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1500, H.D. 2, on the following showing of Ayes and Noes:

Ayes, 3 (Sonson, Nakasone and Marumoto). Noes, none. Excused, none.

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1500, H.D. 2 and H.B. No. 1500, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY," passed Final Reading by a vote of 48 ayes, with Representatives Bertram, Cabanilla and Takamine being excused.

At 11:13 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 18, H.D. 1, S.D. 2
 H.B. No. 25, H.D. 1, S.D. 1
 H.B. No. 272, H.D. 1, S.D. 1
 H.B. No. 513, S.D. 1
 H.B. No. 1044, H.D. 1, S.D. 2
 H.B. No. 1207, S.D. 1
 H.B. No. 1227, H.D. 1, S.D. 1
 H.B. No. 1323, S.D. 1
 H.B. No. 1361, H.D. 1, S.D. 1
 H.B. No. 1411, H.D. 2, S.D. 1
 H.B. No. 1500, H.D. 2, S.D. 2

ANNOUNCEMENTS

Representative Ward: "Mr. Speaker, I have the pleasure to announce that Representative Evans and Representative Ching will be honored tomorrow by the Historic Hawaii Foundation with the highest prestigious Hawaii Preservation Awards for the work on Heritage Caucus of which we are now 75% members. It'll be on the Island Princess at 5:00 p.m. Congratulations to Representatives Evans and Ching."

Speaker Say: "Representative Caldwell, would like to make an announcement on behalf of the Members of the House in regards to a young man whose wife gave birth? Do you want to do it Chair Waters? The Chair recognizes Representative Waters."

Representative Waters: "Thank you, Mr. Speaker. I'm happy to announce, and this is probably old news to most of you, that on Friday, April 27, at 7:48 a.m., my wife gave birth to a bouncing baby boy. He was 8 pounds, 7 ounces, and his name is Thomas James Kaehukai Waters. Thank you for letting me go to the birth on Friday morning. It was in the middle of Conference Committee, but thank you guys."

At 11:15 o'clock p.m., Representative Finnegan requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:17 o'clock p.m.

Representative Caldwell: "Mr. Speaker, I do have one other announcement. So many people have worked so hard back starting

on Friday and then this week. I think on behalf of both the Majority Caucus and the Minority Caucus, we want to thank our personal staffs, but also the Chief Clerk's staff, who has operated under a lot of pressure and have come through very well without showing any sweat. To the Sergeant-at-Arms for their help in keeping us on schedule. And, of course, HMSO, for their review of all the bills and Committee Reports. We want to thank all of them very much for helping us get to the goal that we're at tonight. Thank you."

Representative Thielen: "Thank you. And I'd also like to thank the staff that keeps this building shining, particularly, Annie on the Fourth Floor, who is absolutely outstanding. She is always helpful, always with a smile."

Representative Magaoay: "Thank you, Speaker. Just adding to what the Majority Leader said. Our thanks to the LRB staff, also. Thank you."

Representative Tokioka: "And, Mr. Speaker, one other comment is we'd also like to thank the Printshop. If you go in there, there's a lot of trees in there. But they've done an excellent job in giving us our information, and I'd also like to acknowledge them. Thank you, Mr. Speaker."

At this time, the Chair stated:

"So, before closing, I just wanted to share with all of you, thank you very much for a wonderful day, even though it was a little long. But we really enjoyed the debate this morning, this afternoon, and this evening."

ADJOURNMENT

Representative B. Oshiro moved that the House of Representatives adjourned until 9:00 o'clock a.m., Thursday, May 3, 2007.

Representative Meyer: "Mr. Speaker, I'm not going to second that. I thought we were starting at 10:00."

Speaker Say: "No. We decided to start at 9:00 because you also want to finish early. There two individuals who will be catching a flight Thursday afternoon, and whatever we can do to finish the eleven pages on tonight's Supplemental Calendar #1, and the floor amendments which we will also be taking up Thursday. So if we could, I would like to finish on Thursday by 6:00 in the evening. Or it may be longer. It took us, for the same amount of pages, twelve pages, all this morning, this afternoon, and this evening to accomplish this. And that's with the Consent Calendar. So when you think about it, I'm just trying to run this Chamber very efficiently. I would love to start at 9:00."

Representative Meyer: "Okay, I had seen it in the Order of the Day as 10:00, so I thought it was a mistake. Thank you for explaining that."

Speaker Say: "And I need to apologize to all of you because tomorrow night is the House staff party and I think a lot of the staff would like to have a nice time there. But, just be home by 10:00 in the evening."

Representative Meyer then seconded the motion and at 11:20 o'clock p.m., the House of Representatives adjourned until 9:00 a.m. Thursday, May 3, 2007. (Representatives Bertram, Cabanilla, McKelvey, Nakasone, Saiki and Takamine were excused.)

GOVERNOR'S MESSAGE

The following message from the Governor (Gov. Msg. No. 375) was received by the Clerk and was placed on file:

Gov. Msg. No. 375, transmitting H.B. No. 910, HD 1, SD 1, without her approval and statement of objections relating to the measure as follows:

"EXECUTIVE CHAMBERS
HONOLULU
May 1, 2007

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 910

Honorable Members
Twenty-Fourth Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 910, entitled "A Bill for an Act Relating to Public Financial Disclosure Statements."

The purpose of this bill is to make the financial disclosure statements of the members of ten boards and commissions a matter of public record and available for inspection and duplication.

This bill is objectionable because it will adversely impact the ability of the State to attract knowledgeable and qualified volunteers to serve on boards and commissions.

Members of boards and commissions already file annual financial disclosure statements with the Ethics Commission. This allows members of the Ethics Commission to determine if conflicts of interest exist. These forms are not made public thus affording a careful balancing of the interests of the public and the privacy of the volunteers who serve. Subjecting a board member's personal financial, proprietary, and commercial information to public disclosure and duplication could adversely affect the ability of these individuals to conduct their business and maintain the confidentiality of their personal assets.

Second, this bill fails to recognize the safeguards already in place to ensure ethical behavior by board and commission members. Board and commission decisions are already subject to the Sunshine law requiring open meetings and public recording of the proceedings. Members of the public who are concerned that a conflict may exist have a reasonable opportunity to raise that concern. Furthermore, members of the public can request the Ethics Commission to investigate a commissioner or board member if they believe a conflict may be present.

Many board and commission members are subject to confirmation by the State Senate. The Senate has the opportunity and an obligation through this process to ensure that the members they are confirming will live up to the highest ethical standards of the State. Additionally, some boards, such as the Board of Land and Natural Resources, are already subject to statutorily mandated disclosure rules that require a member to disqualify themselves from voting or participation in a discussion where they have a direct or indirect interest. This bill fails to recognize these existing safeguards.

Third, this bill singles out ten specific boards and commissions but fails to address why these boards should be subject to public disclosure while numerous other boards and commissions that serve the State will not be subject to the same requirements. Furthermore, this bill attempts to improperly equate members of boards and commissions who serve without compensation as if they were the same as paid State employees or elected officials. If this proposed bill applied only to the Public Utilities Commissioners, it would be an acceptable measure since these commissioners are full-time paid members during their tenure.

Finally, the bill is objectionable because it would change the requirements of financial disclosure in mid-stream. Because this bill would take effect upon approval it would subject existing board and commission members to new rules that were not in place at the time

they agreed to serve and were appointed to their positions. Changing the rules is both unfair and inappropriate to those who are giving of their time and talents to improve the operations of State government. If the measure applied prospectively, then it would be less onerous than as currently written.

My Administration has consistently supported open and timely disclosure of potential conflicts by members of all State boards and commissions. However, this disclosure should be handled in a manner that is appropriate to the specific board, such as the current statutory requirements applicable to the Board of Land and Natural Resources. This bill fails to meet that standard.

For the foregoing reasons, I am returning House Bill No. 910 without my approval.

Respectfully,

LINDA LINGLE
Governor of Hawaii"

HOUSE COMMUNICATIONS

"Legislative Communication

Hawaii State Legislature
State Capitol
Honolulu, Hawaii 96813

Communication from President Colleen Hanabusa
and Speaker Calvin K.Y. Say
dated April 28, 2007 12:05 a.m.

regarding the Extension of Conference Committee Deadlines

TO: Ms. Carol T. Taniguchi, Clerk of the Senate
Ms. Patricia Mau-Shimizu, Clerk of the House

We hereby amend the Joint 2007 Legislative Calendar as follows:

The Final Decking deadline of April 27, 2007 12:00 midnight previously agreed upon notwithstanding, committees on conference shall be allowed to continue the preparation of conference drafts and the signing of conference committee reports for measures agreed upon prior to 12:00 midnight. Agreed upon and signed conference committee reports shall be submitted to your respective offices by 12:00 noon on April 28, 2007.

Said measures submitted to your respective offices by 12:00 noon on April 28, 2007 shall be officially filed on Tuesday, May 1, 2007 at 8:00 [sic] a.m. for compliance with Section 15 of the Hawaii State Constitution.

/s/
Colleen Hanabusa
Senate President

/s/
Calvin K.Y. Say
House Speaker"

House Communication dated May 1, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that H.B. No. 500, HD 1, SD 1, CD 1, has this day passed Final Reading in the House of Representatives.

House Communication dated May 1, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the following bills have this day passed Final Reading in the House of Representatives:

HB 13, H.D. 1, S.D. 1, C.D. 1

HB 14, H.D. 1, S.D. 1, C.D. 1
 HB 15, H.D. 2, S.D. 2, C.D. 1
 HB 30, H.D. 2, S.D. 1, C.D. 1
 HB 34, S.D. 2, C.D. 1
 HB 71, H.D. 2, S.D. 2, C.D. 1
 HB 116, H.D. 2, S.D. 1, C.D. 1
 HB 122, H.D. 1, S.D. 1, C.D. 1
 HB 155, H.D. 1, S.D. 2, C.D. 1
 HB 162, H.D. 1, S.D. 2, C.D. 1
 HB 250, H.D. 2, S.D. 2, C.D. 1
 HB 275, H.D. 1, S.D. 2, C.D. 1
 HB 334, H.D. 1, S.D. 1, C.D. 1
 HB 349, S.D. 1, C.D. 1
 HB 375, H.D. 1, S.D. 2, C.D. 1
 HB 402, H.D. 1, S.D. 2, C.D. 1
 HB 436, H.D. 1, S.D. 1, C.D. 1
 HB 487, H.D. 1, S.D. 1, C.D. 1
 HB 500, H.D. 1, S.D. 1, C.D. 1
 HB 506, H.D. 1, S.D. 1, C.D. 1
 HB 598, H.D. 1, S.D. 1, C.D. 1
 HB 667, H.D. 1, S.D. 2, C.D. 1
 HB 692, H.D. 2, S.D. 1, C.D. 1
 HB 714, H.D. 2, S.D. 1, C.D. 1
 HB 718, S.D. 2, C.D. 1
 HB 791, H.D. 1, S.D. 1, C.D. 1
 HB 835, H.D. 2, S.D. 1, C.D. 1
 HB 869, H.D. 1, S.D. 2, C.D. 1
 HB 895, H.D. 2, S.D. 1, C.D. 1
 HB 1005, H.D. 2, S.D. 1, C.D. 1
 HB 1063, S.D. 1, C.D. 1
 HB 1130, H.D. 1, S.D. 1, C.D. 1
 HB 1200, H.D. 1, S.D. 2, C.D. 1
 HB 1212, H.D. 2, S.D. 2, C.D. 1
 HB 1231, H.D. 2, S.D. 2, C.D. 1
 HB 1246, H.D. 1, S.D. 1, C.D. 1
 HB 1264, S.D. 1, C.D. 1
 HB 1322, S.D. 1, C.D. 1
 HB 1337, H.D. 1, S.D. 1, C.D. 1
 HB 1364, H.D. 2, S.D. 1, C.D. 1
 HB 1370, H.D. 1, S.D. 1, C.D. 1
 HB 1372, H.D. 1, S.D. 1, C.D. 1
 HB 1503, H.D. 1, S.D. 1, C.D. 1
 HB 1518, H.D. 1, S.D. 2, C.D. 1
 HB 1605, H.D. 1, S.D. 1, C.D. 1
 HB 1608, S.D. 3, C.D. 1
 HB 1612, S.D. 1, C.D. 1
 HB 1614, H.D. 2, S.D. 2, C.D. 1
 HB 1628, H.D. 1, S.D. 1, C.D. 1
 HB 1630, H.D. 2, S.D. 2, C.D. 1
 HB 1646, H.D. 2, S.D. 1, C.D. 1
 HB 1830, H.D. 2, S.D. 2, C.D. 1
 HB 1899, H.D. 2, S.D. 2, C.D. 1
 SB 12, S.D. 2, H.D. 2, C.D. 1
 SB 17, S.D. 2, H.D. 2, C.D. 1
 SB 46, S.D. 1, H.D. 1, C.D. 1
 SB 56, S.D. 1, H.D. 1, C.D. 1
 SB 58, S.D. 2, H.D. 1, C.D. 1
 SB 138, S.D. 1, H.D. 1, C.D. 1
 SB 139, S.D. 1, H.D. 1, C.D. 1
 SB 149, S.D. 1, H.D. 1, C.D. 1
 SB 162, S.D. 1, H.D. 2, C.D. 1
 SB 188, S.D. 2, H.D. 1, C.D. 1
 SB 228, S.D. 1, H.D. 1, C.D. 1
 SB 618, H.D. 1, C.D. 1
 SB 667, S.D. 3, H.D. 2, C.D. 1
 SB 678, S.D. 1, H.D. 1, C.D. 1
 SB 755, S.D. 1, H.D. 1, C.D. 1
 SB 795, S.D. 2, H.D. 1, C.D. 1
 SB 837, S.D. 2, H.D. 2, C.D. 1
 SB 866, S.D. 1, H.D. 1, C.D. 1
 SB 870, S.D. 1, H.D. 2, C.D. 1
 SB 880, S.D. 2, H.D. 2, C.D. 1
 SB 896, S.D. 1, H.D. 2, C.D. 1

SB 987, S.D. 1, H.D. 2, C.D. 1
 SB 990, S.D. 2, H.D. 3, C.D. 1
 SB 992, S.D. 1, H.D. 2, C.D. 1
 SB 1004, S.D. 2, H.D. 2, C.D. 1
 SB 1008, S.D. 1, H.D. 2, C.D. 1
 SB 1017, H.D. 1, C.D. 1
 SB 1026, S.D. 2, H.D. 3, C.D. 1
 SB 1060, S.D. 1, H.D. 2, C.D. 1
 SB 1066, S.D. 2, H.D. 2, C.D. 1
 SB 1154, S.D. 2, H.D. 2, C.D. 1
 SB 1161, S.D. 1, H.D. 1, C.D. 1
 SB 1182, S.D. 2, H.D. 1, C.D. 1
 SB 1191, S.D. 2, H.D. 2, C.D. 1
 SB 1222, S.D. 3, H.D. 2, C.D. 1
 SB 1228, S.D. 1, H.D. 1, C.D. 1
 SB 1284, S.D. 2, H.D. 2, C.D. 1
 SB 1315, S.D. 2, H.D. 1, C.D. 1
 SB 1372, S.D. 1, H.D. 1, C.D. 1
 SB 1382, S.D. 1, H.D. 1, C.D. 1
 SB 1388, S.D. 1, H.D. 1, C.D. 1
 SB 1400, S.D. 2, H.D. 3, C.D. 1
 SB 1402, S.D. 1, H.D. 1, C.D. 1
 SB 1425, S.D. 2, H.D. 1, C.D. 1
 SB 1515, S.D. 2, H.D. 2, C.D. 1
 SB 1603, S.D. 2, H.D. 2, C.D. 1
 SB 1665, H.D. 1, C.D. 1
 SB 1672, S.D. 2, H.D. 3, C.D. 1
 SB 1675, S.D. 1, H.D. 1, C.D. 1
 SB 1676, S.D. 2, H.D. 1, C.D. 1
 SB 1750, S.D. 1, H.D. 1, C.D. 1
 SB 1779, H.D. 3, C.D. 1
 SB 1833, S.D. 1, H.D. 1, C.D. 1
 SB 1853, S.D. 2, H.D. 2, C.D. 1
 SB 1882, S.D. 2, H.D. 1, C.D. 1
 SB 1916, S.D. 2, H.D. 3, C.D. 1
 SB 1924, S.D. 2, H.D. 2, C.D. 1
 SB 1929, S.D. 2, H.D. 2, C.D. 1
 SB 1943, S.D. 2, H.D. 2, C.D. 1
 SB 1946, S.D. 2, H.D. 2, C.D. 1

House Communication dated May 1, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House reconsidered its action taken in disagreeing to the amendments made by the Senate on March 27, 2007 to H.B. No. 1253, HD 1, SD 1.

House Communication dated May 1, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House reconsidered its action taken in disagreeing to the amendments made by the Senate on April 5, 2007 to H.B. No. 870, HD 1, SD 1

House Communication dated May 1, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House reconsidered its action taken in disagreeing to the amendments made by the Senate on April 5, 2007 to H.B. No. 1334, HD 1, SD 1.

House Communication dated May 1, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House reconsidered its action taken in disagreeing to the amendments made by the Senate on April 5, 2007 to H.B. No. 1902, SD 1

House Communication dated May 1, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House reconsidered its action taken in disagreeing to the amendments made by the Senate on April 10, 2007 to H.B. No. 1338, HD 2, SD 1

House Communication dated May 1, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House reconsidered its action taken in disagreeing to the amendments made by the Senate on April 10, 2007 to H.B. No. 1931, SD 1

House Communication dated May 1, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House reconsidered its action taken in disagreeing to the amendments made by the Senate on April 12, 2007 to the following House Bills:

HB No. 211, HD 1, SD 1
 HB No. 249, HD 1, SD 2
 HB No. 260, SD 2
 HB No. 277, HD 1, SD 2
 HB No. 497, HD 2, SD 2
 HB No. 507, HD 2, SD 1
 HB No. 1155, HD 1, SD 1
 HB No. 1256, HD 1, SD 1
 HB No. 1291, HD 1, SD 2
 HB No. 1399, SD 1
 HB No. 1493, HD 2, SD 1
 HB No. 1570, SD 1
 HB No. 1721, HD 1, SD 2

House Communication dated May 1, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has discharged all House Conferees to H.B. No. 1493, HD 2, SD 1.

House Communication dated May 1, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has reconsidered H.B. No. 10, SD 1, heretofore vetoed as set forth in Governor's Message dated April 27, 2007, and approved said bill by an affirmative vote of two-thirds of all members of which the House of Representatives of the Twenty-fourth Legislature of the State of Hawaii, is entitled.

House Communication dated May 1, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has reconsidered H.B. No. 853, HD 2, heretofore vetoed as set forth in Governor's Message dated April 13, 2007, and approved said bill by an affirmative vote of two-thirds of all members of which the House of Representatives of the Twenty-fourth Legislature of the State of Hawaii, is entitled.

House Communication dated May 1, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has reconsidered H.B. No. 854, HD 1, SD 1 heretofore vetoed as set forth in Governor's Message dated May 1, 2007, and approved said bill by an affirmative vote of two-thirds of all members of which the House of Representatives of the Twenty-fourth Legislature of the State of Hawaii, is entitled.

House Communication dated May 1, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has reconsidered H.B. No. 861, HD 1, SD 1, heretofore vetoed as set forth in Governor's Message dated May 1, 2007, and approved said bill by an affirmative vote of two-thirds of all members of which the House of Representatives of the Twenty-fourth Legislature of the State of Hawaii, is entitled.

House Communication dated May 1, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has reconsidered H.B. No. 863, HD 1, heretofore vetoed as set forth in Governor's Message dated April 24, 2007, and approved said bill by an affirmative vote of two-thirds of all members of which the House of Representatives of the Twenty-fourth Legislature of the State of Hawaii, is entitled.

House Communication dated May 1, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has reconsidered H.B. No. 1672 heretofore vetoed as set forth in Governor's Message dated April 16, 2007, and approved said bill by an affirmative vote of two-thirds of all members of which the House of Representatives of the Twenty-fourth Legislature of the State of Hawaii, is entitled.

House Communication dated May 1, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has reconsidered S.B. No. 14, SD 1, HD 1, heretofore vetoed as set forth in Governor's Message dated April 18, 2007, and approved said bill by an affirmative vote of two-thirds of all members of which the House of Representatives of the Twenty-fourth Legislature of the State of Hawaii, is entitled.

House Communication dated May 1, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has reconsidered S.B. No. 1063, SD 1, HD 1, heretofore vetoed as set forth in Governor's Message dated April 25, 2007, and approved said bill by an affirmative vote of two-thirds of all members of which the House of Representatives of the Twenty-fourth Legislature of the State of Hawaii, is entitled.

House Communication dated May 1, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has reconsidered S.B. No. 1642, SD 1, HD 1 heretofore vetoed as set forth in Governor's Message dated April 24, 2007, and approved said bill by an affirmative vote of two-thirds of all members of which the House of Representatives of the Twenty-fourth Legislature of the State of Hawaii, is entitled.

House Communication dated May 1, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has reconsidered S.B. No. 1816, SD 1, HD 1 heretofore vetoed as set forth in Governor's Message dated April 26, 2007, and approved said bill by an affirmative vote of two-thirds of all members of which the House of Representatives of the Twenty-fourth Legislature of the State of Hawaii, is entitled.

House Communication dated May 1, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the

Honorable President and Members of the Senate, transmitting S.C.R. No. 226, which was adopted by the House of Representatives.

House Communication dated May 1, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that S.C.R. No. 209, HD 1, CD 1, has been adopted in Final Form by the House of Representatives.