

SIXTIETH DAY

Thursday, May 3, 2007

The House of Representatives of the Twenty-Fourth Legislature of the State of Hawaii, Regular Session of 2007, convened at 9:16 o'clock a.m., with the Speaker presiding.

The invocation was delivered by Representative Josh Green, M.D., after which the Roll was called showing all members present with the exception of Representatives Bertram, Cabanilla and Takamine, who were excused.

On motion by Representative B. Oshiro, seconded by Representative Meyer and carried, reading of the Journals was dispensed with and the Journals of the Forty-Seventh, Forty-Eighth, Forty-Ninth, Fiftieth, Fifty-First, Fifty-Second and Fifty-Third Days were approved. (Representatives Bertram, Cabanilla and Takamine were excused.)

GOVERNOR'S MESSAGES

The following messages from the Governor (Gov. Msg. Nos. 376 through 384) were received and announced by the Clerk and were placed on file:

Gov. Msg. No. 376, informing the House that on May 1, 2007, the following bill was signed into law:

H.B. No. 1248, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO NAME CHANGES." (ACT 047)

Gov. Msg. No. 377, informing the House that on May 1, 2007, the following bill was signed into law:

H.B. No. 1103, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ASIAN LUNAR NEW YEAR COMMEMORATION." (ACT 048)

Gov. Msg. No. 378, informing the House that on May 1, 2007, the following bill was signed into law:

H.B. No. 1328, HD 2, SD 2, entitled: "A BILL FOR AN ACT RELATING TO SENTENCING OF REPEAT OFFENDERS." (ACT 049)

Gov. Msg. No. 379, informing the House that on May 1, 2007, the following bill was signed into law:

H.B. No. 1336, SD 1, entitled: "A BILL FOR AN ACT RELATING TO SANCTIONS FOR VIOLATIONS BY MORTGAGE BROKERS AND SOLICITORS COMMITTED AGAINST ELDERS." (ACT 050)

Gov. Msg. No. 380, informing the House that on May 1, 2007, the following bill was signed into law:

S.B. No. 1457, SD 2, HD 2, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR THE DEVELOPMENTAL DISABILITIES DIVISION OF THE DEPARTMENT OF HEALTH." (ACT 051)

Gov. Msg. No. 381, informing the House that on May 1, 2007, the following bill was signed into law:

H.B. No. 1750, HD 2, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT." (ACT 052)

Gov. Msg. No. 382, informing the House that on May 1, 2007, the following bill was signed into law:

H.B. No. 1018, HD 2, SD 2, entitled: "A BILL FOR AN ACT RELATING TO LIQUOR." (ACT 053)

Gov. Msg. No. 383, informing the House that on May 1, 2007, the following bill was signed into law:

H.B. No. 389, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS." (ACT 54)

Gov. Msg. No. 384, informing the House that on May 1, 2007, the following bill was signed into law:

H.B. No. 1513, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTION OFFENSES." (ACT 055)

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 883 and 892) were received and announced by the Clerk and were placed on file:

Sen. Com. No. 883, transmitting H.C.R. No. 162, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING CERTAIN ACTION CONCERNING THE CONDUCTING OF A TEST TO CONVERT H-POWER ASH TO REUSABLE MATERIAL," which was adopted by the Senate on May 1, 2007.

Sen. Com. No. 884, transmitting H.B. No. 429, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST SACRED HEARTS ACADEMY," which passed Third Reading in the Senate on May 1, 2007.

Sen. Com. No. 885, transmitting H.B. No. 504, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR LE JARDIN ACADEMY," which passed Third Reading in the Senate on May 1, 2007.

Sen. Com. No. 886, transmitting H.B. No. 581, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR HANALANI SCHOOLS," which passed Third Reading in the Senate on May 1, 2007.

Sen. Com. No. 887, transmitting H.B. No. 1307, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO BUSINESS REGISTRATION," which passed Third Reading in the Senate on May 1, 2007.

Sen. Com. No. 888, transmitting H.B. No. 1907, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES," which passed Third Reading in the Senate on May 1, 2007.

Sen. Com. No. 889, dated May 1, 2007, informing the House that the following bills have this day passed Final Reading:

S.B. No. 1008, "RELATING TO ANNUITIES."
S.D. 1, H.D. 2,
C.D. 1

S.B. No. 1675, "RELATING TO AUTOMATED EXTERNAL S.D. 1, H.D. 1, DEFIBRILLATORS."
C.D. 1

S.B. No. 1425, S.D. 2, H.D. 1, C.D. 1	"RELATING TO CONTRACTOR LICENSING REQUIREMENTS DURING A STATE OF EMERGENCY OR DISASTER."	S.B. No. 17, S.D. 2, H.D. 2, C.D. 1	"RELATING TO PROCUREMENT."
S.B. No. 870, S.D. 1, H.D. 2, C.D. 1	"RELATING TO THE DESIGNATION OF A HAWAII ARCHAEOLOGICAL DATA SURVEY."	S.B. No. 12, S.D. 2, H.D. 2, C.D. 1	"RELATING TO HEALTH INSURANCE RATE REGULATION."
S.B. No. 866, S.D. 1, H.D. 1, C.D. 1	"RELATING TO TOURISM."	S.B. No. 678, S.D. 1, H.D. 1, C.D. 1	"RELATING TO GENERAL EXCISE TAX."
S.B. No. 1750, S.D. 1, H.D. 1, C.D. 1	"RELATING TO HEALTH."	S.B. No. 1284, S.D. 2, H.D. 2, C.D. 1	"RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM."
S.B. No. 58, S.D. 2, H.D. 1, C.D. 1	"RELATING TO DENTISTS."	H.B. No. 1646, H.D. 2, S.D. 1, C.D. 1	"RELATING TO PESTICIDES."
S.B. No. 188, S.D. 2, H.D. 1, C.D. 1	"RELATING TO THE SMALL BUSINESS REGULATORY FLEXIBILITY ACT."	H.B. No. 1628, H.D. 1, S.D. 1, C.D. 1	"RELATING TO HAWAII MACADAMIA NUT PRODUCT LABELING."
S.B. No. 1315, S.D. 2, H.D. 1, C.D. 1	"RELATING TO THE ACCESS HAWAII COMMITTEE."	H.B. No. 349, S.D. 1, C.D. 1	"RELATING TO COUNTY REGULATION OF COMMERCIAL BICYCLE TOURS."
S.B. No. 46, S.D. 1, H.D. 1, C.D. 1	"RELATING TO GOVERNMENT OPERATIONS."	H.B. No. 714, H.D. 2, S.D. 1, C.D. 1	"RELATING TO EMERGENCY VEHICLES."
S.B. No. 987, S.D. 1, H.D. 2, C.D. 1	"RELATING TO RENEWABLE ENERGY."	H.B. No. 1264, S.D. 1, C.D. 1	"RELATING TO HOUSING."
S.B. No. 1943, S.D. 2, H.D. 2, C.D. 1	"RELATING TO ENERGY."	H.B. No. 1612, S.D. 1, C.D. 1	"RELATING TO CONSUMER CREDIT REPORTING AGENCIES."
S.B. No. 56, S.D. 1, H.D. 1, C.D. 1	"RELATING TO JURY SERVICE."	H.B. No. 487, H.D. 1, S.D. 1, C.D. 1	"RELATING TO HOUSING PROGRAMS."
S.B. No. 1400, S.D. 2, H.D. 3, C.D. 1	"RELATING TO FINANCIAL ABUSE."	H.B. No. 375, H.D. 1, S.D. 2, C.D. 1	"RELATING TO PEDESTRIANS' RIGHT OF WAY."
S.B. No. 1161, S.D. 1, H.D. 1, C.D. 1	"RELATING TO DOMESTIC ABUSE."	H.B. No. 1518, H.D. 1, S.D. 2, C.D. 1	"RELATING TO DESIGN PROFESSIONALS."
S.B. No. 228, S.D. 1, H.D. 1, C.D. 1	"RELATING TO GRAFFITI."	H.B. No. 402, H.D. 1, S.D. 2, C.D. 1	"RELATING TO THE LAND CONSERVATION FUND."
S.B. No. 162, S.D. 1, H.D. 2, C.D. 1	"RELATING TO IOLANI PALACE."	H.B. No. 116, H.D. 2, S.D. 1, C.D. 1	"RELATING TO TELECOMMUNICATIONS."
S.B. No. 1182, S.D. 2, H.D. 1, C.D. 1	"RELATING TO NEEDS ALLOWANCE."	H.B. No. 1322, S.D. 1, C.D. 1	"RELATING TO INSURANCE LICENSING."
S.B. No. 1222, S.D. 3, H.D. 2, C.D. 1	"RELATING TO INCOME TAXATION."	H.B. No. 155, H.D. 1, S.D. 2, C.D. 1	"RELATING TO THE DEPARTMENT OF TRANSPORTATION."
S.B. No. 1929, S.D. 2, H.D. 2, C.D. 1	"RELATING TO PUBLIC PROCUREMENT."	H.B. No. 1899, H.D. 2, S.D. 2, C.D. 1	"RELATING TO KAWAI NUI MARSH."
		S.B. No. 1515, S.D. 2, H.D. 2, C.D. 1	"RELATING TO THE DEPARTMENT OF TRANSPORTATION."

S.B. No. 1779, H.D. 3, C.D. 1	"RELATING TO CHILDREN."	H.B. No. 1130, H.D. 1, S.D. 1, C.D. 1	"RELATING TO CAMPAIGN SPENDING."
S.B. No. 992, S.D. 1, H.D. 2, C.D. 1	"RELATING TO ENERGY."	H.B. No. 895, H.D. 2, S.D. 1, C.D. 1	"RELATING TO MOTOR VEHICLES."
S.B. No. 139, S.D. 1, H.D. 1, C.D. 1	"RELATING TO CIGARETTE TAX."	H.B. No. 14, H.D. 1, S.D. 1, C.D. 1	"RELATING TO EDUCATION."
S.B. No. 755, S.D. 1, H.D. 1, C.D. 1	"RELATING TO COUNTY ETHICS COMMISSIONS."	H.B. No. 275, H.D. 1, S.D. 2, C.D. 1	"RELATING TO THE UNIFORM ATHLETE AGENTS ACT."
S.B. No. 618, H.D. 1, C.D. 1	"RELATING TO EDUCATION."	H.B. No. 30, H.D. 2, S.D. 1, C.D. 1	"RELATING TO INTERNATIONAL TRADE AGREEMENTS."
S.B. No. 667, S.D. 3, H.D. 2, C.D. 1	"RELATING TO MENTAL HEALTH COUNSELORS."	H.B. No. 1364, H.D. 2, S.D. 1, C.D. 1	"RELATING TO THE STATE RENT SUPPLEMENT PROGRAM."
S.B. No. 1924, S.D. 2, H.D. 2, C.D. 1	"RELATING TO LANDS CONTROLLED BY THE STATE."	H.B. No. 250, H.D. 2, S.D. 2, C.D. 1	"RELATING TO ALOHA TOWER DEVELOPMENT CORPORATION."
S.B. No. 1665, H.D. 1, C.D. 1	"RELATING TO ANIMALS."	H.B. No. 34, S.D. 2, C.D. 1	"RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM."
S.B. No. 1833, S.D. 1, H.D. 1, C.D. 1	"RELATING TO FAMILY LEAVE."	H.B. No. 1005, H.D. 2, S.D. 1, C.D. 1	"RELATING TO THE PUBLIC UTILITIES COMMISSION."
S.B. No. 1004, S.D. 2, H.D. 2, C.D. 1	"RELATING TO PSYCHOLOGISTS."	H.B. No. 162, H.D. 1, S.D. 2, C.D. 1	"RELATING TO STATE FINANCES."
S.B. No. 1603, S.D. 2, H.D. 2, C.D. 1	"RELATING TO LIABILITY."	S.B. No. 1372, S.D. 1, H.D. 1, C.D. 1	"RELATING TO THE MANAGEMENT OF FINANCING AGREEMENTS."
S.B. No. 1066, S.D. 2, H.D. 2, C.D. 1	"RELATING TO INVASIVE SPECIES."	S.B. No. 1060, S.D. 1, H.D. 2, C.D. 1	"RELATING TO WORKERS' COMPENSATION LAW."
H.B. No. 71, H.D. 2, S.D. 2, C.D. 1	"RELATING TO NURSE AIDES."	H.B. No. 506, H.D. 1, S.D. 1, C.D. 1	"RELATING TO ETHANOL."
H.B. No. 1608, S.D. 3, C.D. 1	"RELATING TO TRANSPORTATION."	S.B. No. 1017, H.D. 1, C.D. 1	"RELATING TO HOUSING."
H.B. No. 1337, H.D. 1, S.D. 1, C.D. 1	"RELATING TO THE DEATH CARE INDUSTRY."	S.B. No. 138, S.D. 1, H.D. 1, C.D. 1	"RELATING TO DIAMOND HEAD STATE MONUMENT."
H.B. No. 1830, H.D. 2, S.D. 2, C.D. 1	"RELATING TO CHILD PROTECTION."	S.B. No. 1191, S.D. 2, H.D. 2, C.D. 1	"RELATING TO PEDESTRIAN SAFETY."
H.B. No. 1503, H.D. 1, S.D. 1, C.D. 1	"RELATING TO EMPLOYMENT."	S.B. No. 149, S.D. 1, H.D. 1, C.D. 1	"RELATING TO STATE BONDS."
H.B. No. 791, H.D. 1, S.D. 1, C.D. 1	"RELATING TO GASOLINE."	H.B. No. 1370, H.D. 1, S.D. 1, C.D. 1	"MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HEALTH FOR THE ADULT MENTAL HEALTH DIVISION."
H.B. No. 1246, H.D. 1, S.D. 1, C.D. 1	"RELATING TO METAL."		

H.B. No. 692, H.D. 2, S.D. 1, C.D. 1	"RELATING TO AGRICULTURE."	S.B. No. 837, S.D. 2, H.D. 2, C.D. 1	"RELATING TO AGRICULTURE."
H.B. No. 1372, H.D. 1, S.D. 1, C.D. 1	"MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HEALTH FOR THE EMERGENCY MEDICAL SERVICES AND INJURY PREVENTION SYSTEM BRANCH."	H.B. No. 1231, H.D. 2, S.D. 2, C.D. 1	"MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES."
H.B. No. 1063, S.D. 1, C.D. 1	"RELATING TO THE HAWAII NATIONAL GUARD."	H.B. No. 667, H.D. 1, S.D. 2, C.D. 1	"RELATING TO KUKUI GARDENS RENTAL HOUSING COMPLEX."
H.B. No. 334, H.D. 1, S.D. 1, C.D. 1	"RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST SOPOGY INC., IN THE DEVELOPMENT OF RENEWABLE ENERGY."	H.B. No. 835, H.D. 2, S.D. 1, C.D. 1	"RELATING TO HOUSING."
H.B. No. 1614, H.D. 2, S.D. 2, C.D. 1	"RELATING TO DRUGS."	H.B. No. 1605, H.D. 1, S.D. 1, C.D. 1	"RELATING TO TRAFFIC CONTROL."
S.B. No. 1402, S.D. 1, H.D. 1, C.D. 1	"RELATING TO THE LOSS MITIGATION GRANT FUND."	H.B. No. 1212, H.D. 2, S.D. 2, C.D. 1	"RELATING TO THE JUDICIARY."
S.B. No. 896, S.D. 1, H.D. 2, C.D. 1	"RELATING TO HIGH TECHNOLOGY."	H.B. No. 1200, H.D. 1, S.D. 2, C.D. 1	"RELATING TO THE BUDGET OF THE OFFICE OF HAWAIIAN AFFAIRS."
S.B. No. 880, S.D. 2, H.D. 2, C.D. 1	"RELATING TO THE MUSEUM OF HAWAIIAN MUSIC AND DANCE."	H.B. No. 869, H.D. 1, S.D. 2, C.D. 1	"MAKING AN APPROPRIATION FOR A STUDY ON ENERGY EFFICIENT TRANSPORTATION STRATEGIES."
S.B. No. 1916, S.D. 2, H.D. 3, C.D. 1	"RELATING TO CAREGIVING."	S.B. No. 1853, S.D. 2, H.D. 2, C.D. 1	"RELATING TO NATIVE HAWAIIANS."
S.B. No. 1672, S.D. 2, H.D. 3, C.D. 1	"RELATING TO HEALTH."	S.B. No. 1382, S.D. 1, H.D. 1, C.D. 1	"MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS."
S.B. No. 1676, S.D. 2, H.D. 1, C.D. 1	"RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION."	S.B. No. 1388, S.D. 1, H.D. 1, C.D. 1	"MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS."
H.B. No. 122, H.D. 1, S.D. 1, C.D. 1	"RELATING TO STATE FUNDS."	S.B. No. 990, S.D. 2, H.D. 3, C.D. 1	"RELATING TO PETROLEUM INDUSTRY MONITORING."
H.B. No. 13, H.D. 1, S.D. 1, C.D. 1	"RELATING TO EDUCATION."	S.B. No. 1946, S.D. 2, H.D. 2, C.D. 1	"RELATING TO DAM SAFETY."
H.B. No. 1630, H.D. 2, S.D. 2, C.D. 1	"RELATING TO TECHNOLOGY WORKFORCE DEVELOPMENT."	S.B. No. 1228, S.D. 1, H.D. 1, C.D. 1	"RELATING TO HISTORICAL PRESERVATION."
H.B. No. 598, H.D. 1, S.D. 1, C.D. 1	"RELATING TO EDUCATION."	S.B. No. 1026, S.D. 2, H.D. 3, C.D. 1	"RELATING TO SOLID WASTE."
S.B. No. 1154, S.D. 2, H.D. 2, C.D. 1	"RELATING TO THE UNIVERSITY OF HAWAII."	S.B. No. 1882, S.D. 2, H.D. 1, C.D. 1	"RELATING TO TAXATION."
S.B. No. 795, S.D. 2, H.D. 1, C.D. 1	"RELATING TO BUILDING CODES."	H.B. No. 436, H.D. 1, S.D. 1, C.D. 1	"RELATING TO HUMAN SERVICES."
		H.B. No. 718, S.D. 2, C.D. 1	"RELATING TO KAKAAKO."

H.B. No. 15, "RELATING TO EDUCATION."
H.D. 2, S.D. 2,
C.D. 1

Sen. Com. No. 890, dated May 1, 2007, informing the House that the Senate has this day discharged all conferees on the part of the Senate to the following bill:

S.B. No. 798, "RELATING TO DISASTER RELIEF."
SD 3, HD 2

Sen. Com. No. 891, dated May 1, 2007, informing the House that the Senate has this day overridden the Governor's veto by a two-thirds vote of all members to which the Senate is entitled to the following bills:

S.B. No. 14, SD 1, HD 1 Governor's Message No. 768

S.B. No. 1063, SD 1, HD 1 Governor's Message No. 794

S.B. No. 1642, SD 1, HD 1 Governor's Message No. 793

S.B. No. 1816, SD 1, HD 1 Governor's Message No. 803

S.B. No. 1956 Governor's Message No. 787

Sen. Com. No. 892, dated May 1, 2007, informing the House that the Senate has on April 27, 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. 620, "RELATING TO THE ISSUANCE OF SPECIAL
SD 1, HD 1 PURPOSE REVENUE BONDS FOR HAWAII
PREPARATORY ACADEMY."

INTRODUCTIONS

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

Representative Pine introduced her staff, Ms. Lisa Shorba, Ms. Anne Atkinson, and Office Manager, Mr. John Gollner.

Representative Finnegan introduced her staff, Ms. Hallah Nilsen, Mr. Steven Antonio, Ms. Keao Dang, and Office Manager, Ms. Carrie Kealoha

Representative Ching introduced her staff, Office Manager Ms. Katie Churchey, Mr. Raymond Lee, Ms. Colette Devou, and Ms. Ashley Ehrenreich.

Representative Ching also introduced the Executive Director of the Daughters of Hawaii, Mr. David Scott.

Representative Magaoay introduced his staff, Ms Judy Fomin and Mr. Jonathan Ramil.

Representative Karamatsu introduced Assistant Communications Director, Ms. Kim Fassler.

Representative Caldwell introduced former Senator Randy Iwase.

Representative Evans introduced members of the Daughters of Hawaii: Second Vice Regent, Ms. Shelly Monsarrat; Ms. Geraldine Abbey Miyamoto; First Vice Regent, Ms. Lee Wild; and Mr. Dale Bachman.

ORDER OF THE DAY

COMMITTEE REASSIGNMENT

The following resolution was re-referred to committee by the Speaker:

<u>H.R.</u> <u>No.</u>	<u>Re-referred to:</u>
126	Committee on Higher Education

At this time, Chair stated:

"At this time Members of the House, the Chair will be taking Conference Committee Report No. 143 out of order."

UNFINISHED BUSINESS

Conf. Com. Rep. No. 143 and H.B. No. 1292, HD 1, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee and H.B. No. 1292, HD 1, SD 2, CD 1, be recommitted to the Committee on Conference, seconded by Representative B. Oshiro.

Representative Souki rose to speak in opposition to the motion to recommit, stating:

"Mr. Speaker, first of all, I was the author of this bill and I understand why it's being done. I do not approve as to what has happened in the Senate in amending this particular bill and I just want this House to be aware of the manner in which this bill was handled in the Senate. Thank you very much."

At 9:27 o'clock a.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 9:28 o'clock a.m.

Representative Finnegan rose to speak in support of the motion to recommit, stating:

"Mr. Speaker, I am going to vote in support of the recommitment, however, I just am regretful that the Senate decided to also make that amendment to what was otherwise a good bill that could have served us well."

The motion was put to vote by the Chair and carried, and the report of the Committee and H.B. No. 1292, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," were recommitted to the Committee on Conference with Representative Souki voting no, and with Representatives Bertram and Takamine being excused.

At this time, the Chair stated:

"Members at this time, on page 5, House Bill No. 1359, the Chair will be taking Conference Committee Report No. 156 out of order."

Conf. Com. Rep. No. 156 and H.B. No. 1359, HD 1, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee and H.B. No. 1359, HD 1, SD 2, CD 1, be recommitted to the Committee on Conference, seconded by Representative B. Oshiro.

At 9:29 o'clock a.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 9:33 o'clock a.m.

Representative Finnegan rose to speak in opposition to the motion to recommit, stating:

"Thank you, Mr. Speaker. I speak against the recommittal. Mr. Speaker, I understand that there may be a flaw in the bill, and despite that, we've passed out bills that have had flaws before and I haven't had the chance to take a look into details on whether or not that flaw is going to be something that kills the meaning of this bill. However, I did really support the underlying bill of this State pharmacy assistance program, and so one of the concerns on it was that we would need CMS approval. CMS has already given approval to states who have done this already.

"So, the approval from CMS is most likely from what I understand from our Department of Human Services. It's just a matter of communicating that with CMS with this language. So, I do speak against the recommittal and was hoping that we could see this through. Thank you."

Representative Pine rose in opposition to the motion to recommit and asked that the remarks of Representative Finnegan be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Ward rose to speak in opposition to the motion to recommit, stating:

"Mr. Speaker, I also speak against the recommittal. Mr. Speaker, this reommittal is 'penny-wise and pound-foolish'. What we're throwing away is a huge amount of discounting on drugs for the people of Hawaii. With H.B. 10, which is touted as the best way to go, with that bill you can get a one dollar discount, and we have to take it. We have to eat it. With the bill that we're recommitting, we can get huge discounts on drugs.

"I don't see the logic of it. I see the legal twist, but in terms of what we're saving for the people of Hawaii, we are 'penny-wise and pound-foolish'. Thank you."

Representative Meyer rose to speak in opposition to the motion to recommit, stating:

"Thank you, Mr. Speaker. I'm also voting no on the recommittal. This just is a much more comprehensive program and would assist many more people. Thank you."

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

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

Mr. Speaker, I rise in support of the recommittal. Very briefly, I just want to counter some of the arguments made. I think that the potential savings to be realized by this bill is very, very speculative. Contrary to what some other speakers have said, I don't believe any states have gotten the CMS approval yet, although currently there are a couple of states that have looked at this potential alternative.

"None, yet, have gotten that CMS approval. Instead, what we should go forward with is our Hawaii Rx Plus, which I think is a definitive way in which we can provide the savings and relief to Hawaii's consumers."

Representative Finnegan rose to respond, stating:

"Thank you, Mr. Speaker. In just brief rebuttal. My understanding is, yes, other states have already received approval from CMS. The second thing is in regards to the discount. At this point and time with Hawaii Rx, the discount is unknown. If you want it more definite, you would have that with the CMS approval and the SPAP because

they already give rebates for federal programs, so that is actually a more definitive way to get a definitive type of rebate. 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. 1359, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE PHARMACY ASSISTANCE PROGRAM," were recommitted to the Committee on Conference, with Representatives Ching, Finnegan, Meyer, Pine and Ward, and with Representative Bertram being excused.

At this time, the Chair stated:

"Members, can you turn now to page 8. At this time, the Chair will be taking Conference Committee Report No. 179 out of order."

Conf. Com. Rep. No. 179 and S.B. No. 1034, SD 2, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee and S.B. No. 1034, SD 2, HD 1, CD 1, be recommitted to the Committee on Conference, seconded by Representative B. Oshiro.

Representative Souki rose to speak in opposition to the motion to recommit, stating:

"Yes, Mr. Speaker. Again, I wish to speak against the recommittal of this measure. I can understand the reason for the recommittal because the bill itself doesn't provide enough relief that was originally called for. But, again, I believe it was the method and manner in which the Senate handled the bill in returning a flawed bill to the Committee. Whether it was by design or not, I don't know, but it came from the Senate as a flawed bill. I want this on the record. Thank you very much."

Representative Meyer rose to speak in opposition to the motion to recommit, stating:

"Thank you, Mr. Speaker. I'm rising in opposition, too. I can't say it much better than the Representative from Maui, but I guess, I just want to emphasize it's just a shame. These businesses could use this tax relief. And I wholeheartedly agree with the speaker from Maui. These local airlines need some kind of relief. It's a very competitive business and the huge increase in the cost of fuel is impacting them and it's just a shame that the shoddy work done from our friends on the other side of this building have put this bill out. And, so, if there is to be any help for these industries, they have to wait at least another year and a half. Thank you."

Representative Ward rose to speak in opposition to the motion to recommit, stating:

"Mr. Speaker, I also rise in opposition of the recommittal. Mr. Speaker, this was a good bill because it was intended to save our airlines a lot of money. And, you know, the airline industry is in deep trouble. If what the Senate did was to be blamed as the good speaker from Maui said, it is clearly at their feet. I would go one step further, Mr. Speaker, and say that they took their eye off the ball because they put their on Peter Young and they forgot some of the details of what their responsibilities were. Thank you, Mr. Speaker."

Representative Finnegan rose to speak in support of the motion to recommit, stating:

"Thank you, Mr. Speaker. Even though I echo some of these comments, I will be supporting the recommittal, but I would like to adopt the words of the Speaker Emeritus, as well as the speaker from Hawaii Kai," 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 and S.B. No. 1034, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," were recommitted to the Committee on Conference, with Representatives

Meyer, Souki and Ward voting no, and with Representatives Bertram and Nishimoto being excused.

SUSPENSION OF RULES

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

UNFINISHED BUSINESS

Conf. Com. Rep. No. 121 and S.B. No. 709, SD 2, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 709, 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. Mr. Speaker, through the years, I've come to realize, as many of my colleagues, that one of the problems with government is that we don't have enough data. We don't measure where we're going, we don't have a road map a way of seeing where we're going and how we've done. I think as 'Alice in Wonderland' said, 'If you don't know where you're going, any road will get you there.' And I think this is that road map to say where we're going, where we've been, how much it takes to go further and how we're doing along the way. Thank you."

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

"Thank you, Mr. Speaker. In support. Senate Bill 709, CD 1 Relating to Economic Development, will improve the State's ability for access and the progress in creating an innovation economy, including such industries as ocean sciences and technology, biotechnology, life sciences, astronomy, film, creative media, diversified agriculture, aquaculture, and specialized tourism. This bill appropriates funds to DBEDT to hire economists to collect, analyze, and publish research data to track the economic progress and develop targeted growth industries. Thank you very much."

Representative Finnegan rose in support of the measure and asked that the remarks of Representatives Ward and Yamashita be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative McKelvey rose in support of the measure and asked that the remarks of Representative Yamashita be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

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

"Thank you. In strong support. The future looks bright, I hope the future looks bright, thanks to all the hard work that our Committee Chairman of Economic Development has done on this bill. And he would not be out of place if he said, 'Don't hate me 'cause I'm fly.' 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. 709, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT," passed Final Reading by a vote of 50 ayes and, with Representative Bertram being excused.

Conf. Com. Rep. No. 122 and S.B. No. 810, SD 2, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 810, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. In strong support. I just wanted to say that I support this measure and I would like to acknowledge the work of the Chair of Health on the Senate side for his efforts to lead our taskforce in Pearl City as it relates to the usage of Waimano."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 810, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WAIMANO RIDGE," passed Final Reading by a vote of 50 ayes and, with Representative Bertram being excused.

Conf. Com. Rep. No. 123 and S.B. No. 1115, SD 2, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1115, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"In strong support, and I would like written comments in the Journal. And I'd just like to say this continues our fight against ice, and particularly, helping pregnant women who are using substances to help them have healthy babies. Thank you."

Representative Lee's written remarks are as follows:

"Mr. Speaker, I am in support of this measure. Mr. Speaker, last year Act 248 established funding for a pilot clinic to provide comprehensive prenatal, delivery, and postpartum care and social services on the Island of Oahu to women who have a history of methamphetamine and other substance use. That Act was extremely important because it provided women who are or have been substance abusers a place to get treatment without the fear of criminal prosecution.

"This bill, Mr. Speaker, appropriates funds to the Department of Human Services to continue funding the pilot perinatal clinic at the University of Hawaii and provides case management services. Pregnant women need to have good perinatal care, especially women who might be, or might have been substance abusers. I urge my colleagues to support this measure because, as the Drug Policy Forum of Hawaii testified, "without the clinic, services that provide appropriate healthcare to substance using pregnant women to ensure the birth of a healthy baby are either extremely limited or unavailable.""

Representative Waters rose in support of the measure and asked that the remarks of Representative Lee 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. 1115, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PERINATAL CARE," passed Final Reading by a vote of 50 ayes and, with Representative Bertram being excused.

Conf. Com. Rep. No. 124 and S.B. No. 1170, SD 1, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1170, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you. In support, Mr. Speaker. This will provide TANF funds for this program."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1170, SD 1, HD 1, 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. 125 and S.B. No. 932, SD 2, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 932, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I rise with strong support. This was something we started at the very beginning of Session with the concept of reintegration and re-entry into the community. I think it's a great omnibus bill that tries to address what happens when offenders return to our community, because they do come home. And, so it's a great start at looking at what happens in that last year.

"In Hawaii, so many of our offenders are really drug-related offenses. The really violent, serial criminal doesn't really exist in Hawaii. There's a few of them. I visited where they hold them at Halawa. There's less than ten in this State. So mental health issues, drug treatment issues are real prominent in our offender population and I really think this bill moves us in the right direction to start addressing that and I thank you for the support of my colleagues for this."

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

"Thank you, Mr. Speaker. In strong support of this measure. Over the years I've learned so much about recidivism, how prison inmates when they come out, they're not quite prepared to enter back into the community. What this bill does is it definitely starts to head in that direction where it prepares them to go back into the community to provide them with a more successful living arrangement when they get out.

"Recidivism or the revolving door of the prison system is unacceptable, Mr. Speaker, and I just really wanted to recognize the people who have worked so hard on this issue. There are a lot of different ways where we can give prison inmates a second chance back into the community and this starts to do that. It's a commitment that I think that all of our Members here are for and it should deserve all the strong support that it gets. Thank you."

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

"Thank you, Mr. Speaker. I rise also in strong support of this measure. It is said that 40% of our prisoners that are released from prisons go back to the prison system within two years. Forty per cent is a high percentile and the cost of incarceration is in the millions. I think it gives us strong savings to look into that first year or the second year when they get out to society. That we need to nurture them and take care of them and invest resources to their well being.

"It is also said that 40% of people in jail have comorbidity, like mental illness. So, if they had a reason to go in prison, if you don't do anything by the time they come out, they will then have another reason to go back. So, I think this is a worthwhile investment and I'm glad that this House is in support of it. Thank you, Mr. Speaker."

Representative Finnegan rose to respond, stating:

"Sorry, Mr. Speaker. I forgot to say one other thing. What this bill does is it doesn't say that we're going to shorten sentences or anything like that. All it does say is that whatever consequences that happened throughout your trial or whatever time you have in prison, all it says is that before you are released that we will prepare you for a better success rate in the community. 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. 932, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO A COMPREHENSIVE OFFENDER REENTRY SYSTEM," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Thielen voting no, and with Representative Bertram being excused.

Conf. Com. Rep. No. 134 and H.B. No. 104, HD 2, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 104, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I was going to stand up right away. In very, very strong support. We set out this Session all knowing only too well that the healthcare system was in need of some support. Across the board we've all heard that healthcare is in jeopardy in the nation, but also in Hawaii because our hospitals perpetually are under-funded by Medicare and Medicaid. That the private insurers also are having difficulty providing adequate reimbursement at the hospital level, and, frankly, even physicians and nurses are finding it difficult to stay in private practice and provide the care that we all need.

"This bill demonstrates a unique and profound commitment to our healthcare system, financially. We're going to see real resources that are going to be augmented by federal match and then some. So our healthcare system got healthier with this bill. 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. 104, HD 2, SD 2, 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. 135 and H.B. No. 531, HD 3, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 531, HD 3, 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, I stand in support of this measure because this insures our often-forgotten children with special needs will receive the proper educational services that will best fit them. Part C of the Individuals with Disabilities Education Improvement Act requires states to provide early intervention services to special needs children in a natural environment, such as their home or elsewhere. However, these individualized services are available for them only until they reach age three. Simply, what that means is once they reach age three in one day they're no longer allowed to have these specialized services.

"At this time, Part B of the Act directs states to provide special education and related services in a least restrictive environment

which sends these children into their classroom. They're now considered special ed kids, but we need more than that because some of these children suffer from substantial delays with their cognitive skills, their adaptability, language barriers. Because of this, we have to have something that will help this group. The target group that I'm talking about would be children three to five. This measure would cover that group.

"The problem that the children have once they make three years of age is that they're still nevertheless behind developmentally. Some of these children are not ready for special education due to developmental and medical needs. They need extra time, nurturing and training to mature. They need more than just educational services. They need proper behavior and intervention which special education doesn't necessarily address.

"We all know that a change in environment can be substantial for children. It can help them, it can also hurt them. The transition from home to school is often a difficult one and in some instances, for special needs children, the transition can be disastrous, especially when special education doesn't ensure that the training personnel or proper resources are available to them.

"To give you a quick example, we have a person that we know that represents Cure Autism Now and her son, actually, he's four years old, he wears a helmet and there's a room for him, it's padded. The reason why is he suffers from autism. One of the characteristics is you just run and you run into things. Your motor skills are delayed. What happens is, Mr. Speaker, is if we have some of these children that are substantially delayed in some of their skills, you'll have a classroom with many of these children running into each other or running into the wall, hurting themselves and possibly other children.

"This measure would cover all those children. This would have a taskforce and it'll be able to guide us with a proper measure to protect them. So, for those reasons, I support this measure and hope all of the Members support this measure. Thank you, Mr. Speaker.

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

"Mr. Speaker, very briefly in support. I'd just like to dedicate this bill to Gabriel and Matthew, two children of proponents of the measure who spoke passionately at the Health Committee throughout the Session."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 531, HD 3, SD 2, 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. 136 and H.B. No. 226, HD 2, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 226, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I rise in strong support of this measure. Mr. Speaker, the United States is finally waking up to the climate crisis and calling on its leaders to take action. When House Bill 226 is enacted, Hawaii will be at the forefront in aggressively reducing its contribution to global climate change. And Hawaii should be a global leader on climate change not only because we face serious harm from climate change, but because we are in the best position to demonstrate to the world how to power our economy sustainably. This is the commitment we are making today by the passage of this bill.

"Global climate change not only threatens Hawaii's environment and economy, but it may dramatically alter our way of life. Current scientific consensus predicts a future very different from the one to which we are accustomed. The Pacific Ocean may inundate most of Waikiki, the business district in Honolulu, and the coastal resort areas on the other islands. Our island aquifers may become increasingly contaminated through salt water intrusion. More severe storms and hurricanes may pummel the State. Droughts may be more prolonged, and the subtle shifts in our island's microclimates may rapidly increase extinctions of endangered plants and animals and increase the viability and spread of invasive species.

"Science tells us there is no escaping some of the consequences of global climate change. But if we act quickly and collectively, we may have a chance to stave off the most severe impacts. For many years now we have talked about the need to reduce our dependence on imported oil and transition to clean, indigenous energy sources. Unfortunately, in 2007, we are consuming more fossil fuels, and emitting more greenhouse gas than any other time in Hawaii's history. The measure before us starts the process of decreasing our statewide greenhouse gas emissions so that we can get back to our 1990 emission levels by 2020. That level is roughly 15% less than what we are currently emitting statewide. But more critically, it is approximately 25% less than the amount of global warming pollution Hawaii would be emitting in 2020 under the 'business as usual' scenario if nothing changes.

"Today, the atmosphere contains 381 parts per million (ppm) carbon dioxide. This is more than any other period in the past one million years and that number continues to grow. Scientific evidence suggests if atmospheric concentrations of greenhouse gases stabilize at or below 450 ppm, humankind has a good chance of holding global average temperature increases below 3.6 degrees Fahrenheit and averting the most severe impacts of global warming. Achieving the goal of stabilizing greenhouse gas concentrations at or below 450 ppm, climatologists believe, will require reducing greenhouse gas emissions 80% of their 1990 levels before 2050. House Bill 226 puts us on the track to meet that goal by starting a steady decline in our annual greenhouse gas emissions.

"Some may ask why Hawaii should take the lead when our contributions to the global problem is nominal. The fact is Hawaii has zero, none, indigenous fossil fuel sources. Nearly all our greenhouse gas emissions start off as expensive carbon imports. Some accept that global climate change is a problem, but fear regulating something so pervasive as carbon dioxide would put the brakes on our economy. The truth is exactly the opposite. Carbon dioxide pollution represents inefficiencies in our economy. The vast majority of that carbon has been imported from Indonesia, the Middle East, and other areas at a cost of over a billion dollars annually to our State.

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

Representative Morita continued, stating:

"Thank you, Representative Takumi. These dollars should stay in our State, right here in Hawaii, paying for good, green collar jobs in the clean energy industry. Some laugh at the prospect that renewable energy providing much of our power needs, saying that wind, solar, ocean, and other resources could never give us the muscle that today's dirty power plants provide. I say, nonsense. Germany, at 51 degree latitude, has far more installed photovoltaic power than the capacity of all of Hawaii's power plants combined. However, Hawaii's long-term solution will not only be solar, but a mixed plate of energy solutions including new energy storage technologies, like hydrogen, magnetic, electrical, or even pumped water, that will keep the power steady and enable us to power our homes, cars, and perhaps even airplanes. Is this difficult to imagine?

"It would be equally difficult to ask someone 20 years ago to wrap their minds around the concept of "Google" or all of these wireless

laptops sitting on our desks today with the ability of people streaming on their computers to view us in session right now. But the money interests that invested in these technologies have turned their interest into renewable and green technology. We really should be taking notice of all the Silicon Valley types, noted venture capitalists, who are investing in renewable energy and green technologies. Setting this emission limit sends a clear market signal to the world that Hawaii is open for business for clean energy investments.

"We have witnessed a sea of change over the past year in public acceptance of the science behind global climate change. People realize that humans are a force of nature who are taking personal action to reduce our own 'four pounds per hour' of global warming pollution by driving less, installing compact florescent lights, or installing solar on their homes. We can all change our habits, but we also need to change some laws. This is what we're doing today.

"Mr. Speaker, everything I have shared with you on this measure is eclipsed by one thing: our moral duty to act. The world's leading climate scientists are telling us we have a narrow window to act to avert the most severe impacts of climate change. Given what we know today about this crisis, history will judge us harshly if we choose inaction.

"In the 1930's, Winston Churchill wrote of those leaders who refused to acknowledge the clear and present danger of the 'gathering storm' in Europe at that time and I quote him: 'The era of procrastination, of half-measures, of soothing and baffling expedients, of delays, is coming to a close. In its place, we are entering a period of consequences.' We are entering a period of consequences with global climate change.

"It is time for Hawaii to take responsibility. House Bill 226 is a meaningful, but measured approach to begin the long process of reducing Hawaii's contribution to global climate change. I urge my colleagues to join me in strong support of this historic and very important measure. Thank you."

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

"Thank you, Mr. Speaker. I rise in strong support, and wish to ask the very poetic words of our Representative from Kauai to be entered as my own," and the Chair "so ordered." (By reference only.)

Representative Berg continued, stating:

"I also wish to add just a few more comments to say that I'm really, really proud of this bill and I'm sorry I wasn't on the Committee to be part of the dialogue. This bill is more than about greenhouse gas emissions, Mr. Speaker. This is about authentic economic diversity. It is about offering a vision to engage our community in something bigger and, as you know, the mantra of the Senate has been sustainability. It is also our mantra, but in a very, very grounded way, and I'm very proud that this bill is coming through the House and it's emanated from us.

"It is my hope that the information from the bill and the motivation generated by the bill will be integrated into the 20-50 sustainable plan. One of the things I'm also proud about our House is that in 2006 we passed the measure to encourage the Governor and mayors and our Congressional delegation to support the Kyoto Treaty. This year, through the House, we also passed the measure to embrace the U.N. Earth Charter. Unfortunately, it was compromised in the Senate. We also passed the U.N. millennium goals.

"In keeping with this particular bill, which is founded on the United Nations Intergovernment Panel on Climate Change their assessment on the predictable impact of climate change, I'm really proud to be part of this discussion and hope that this will then land the framework for the House to take leadership with regards to sustainability. And in the words of Ronald Reagan, I shared it when

we talked about the kids, we have a 'rendezvous with destiny', and I'm really happy to be part of the House at this time, with this bill and leadership. Thank you."

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

"Thank you. Mr. Speaker, I rise in support of the measure and I would like to make some comments. Mr. Speaker, first, I would like to thank the community members throughout this State and actually the nation who have sent us e-mails, faxes or called to say we need to take this step and watching us every step of the way during the difficult process of getting to where we are today. I also would like to thank two local organizations that have been so key in improving this bill, and that is, Life of the Land and the Sierra Club. They have worked very hard to improve it. It's maybe not where they would ultimately like to see us be, but they agree that it's a good first step, I believe.

"Hawaii doesn't have any law on the books at this point reducing or affecting greenhouse gas emissions that we create as a State, as a people. After today, and when the Governor signs the bill, as I am sure she will, we will have such a law. And I think that's a positive step forward. It's the initial step and that's what I would like to say to my colleagues. We need to do more in the coming years. We are setting up a taskforce. To me, it's a bit slanted toward industry that will be affected. There will be four members versus two members from the environmental groups. So, we're setting up a taskforce that we need to watch. We need to make sure that they are taking serious steps and moving us forward.

"The second thing that we are doing is once the limit is established, there will be an eight year window up to the year 2020 before the standard has to be met. There's no requirement for incremental steps in getting there. So, we could have some of the more serious polluters waiting until the year 2020 and then throwing up their hands and coming to whoever will be in this body at that time saying, 'We need to have relief from this.' So, I think we need to put in incremental steps so we can move ahead. The Kyoto Protocol which was mentioned by my colleague requires a five per cent reduction from 1990 levels by the year 2012. That's a very good immediate objective to achieve.

"I think we need to watch this. We've taken a wonderful first step, but, remember, the responsibility rests on our shoulders to keep on pushing further and further and further, so we become the leader in the nation and the leader in the world showing what can be done, and, in doing so, we would be tapping our renewable energy resources and moving us off the polluting fossil fuel. Thank you, Mr. Speaker."

Representative Green rose in support of the measure and asked that the remarks of Representative Morita be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

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

"Mr. Speaker, brief comments in support also. And first, I'd like to incorporate the comments of the Chair of Energy and Environmental Protection as if they were my own. And would also like to point out, Mr. Speaker, that this was a very united effort by many different people, including the Chair of Health, the Vice Chair of Judiciary, along with the Chair of Energy and Environmental Protection. You will see a blending of the language from the three of these individuals and a great deal of work went into this.

"We can be proud of the fact, Mr. Speaker, that we will be the second state in the nation, after California, to have made a very strong, bold step on greenhouse gas emissions and controlling it for many future generations. And as the Chair of Energy and Environmental Protection mentioned, even though we are a very

small state, it is our moral duty to act, and we can be proud of the fact that we are acting. Thank you very much, Mr. Speaker."

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

"Thank you, Mr. Speaker. In strong support and I would like to adopt the words of the Representative from Kauai, Hanalei, and the Representative from Aina Haina and to say a few comments. Mr. Speaker, like the Representative from Aina Haina, I, too, am proud and have been privileged to sit on the Conference Committee, but also, as the Vice Chair of Energy and Environmental Protection. I'm very proud to be a part of this legislation and proud of our body to support such a thing. And I'd also like to echo the support that we've received from the community, who without their support and organizations who have kept on top of us, and informing us, and sharing their input. It really makes a difference. So, in strong support, and I thank you."

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

"Thank you, Mr. Speaker. I rise in support of this measure. Mr. Speaker, this is a good bill with a good beginning. I would only say that we need to remember that we need to think globally about global warming. And I say that so we're not myopic about it because just in from Bangkok is a rather shocking report. I said Bangkok where the climate treaty is going on, and not Kahaluu.

"It says that rice patties blamed as big contributor to global warming. The Intergovernmental Panel on Climate Change meeting this week in Bangkok concludes that rice production was a main cause of rising methane emissions in the twentieth century. Rather surprising. I'm not making this up. If those of you who read the *Advertiser*, this was in Wednesday's paper, yesterday. It said there is no other crop that is emitting such a large amount of methane gases. The gas is emitted through the plants or directly into the atmosphere because there is a decomposition of manure as fertilizer and other organic matter in the oxygen environment. Rising levels of methane accounts for 23% of the warming potential in the atmosphere, reports the U.S. Environmental Protection Agency.

"That's rather shocking, Mr. Speaker. Twenty-three per cent coming out of methane, coming out of the rice fields, and what do we all eat in this Chamber, and what do we eat in Asia? Rice fields. My point is that when we think about global warming, let us remember to think globally. Thank you."

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

"Thank you, Mr. Speaker. In an effort to have a little bit of balance here, I'm voting no on this measure. I see that we have joined the other European countries to join in on the Kyoto Protocol. I just wanted to share some information about that. Even as Europe preaches to the United States on the necessity to cap carbon dioxide emissions, Europe's emissions are climbing faster than those of the United States. Recent figures from the International Panel on Climate Change show that from 2000 to 2004 greenhouse gas emissions increased by 2.1% in the European Union, but only 1.3% in the United States. Neither amount is a dramatic increase, but Europe is supposed to be reducing its greenhouse gas emissions, not increasing them.

"Almost all the global warming policies have high cost and yield little benefit. The chanters of the global warming mantra want us to believe Europe is doing something and that we should be doing something, too. Indeed, Europe has done something. They have raised prices and not lowered carbon emissions. It seems like everybody in this Chamber wants to march to the music of the 'Music Man', Al Gore. And there's no question in the press, the majority of stories on global warming are talking about drastic reactions.

"I have some prepared remarks, which I would like to read. This bill would give the Department of Health ultimately sweeping new powers to regulate industry for the purpose of reducing greenhouse gases. It was a very eloquent summary of why we shouldn't be passing this bill in the May edition 2007 of *Liberty Magazine*. It's a rather lengthy article, so I won't try to go into all the specifics, especially since the article has the humorous subtitle, 'The planet has a problem caused by too much hot air.' And I don't believe they're referring to carbon dioxide. That's when you're supposed to laugh.

"Thank you, Mr. Speaker. Basically, they are what might be called the narrow theory of global warming and the grand theory of global warming. The narrow theory is what is discussed in the recent report issued by the IPCC, the Intergovernmental Panel on Climate Change. Basically, this theory posits three fundamental hypotheses. One, the Earth's climate is warming. Two, this warming is exacerbated in part by the generation of CO₂ and other human-caused greenhouse gases. Three, this warming might induce significant wide-scale ecological changes.

"Note that while the majority of climate scientists are convinced that these three hypotheses are likely true, a significant minority of scientists dissent from this view. There simply isn't complete convergence of scientific opinion on this, such as we have with the theories of gravity or the theories of evolution. In fact, the IPCC report only places an 80% confidence level on this narrow theory. A far cry from the virtual certainty that many politicians and special interest groups would have us believe exists."

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

Representative Meyer continued, stating:

"But even if you are inclined to believe this narrow theory, it is a far cry from the grand theory being promulgated by the likes of Al Gore. These have 12 fundamental hypotheses. The world is warming dramatically. This warming is unlike any other warming or cooling in the history of the planet. This warming is caused almost entirely by humans' burning of fossil fuels, not talk of volcanoes. If we keep burning fossil fuels at the present rate, warming will accelerate and increase without end. The result of warming will be a huge increase in the number of ecological, meteorological disasters, which we will see in biblical proportions. These disasters will not be counterbalanced by any favorable effects of warming. Both warming and disaster will occur with such rapidity that mankind will be unable to adjust. Number eight, the process can be reversed or controlled by drastically curtailing the use of fossil fuels. Nine, the only way to do this is by drastically curtailing the use of fossil fuels. Ten, the best plan is to slash the use of fossil fuels in the United States and other countries of the developed world while leaving the less developed world, including Brazil, India and China, alone. Use of fossil fuel can be best curtailed by the exploitation of wind and solar power and by massive conservation. Twelve, whatever this will cost directly and in directly will be less than the cost of the damage wrought by continued warming.

"This grand theory, which is in the underlying theory behind the bill at hand is a wide-ranging world view that includes theories that are well beyond the purview of climate scientists. If you read the carefully hedged IPCC report, which is full of caveats and qualifications, we simply won't see such a radical, unequivocal set of statements because these hypotheses are largely speculative and not backed up by studies, Mr. Speaker. And, in fact, they are primarily statements about economics, not climate science, which the IPCC is simply unqualified to address.

"The bottom line, if the regulations on business contemplated in this bill were implemented, it would certainly greatly harm our economy and cost many people their jobs. Thus these regulations would without the slightest shadow of a doubt, fail to make any discernable impact on the global climate. Thank you, Mr. Speaker."

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

"In support with reservations. My reservations have mainly to do with whether we're going far enough, fast enough. We've known since the early 90's that there was a very real possibility that burning of carbon was changing our climate dramatically. We really should be at steps two and three now, and not be looking at step number one by year 2020, so I support the bill. A lot of good work has gone into it and I just think we need to move faster. Thank you."

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

"Thank you, Mr. Speaker. In support. I ask that the words of the speaker from Kailua be entered as my own. I want to thank those that worked on this bill and I do want to just put in my own thoughts.

"I think that we've been studying the effects of global warming, I believe, from the '70s on. And a number of people were talking about this early on, so I don't know about maybe some of the '90s. But in all due respect to my good colleague, for myself, I actually took a course on environmental protection in college. And I've known that, I think that we do have to be very judicious about knowing that fossil fuels and a number of the other pollutants we put out, they have adverse effect on our environment. In the long run, I know this is probably going to cost, but in the long run, we have to take preventative measure for a healthy world.

"We cannot control what other countries do. I wish we could in particular parts of Asia. I really wish we could. However, like in most things, we can only control ourselves. Thank you."

Representative Meyer rose to respond, stating:

"I have prepared some remarks. I expected the Majority Leader to ask me what planet I was from, but he's left the Chamber, and I would like to read the remarks that I was going to get up in rebuttal. I mean it's hard to balance this Chamber.

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

"Point of order, Mr. Speaker. She's not rebutting anything on this point."

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

"In strong support, and may I ask a question of the speaker from the North Shore? What planet are you from?"

Representative Meyer: "I'm from Earth, and I sometimes wonder where the rest of you are from. I would appreciate it if I could put these ..."

Speaker Say: "Yes, it could be inserted in the Journal."

Representative Meyer: "No, I would I like to read them because they add to the other remarks."

At 10:22 o'clock a.m., Representative M. Oshiro requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:22 o'clock a.m.

Representative Meyer continued, stating:

"Thank you, Mr. Speaker. I did have some additional remarks to make. I wanted to quote some scientists that are on the other side of this issue.

"Sally Baliunas an astronomer, from the Harvard-Smithsonian Center says quite simply, the recent warming trend in the surface temperatures records cannot, I repeat, cannot be caused by the increase of human-made greenhouse in the air.

"Robert Carter, a geologist from James Cook University in Australia says, the essence of the issue is this. Climate changes naturally all the time. Partly in predictable cycles and partly unpredictable. And some of the causes remain unknown.

"William Gray, a professor from Colorado State, says the small warming is likely the result of natural variations in global ocean currents and humankind has little or nothing to do with it.

"And, finally, Orrin Pilkey, a coastal geologist from Duke University says, assumption upon assumption, uncertainty upon uncertainty, and simplification upon simplification are combined to give an ultimate and inevitably shaky answer which is then scaled up to make long term predictions. The objectivity is laudable, but the fact that there are model weaknesses doesn't make the conclusions any stronger or more believable.

"Thank you, Mr. Speaker, for giving me the opportunity to add that into the record."

Representative M. Oshiro rose in support of the measure, asked that the remarks of Representative Morita 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 M. Oshiro's written remarks are as follows:

"Over 30 years ago the Mauna Loa Climate Observatory first reported documented evidence of increased carbon dioxide levels in the earth's atmosphere. Since that time, the negative impact of global climate change has grown into an internationally recognized problem.

"While opponents of greenhouse gas emissions reduction efforts may argue that Hawaii's contribution of greenhouse gases to the atmosphere is nominal compared to that of other states, such as California, this should not diminish the fact that the Legislature has a responsibility to protect the fragile natural environment of this State. Indeed, the citizens of Hawaii take great pride in the beauty of our island home. It is what attracts visitors from around the world to our shores, and serves as a vital component of our cultural heritage. Moreover, should global trends continue, Hawaii will be immediately impacted as ocean levels rise and hurricanes become more severe and frequent. In this regard, I am in agreement with Vice President Al Gore and his challenge to this generation of leaders.

"Global warming has the incredible potential to adversely impact Hawaii's natural resources, environment, public health, and economy. Examples of negative impacts include rising sea levels, damage to marine ecosystems, extended drought, an increase in the spread of infectious diseases, and an increase in the severity of storms and extreme weather events. Moreover, given our remote location and the high investment in our coastal areas, Hawaii is more susceptible to being negatively impacted by climate change than other parts of the world. Consequently, climate change is not merely an environmental issue, but also an economic and health issue, with direct ties to our quality of life.

"This bill represents a measured and feasible approach to reducing greenhouse gas emissions in the State of Hawaii. This bill convenes stakeholders to develop a precise plan with an implementation timetable for emissions reduction by establishing limits for emission sources in conjunction with the employment of rules and penalties to attain reduction goals. The timeframe outlined in this bill for the careful adoption and implementation of a statewide reduction policy appropriately addresses the urgency that this issue warrants, while allowing sufficient time for the accurate collection of scientific

information to establish the maximum technologically feasible and cost-effective reductions.

"This bill reflects the sentiment resonating among many of Hawaii's people. From the local surfer on the beach to the school children learning about Hawaii's watersheds in science class – an intuitive sense of responsibility to protect our island home so that it may be enjoyed by our children and our children's children.

"During the 2006 election, I was asked what issue I felt most important for us to address. I answered that global warming and the effects upon us was the most important issue we faced and must address for current and future generations. By passage of HB 226 CD1, we demonstrate our sobering recognition of the challenge facing this generation, as well as the opportunity to make the change necessary to save our future generations. I am proud to be a member of this Legislature and it is with wholehearted support that I cast my "aye" vote."

Representative Ward rose, stating:

"Mr. Speaker. Point of information. Point of order. Where does it say in Mason's Rules that when someone is in the position to speak, when one stands to speak, that someone can call a recess, when they're in the process of speaking. Where does it say that in Mason's, Mr. Speaker? Thank you."

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

The House of Representatives reconvened at 10:27 o'clock a.m.

Representative Ward continued, stating:

"Mr. Speaker, I've been informed that the custom and the practice, not the Rules of the House, supersede the Rules of the House. Sometimes, Mr. Speaker, it's rather impolite to do that. Thank you."

The Chair then stated:

"Representative Ward, it has been done in the past Sessions and throughout the years I've been here. It's just trying to run this House in a much more efficient manner at this point and time."

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

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

"Thank you, Mr. Speaker. I request that the words of the speaker from Kahaluu be inserted as my own. After hearing the debate on this measure, I've been convinced to not to support this measure thanks to the speaker from Kahaluu, planet Earth. Thank you very much."

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

"Mr. Speaker and Members, I speak in favor of this measure, and probably for the first time in my career as a legislator if you would incorporate the remarks of the Chair of EEP as my own," and the Chair "so ordered." (By reference only.)

Representative Magaoay rose in support of the measure, asked that the remarks of Representative Morita 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 Magaoay's written remarks are as follows:

"Thank you Mr. Speaker. Mr. Speaker, I am in strong support of House Bill 226. Mr. Speaker, this piece of legislation requires the Department of Health to adopt reporting and verification of Statewide greenhouse gas emissions and to monitor and enforce compliance. This bill requires adoption of a Statewide greenhouse gas emissions limit equivalent to the Statewide greenhouse gas emissions levels in 1990 to be achieved by the year 2020. It also requires the adoption of rules to achieve the maximum technology feasible and cost-effective greenhouse gas emissions reductions and finally Mr. Speaker, this bill authorizes the adoption of market-based compliance mechanisms.

"Global climate changes caused by greenhouse gas emissions from fossil fuels have severe and perhaps irreversible effects, particularly in the State of Hawaii. We must therefore, act immediately to reduce greenhouse gas emissions if we expect to have any hope of slowing or reversing this process. We must aggressively, and I repeat Mr. Speaker, aggressively pursue a portfolio of energy efficient and renewable energy technologies.

"Carbon dioxide and other greenhouse gasses produced in Hawaii are relatively rapidly mixed into the atmosphere and, just as rapidly, contribute to a world wide problem. And because Hawaii imports all of its fossil fuels, energy use and greenhouse gas generation from crude oil production, transportation, and refining further contribute to global climate change.

"Mr. Speaker, in closing, we need to do more and do it faster in reducing greenhouse gas emissions. By doing so, it will take money, initiative, the will to do the right thing and do it right, and creative thinking. If we make the commitment, I believe we could go well beyond the 1990 figure by the year 2020.

"I urge this body, to put forth this piece of crucial legislation for the good of this State, our planet and most importantly Mr. Speaker for the future of our children. Thank you, Mr. Speaker."

Representative Morita rose to respond, stating:

"Thank you, Mr. Speaker. Just some brief additional remarks. The jury is already in on the science of climate change. The consensus of scientists is based on numerous peer review studies. The reports that the Representative from Kahaluu cites are usually scientists with no peer review studies in place. And all one has to do is follow the money as to who is supporting the skeptics of climate change. Most of the money can be traced back to Exxon Mobil, but a lot of the money is traced back to the oil companies. 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. 226, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GREENHOUSE GAS EMISSIONS," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Meyer and Sonson voting no, and with Representative Bertram being excused.

Conf. Com. Rep. No. 137 and H.B. No. 90, 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. 90, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Final Reading by a vote of 50 ayes and, with Representative Bertram being excused.

Conf. Com. Rep. No. 138 and H.B. No. 899, HD 1, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 899, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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 support of this measure. This measure appropriates \$450,000 for fiscal year 2007-2008 for the University of Hawaii Center for Conservation Research and Training (CCRT) for a pilot project to develop ecologically-sustainable strategies to improve soil fertility for the production of clean energy feedstocks and food crops. Dr. Kenneth Y. Kaneshiro, Director of the Center for Conservation Research and Training will oversee the administration of this pilot program.

"As we all know, agriculture is an important industry in the State. The productivity of our farms is dependent on sufficient levels of available nutrients in the soil for plants to absorb. However, certain areas, especially tropical regions are nutrient deficient. Thus one of the major determining factors to a successful and sustainable agricultural industry whether for food or energy in Hawaii is an adequate and sustainable fertilizer regime.

"This pilot project will develop biomass-derived charcoal that can be used as a soil additive. The use of biomass-derived charcoal for soil nutrient enhancement will help to absorb and retain nutrients that plants need. Similar techniques have been used since ancient times and have proven to be successful. Also, because the charcoal retains the nutrients derived from fertilizer, it will minimize the need for continuous fertilizing and reduce the amount of polluted run-off entering our streams and the surrounding ocean.

"In addition to the absorption of fertilizer by the biomass-derived charcoal the process locks carbon into the charcoal and over time more and more carbon is sequestered into our soil. Thus, the measure addresses three problems at one time: (1) production of energy sustainability; (2) improving nutrient levels in Hawaii's soil, and (3) decreasing the amount of carbon greenhouse gases released into the atmosphere."

"It is for these reasons that I ask for this Chamber's wholehearted and unanimous support."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted 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," passed Final Reading by a vote of 50 ayes and, with Representative Bertram being excused.

At 10:30 o'clock a.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 709, SD 2, HD 1, CD 1
 S.B. No. 810, SD 2, HD 1, CD 1
 S.B. No. 1115, SD 2, HD 1, CD 1
 S.B. No. 1170, SD 1, HD 1, CD 1
 S.B. No. 932, SD 2, HD 2, CD 1
 H.B. No. 104, HD 2, SD 2, CD 1
 H.B. No. 531, HD 3, SD 2, CD 1
 H.B. No. 226, HD 2, SD 2, CD 1
 H.B. No. 90, HD 2, SD 2, CD 1
 H.B. No. 899, HD 1, SD 1, CD 1

Conf. Com. Rep. No. 139 and H.B. No. 1221, HD 2, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 1221, HD 2, SD 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. At present, Hawaii's egg and dairy industries are in the state of crises teetering on the brink of collapse due primarily to high cost of feed for livestock production. Local farmers have reported that the growing demand for grain by new ethanol production plants have driven the cost of feed upwards to over 30% in the last year. As a result, feed costs now comprise approximately 70% of the total production cost for these local farmers compared to only 50% for mainland farmers with dire consequences for the industry.

"In the last year alone, two egg farms and one dairy farm have gone out of business, with another egg farm and dairy farm now threatened by closure. These closures have grave consequences, grave and far-reaching consequences and implications for everyone in our State. A declining livestock industry contributes to food security issues and results in greater dependence on the continental U.S to meet food needs. Should a natural disaster, dock labor dispute or shipping problem arise, the availability of perishable food would present a major issue.

"This measure then seeks to help our farmers by creating a dairy, chicken and egg revitalization and food security program that would cover up to 60% of their feed costs. Doing so, would provide existing dairy and poultry farmers with the financial assistance they need to stabilize their operations, expand herd and flock size, and make necessary farm improvements while encouraging the continued production of fresh milk and eggs for Hawaii consumers. For these reasons, Mr. Speaker, I urge your support for this measure. Thank you."

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

"Mr. Speaker, in the name of sustainability, I stand in strong support of this measure. And since we don't have enough infrastructure in the Leeward side, I would welcome agriculture to come to my side of the island. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I rise in support, but I do have some reservations. I think we all want to be able to buy fresh eggs. There's just no comparison between cold storage eggs and fresh eggs, but this bill, which appropriates \$3 million each year of the biennium, that's \$6 million, which is a lot of money in anybody's book, is a problem that's been created, I believe, because of the push to grow corn for ethanol. There's going to have to be a broad look at this because otherwise we're going to spend \$10 a dozen for fresh eggs, or we'll just have to keep subsidizing this business.

"Because ethanol is subsidized, more farmers are growing corn for fuel, rather than for corn, and it's driven the price up, and we're seeing the results of this. We don't want our farmers to go out of business, but I just make the plea that we're going to have to look at a more global look because this isn't going to go away, and the amount of money that the industry will need in the future may be even more. And we can all remember what happened to sugar, when the subsidies went away. We couldn't grow it and be profitable. So anyway, that's my concern. Thank you, Mr. Speaker."

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 proposes to subsidize certain farming related industries in the State. Within the past year, two egg farms and a dairy farm have gone out of business. Two other egg and dairy

farms are currently threatened by closure because of the increase in the cost of production, due mainly to the rising cost of feed for livestock animals. This measure appropriates \$3.0 million in general funds in both fiscal years 2007-2008 and 2008-2009 for the Agricultural Development Division of the Department of Agriculture to disburse to qualified producers of milk, pork, eggs, poultry, and beef, for the cost of feed; and to provide for the administrative costs of the Livestock Revitalization Program.

"Self-sufficiency is important to an isolated State such as ours. If these farms are allowed to close, the residents of the State will be forced to rely on and consume more and more imported goods. Mr. Speaker, dairy, poultry, beef and pork products are perishable in nature, relying on imported products creates an increased risk of food spoilage and resultant food-borne illnesses due to the fact that these products need to be shipped from overseas farms. By the time these products reach the consumer they are already a few days to a few weeks old.

"Also, Mr. Speaker, should there be a natural disaster or problems with transportation on the mainland, the State may face shortages of these essential food products. Furthermore, this measure gives the residents of the State the option to choose locally grown products and will encourage them to buy Hawaii first.

"In closing, I would also like to thank James Jim, Suzie and Mary Peterson of Peterson Upland Farm, Wahiawa for participating in the legislative process and providing important insight into Hawaii's egg industry and sharing their farming experience with us. This legislation will support local farmers like the Petersons whose farm has been in existence since 1910.

"I urge my colleagues' support."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1221, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Final Reading by a vote of 49 ayes and, with Representatives Bertram and Nakasone being excused.

Conf. Com. Rep. No. 140 and H.B. No. 1211, HD 2, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 1211, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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

Representative Waters' written remarks are as follows:

"With respect to HB 1211, HD2, SD2, CD1, the appropriation amount and the fiscal year for same, as approved by the Finance Committee, are correctly stated in Conference Draft 1. I realize that the Judiciary has expressed serious concerns that the amount appropriated in the CD1 may not be enough to cover the additional costs for fiscal year 2007-2008 created by this measure. Even so, I have chosen to allow this measure to proceed to Final Reading rather than create a risk of non-enactment in future Legislative Sessions.

"I look forward to hearing from the Judiciary concerning further appropriation requests, if necessary, specifically and demonstrably arising from the impact of this measure after it takes effect."

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

Representative Belatti's written remarks are as follows:

"I support House Bill 1211, Conference Draft 1. By raising fees for court-appointed counsel and guardians ad-litem in Family Court cases, this bill provides just compensation for those who represent indigent parents and the best interests of our children in Family Court. The current compensation and inequity in pay between counsel in Family Court and their counterparts in criminal courts does not reflect the severity and importance of Family Court cases in which children can be separated from their parents and families can be torn apart.

"There is nothing more serious than our government reaching into our homes and taking control of our families. Such serious decisions on the part of our State should rest on the most intelligent arguments and best judgment possible. By providing just compensation for counsel and guardians ad-litem, we can attract and retain dedicated and competent individuals to give the interests of families and children in our community the serious consideration they deserve."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1211, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FAMILY COURT," passed Final Reading by a vote of 49 ayes and, with Representatives Bertram and Nakasone being excused.

Conf. Com. Rep. No. 141 and H.B. No. 855, HD 1, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 855, HD 1, 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'm rising in opposition to Conference Committee Report No. 141. This bill is dealing with workers' compensation. I believe the bill has two bad provisions. One provision would require that the workers' compensation coverage continue for an allegedly disabled worker even after the employer or their health insurer denies further treatment. If the worker disputes a ruling, the coverage would only end if the Director of the Department of Labor filed a determination that the coverage should end. Not only does this give a worker the power to unilaterally ignore a medically justified determination that the worker was able to return to work, but it could result in the Director of the Department of Labor being overwhelmed by a flood of such requests resulting in healthy workers malingering for months until the Director could get around to reviewing their cases.

"The other bad provision of this bill would prevent the Director of the Department of Labor from adopting, amending or repealing rules with the Governor's concurrence. He couldn't do that unless the Legislature first approved those proposed rule changes. This would be setting a precedent that's never been done before. Directors of departments, all the departments in the State have the right to promulgate rules, but this bill singles out the Director of the Department of Labor and says, any rule changes must come before the Legislature. We are a part-time Legislature. They must wait from year to year and then bring these rules in and the rules will not be adopted unless we adopt them first. Those are my concerns and that's why I'm voting no."

Representative Ching rose in opposition to the measure and asked that the remarks of Representative Meyer be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

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

"I fear that this bill is really bad for business. I am in strong opposition to this measure. I won't go into detail, but basically we are hurting businesses by passing a bill which will increase cost for

workers' compensation and I fear for our business climate here in Hawaii. I urge all Members to vote no. Thank you."

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

"Mr. Speaker, brief comments in support. Again, what we're forgetting here is the injured worker who is getting medical treatment, and what happens right now in the current system, Mr. Speaker, is when there's dispute, the treatment stops, even if you really are injured and should continue to get the treatments you can get better and get back to work and become a productive worker in the work force. And we're trying to correct that. And the Chair of Labor has worked hard to do that, and this bill is a step in the right direction to address that imbalance. Thank you, Mr. Speaker."

Representative Marumoto rose to respond, stating:

"I think employers are all very concerned about the medical care for their workers. They care about injured workers and we would certainly like to make sure that our injured workers receive as much care as they desire. However, our system pays out to too many people and we are unable to give, perhaps, sufficient care or adequate care to some of those that are really hurt.

"However, our system tries to address the problem and a person is able to collect Temporary Total Disability until his doctor says that the injured worker has received maximum medical improvement. Under this bill, yes, the treatment will continue, but even after a doctor has said the injured worker is ready to return to some type of work, you will have to wait until the Director of Labor convenes a hearing and that may be quite some time after the doctor says the patient is well until Temporary Total Disability will cease.

"It is an extremely difficult bill for employers to work with, to receive reimbursements for any unnecessary medical care for them, and it will increase workers' compensation premiums. So, this is why I feel that this bill should not pass. 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. 855, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION," passed Final Reading by a vote of 35 ayes to 14 noes, with Representatives Awana, Ching, Evans, Finnegan, Hanohano, Har, Marumoto, McKelvey, Meyer, Pine, Sagum, Thielen, Tokioka and Ward voting no, and with Representatives Bertram and Nakasone being excused.

Conf. Com. Rep. No. 142 and H.B. No. 833, HD 2, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 833, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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

Thank you, Mr. Speaker. I rise with strong reservations on Senate Bill 833. I am concerned with the public policy precedent that we set today, should we pass this bill. The State Legislature, time and again, has reinforced this belief through the law that an employer must have the responsibility for insuring healthcare for its employees. Every business, regardless of what industry they engage in, should pay its fair share. This bill would go in direct contrast to this stalwart philosophy. We potentially open the door for other industries to seek a legislative exemption from this duty to its employees and will further erode the reputation that Hawaii has as a leader in healthcare coverage for its citizens.

"Although the promise by employers to pay their employees a higher hourly rate should this bill pass, one should not be fooled into thinking that this is an adequate substitute for their share of the health

coverage lost. In the long run, the workers lose out because of the additional medical cost they have to bear. These direct support workers should not be confused with independent contractors. Why would they want to pay for their own insurance?

"If there absolutely has to be an exclusion, the carehome owners and their employees who provide care in said homes should be the only ones excluded. We should not get side tracked by the provision that exempts those who employ part-time employees because they are covered by other employers. These part-time employees are true employees and should not be treated like any other workers in the same situation. Just because these part-timers are healthcare workers should not make any difference. Health industry employers should not be given special treatment.

"Not only should we limit the exemption to carehome owners, but we should also limit the exemption to workers' compensation and TDI. Federal law requires that unemployment insurance be provided for nonprofit and government agency employees. Failure to comply with federal law could result in a penalty to the State. So contentious is this issue that whether the groups pushing for this measure should pay unemployment insurance or not, is a subject of ongoing litigation. The question should be left to the courts to decide.

"Finally, Hawaii's longstanding and historic Prepaid Healthcare Act requires that employers provide health insurance for full- and part-time employees. In the case of part-time workers, this requirement is triggered when an employee works at least 20 hours per week. Having a blanket exemption for an entire class of people by declassifying them from being employees, creates a slippery slope and threatens to erode our precious Prepaid Healthcare Act. In closing, at minimum, this bill should have a sunset date, and I ask my colleagues to think long and hard about their position on this measure. Thank you."

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

Representative Sonson's written remarks are as follows:

"I support House Bill 833 H.D. 2 S.D. 2 C.D. 1.

"This bill clarifies and actually narrows what are already existing exemptions for Medicaid Waiver Service caregivers. Since 1978, Workers Compensation, TDI and Prepaid Health Insurance laws already exempted caregivers who provide attendant care, and day care services authorized by the department of human services under the Social Security Act. This bill narrows these exemptions by limiting it to Medicaid services performed by contractors outside the facilities of the recipient of social services payments (chore, personal assistance and habilitation, residential habilitation, supported employment, respite, and skilled nursing services).

"The exemptions were originally enacted in 1978 so that the State would not have to increase the payments for the services to cover employment benefits. The State has not increased the payments to cover employment benefits. This situation is distinguishable and fundamentally different from other businesses and industries because the patients who receive the Medicaid services cannot be charged for the services to cover the costs of employment benefits. This is not an exemption for all caregivers in the State of Hawaii. This is only an exemption for a limited number of caregivers providing specific Medicaid services, whose payments are limited to Medicaid payments from the State.

"In the future, we can always amend this law should we decide to fund the millions of dollars required to pay for the employment costs for these caregivers. The bill provides for a study of the financial impact and consequences of the exclusions so that we can accurately gauge the need to increase our Medicaid payments to fund employment benefits for caregivers.

"At this time, however, this bill provides the best solution to avoid disruption of Medicaid services and gives the State time to consider funding for employment benefits. It does this by preserving the way these caregivers have successfully conducted business for years (letters from 1990 and 1991 submitted in support of the bill show that the State Department of Labor and Industrial Relations (DLIR) recognized these caregivers as independent contractors and excluded them from employment benefits until a recent decision by the DLIR appeared to contradict those earlier decisions).

"Many caregivers affected by this bill have testified in support because they are happy with their current businesses, want to maintain their independence and do not want to be employees. Further, this bill requires caregivers to voluntarily agree in writing to be independent contractors in order to be exempt. This gives flexibility to the State and the industry to continue to use employees (where feasible) and independent contractors. These options help the State provide Medicaid services to the people who need them.

"There is no conflict between this bill and the Federal Unemployment Tax Act (FUTA). This bill specifically does not exempt any caregiver who is an employee covered by FUTA from the State Unemployment Insurance Law. Thus, there is no risk to the State's FUTA tax credit."

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

Representative Belatti's written remarks are as follows:

"I am in support of House Bill 833, Conference Draft 1. This bill has been the source of much discussion this session, and I commend the Conference Chairs and Legislators who carefully considered and crafted the clarifying language for excluding recipients of social service payments from the scope of various employment related laws. However, because of concerns raised throughout the life of this bill, I support this bill and its treatment of caregivers as independent contractors to the extent that this bill limits the application of the exemption from Hawaii's Employment Security Law to individuals not covered by the Federal Unemployment Tax Act."

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:

"Thank you, Mr. Speaker. Mr. Speaker, I rise in support of House Bill 833. Mr. Speaker, care home operators constitute an overwhelming majority of domestic care givers who receive social service payments through contracts with the Department of Human Services to provide care to our *kupunas* and those who are less fortunate. Although it appears under the current law that these care providers are not employees, insurance companies, state agencies, and the judiciary often confuse domestic care givers as employees.

"Mr. Speaker, the classification of domestic caregivers as employees ignores the reality of the domestic care industry. Truly, domestic caregivers contemplated in this bill operate as independent contractors by forming their own corporate entities with distinct places of businesses and no other supervision or control, except for their own expertise, and the guidelines and regulations imposed by law. Moreover Mr. Speaker, the classification of domestic care givers as employees poses a grave threat to the stability and sustainability of the domestic care industry because of the skyrocketing costs associated with their classification of employees. This issue will cause a domino effect forcing many agencies to cease to operate, many caregivers would be left without any source of income; many patients would be left without caregivers then, Mr. Speaker how do we address this domino effect. Mr. Speaker, this bill

would ensure that these upheavals would be avoided, especially in light of the ever-growing demand for domestic care.

"Mr. Speaker, this bill benefits the State of Hawaii, the caregivers and patients in three ways. First, this bill benefits the State by avoiding a substantial increase in the costs of caring for mentally and physically disabled adults in Hawaii. Second, this bill enables the caregivers the flexibility to maintain and operate their independent small businesses, which flexibility, in turn, benefits the patients and lastly Mr. Speaker, this bill allows the patients to continue to receive the care they require to live in the community and not in an institution. To accomplish this, this bill clarifies the already existing employment exemptions under the Hawaii Revised Statutes, Chapter 386 – Hawaii Workers Compensation Law, Chapter 392 – Hawaii's Temporary Disability Insurance Law and Chapter 393 – Hawaii's prepaid Health Care Law. These exemptions currently exclude caregivers from the definition of employment and allow them to operate their own businesses. 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. 833, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT," passed Final Reading by a vote of 49 ayes and, with Representatives Bertram and Nakasone being excused.

Conf. Com. Rep. No. 144 and H.B. No. 1567, 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. 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," passed Final Reading by a vote of 49 ayes and, with Representatives Bertram and Nakasone being excused.

Conf. Com. Rep. No. 145 and H.B. No. 751, 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. 751, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY," passed Final Reading by a vote of 49 ayes and, with Representatives Bertram and Nakasone being excused.

At 10:45 o'clock a.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 1221, HD 2, SD 2, CD 1
 H.B. No. 1211, HD 2, SD 2, CD 1
 H.B. No. 855, HD 1, SD 1, CD 1
 H.B. No. 833, HD 2, SD 2, CD 1
 H.B. No. 1567, SD 1, CD 1
 H.B. No. 751, HD 1, SD 2, CD 1

At 10:45 o'clock a.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 10:46 o'clock a.m., with Vice Speaker Karamatsu presiding.

Conf. Com. Rep. No. 146 and H.B. No. 1572, 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. 1572, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of

49 ayes and, with Representatives Bertram and Nakasone being excused.

Conf. Com. Rep. No. 147 and H.B. No. 1569, 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. 1569, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 49 ayes and, with Representatives Bertram and Nakasone being excused.

Conf. Com. Rep. No. 148 and H.B. No. 1568, 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. 1568, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 49 ayes and, with Representatives Bertram and Nakasone being excused.

Conf. Com. Rep. No. 149 and H.B. No. 1345, HD 2, SD 3, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 1345, HD 2, SD 3, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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

Thank you. Mr. Speaker, just in strong support of Conference Committee Report 149, H.B. 1345. This measure gives much needed, much earned relief to many worthy efforts and I just wanted to thank the conferees on this Committee, in particular, my colleague from Waimea, the Chair of Military Affairs, the Chair of Heritage Caucus. I think there's some good relief here and I'm glad that we're going to be taking care of the Big Island and a number of the other counties that are mentioned in this bill and I wanted to thank the Committee members. Thank you."

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

"Thank you, Mr. Speaker. In support with some strong reservations. Mr. Speaker, we had an opportunity at the beginning of this Session to prepare the State for natural disasters and we didn't do that. The House did its share and the Senate declined. All this bill does is to pay for what happened from the last natural disaster and does nothing to prepare us for the next one. I hope we can get something done at the next Session. 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. 1345, HD 2, SD 3, CD 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR NATURAL DISASTERS," passed Final Reading by a vote of 49 ayes and, with Representatives Bertram and Nakasone being excused.

Conf. Com. Rep. No. 150 and H.B. No. 831, HD 2, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 831, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I rise in strong support of this measure and would like also to thank this Chamber that this measure had made it this far. And I would like to share with you a little bit of history on this bill.

"During World War II, the U.S. Army recruited a lot of Filipinos to become soldiers. And after the war they negated on those promises that were made when they recruited these Filipinos. This happened until about the early 90's when Senator Inouye finally acknowledged and recognized their services. So, a lot of them could not resist the temptation to come and see this land of opportunity. But when they got here, they found that they were destitute. They did not have medical coverage, and they were too old to seek employment.

"So, this measure provides for burial expenses for them and for them to be able to be sent home to their native homes with a little bit of subsidy from the State. And with that, I'm grateful that this bill had made it this far. Thank you all."

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

"Thank you very much. In strong support. I would like written comments into the Journal, however, just to explain what this does as far as finances goes. I do know how much it costs to bring a body back to the Philippines. The bill limits it for each person to about \$2,000. So about ten people will take advantage of this particular funding.

"When my father died a few months ago, before he died his last request was that he wanted to be buried home in the Philippines. I think that's an important thing that we need to know. For lack for a better word, it's a value that the Filipinos, who came to Hawaii, have always expressed to their children. They want to be buried where they were born, and as far as my father was, he wanted to be buried in our homeland. We actually have a little farm land in the Philippines and he wanted to be buried there with my mother.

"The reason I mention that is because it costs about \$8,000 for a body to be shipped to the Philippines. The money that we are providing here is only a partial. I am in support and I really thank the Legislature for providing this subsidy to the Filipino veterans who were actually forced to come here on their last legs because they were hoping that they too can take advantage of the American dream that was promised to them a long time ago.

"However, they really didn't want to come here. They were already too old. They wanted to come here just to lobby us, lobby their representatives in their states, wherever they go, and also lobby the Congress to have a parity law and, hopefully, that this year our delegation will be successful in passing this parity law in Congress.

"This money will really help them to go back home and be buried with their loved ones and their families to the land in which they love. And this will be probably a continuing support if we do so feel like that, if we feel compassion for these individuals who want to be returned home. And hopefully, next year or the following year, until such time as they all return home, we can continue our support. Thank you very much."

Representative Sonson's written remarks are as follows:

"I support House Bill 831 H.D. 2 S.D. 1 C.D. 1. This measure assists Filipino veterans and their families by requiring that the Office of Veteran's Services facilitate the transport of the veteran's body to the Philippines for burial by paying directly to a mortuary or crematory the cost of funeral and burial services and for transporting the veteran's remains to the Philippines.

"Filipino WWII veterans made great sacrifices during the war and enabled the United States to achieve victory in the Pacific theater. The wishes of these veterans and their families should be respected and the State has an interest in supporting their cause. This measure

will allow Filipino veterans to return to their homeland and receive the burial they justly deserve."

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

"Thank you, Mr. Speaker. I rise in support of this measure. And I just want to say that while I share some of the concerns of the good Representative from Waipahu. I think this bill is very worthwhile in that it recognizes the efforts of the brave men and women who fought along side of the U.S. soldiers in the Philippines, and whom without which I don't think we would have had our freedom in that theater. Thank you."

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

Representative Sagum's written remarks are as follows:

"Mr. Speaker, I am in support of Conference Committee Report 150: HB 831, HD2, SD1, CD1: A Bill For an Act Relating to Veteran Burial Grants.

"Mr. Speaker, this bill finally pays respect to Filipino veterans who fought for the United State of America in World War II, and at the time of their death, were United States citizens and residents of the State of Hawaii, who wished to be buried in their homeland.

"This bill is long over due, and hopefully, there are still Filipino veterans who might benefit from this bill. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In strong support of this measure. I think this is a good step, a beginning step, to pay the debt of those who have paid our debt. It is a pleasure to support such a bill. Thank you

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

"Thank you, Mr. Speaker. On the same measure, in strong support, with written comments in the Journal. I would like to thank the Legislative body for taking a look at this measure because this is one of many that we need to assist our veterans right now as they age. For us, we are the fruits of all the labors they did in the past, but, again, I would like to thank the Chambers on both sides for supporting this measure. Thank you."

Representative Magaoay's written remarks are as follows:

"Thank you, Mr. Speaker. Mr. Speaker, I am in strong support of House Bill 831.

"Mr. Speaker, House bill 831 addresses end of life issues, whether the cause of death is cancer or other circumstances, this issue is of the utmost importance in social moral issues. This bill is crucial for our aging Filipino World War II veterans who do not have the financial resources or relatives to make the needed end of life arrangements.

"Mr. Speaker, before my time, Filipinos have placed themselves in harm's way in the line of duty on behalf of the American people during World War II, and yet they had their veterans' benefits rescinded in 1946 by the U.S. Government. This bill provides financial resources for eligible veterans who have unfortunately passed away in destitution with no family members in Hawaii to have their remains be transported back to the Philippines for burial and final reunification with their families.

"Mr. Speaker, on behalf of those who lost their loved ones, I speak before this body with compassion to advocate for full equity for Filipino World War II Veterans. This bill would support a Filipino Scout like Mr. Rudolfo Ramos who unfortunately passed away in November 2006 and others; they risk their lives in aiding American forces in the Philippines. In many instances, due to the lack of finances, and no next of kin in Hawaii, and with our prohibitive immigration and visa policies relatives from the Philippines are still unable or have a very difficult task of entering the United States to transport their remains back to the Philippines for proper burial.

"Mr. Speaker, passage of House Bill 831 would go a long way to bring judicial closure and dignity to U.S. Filipino Veterans who had been stripped of the rights and privileges afforded to all other allied troops who had fought on behalf of the United States in World War II. 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. 831, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO VETERAN BURIAL GRANTS," passed Final Reading by a vote of 49 ayes and, with Representatives Bertram and Nakasone being excused.

Conf. Com. Rep. No. 151 and H.B. No. 24, 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. 24, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TEACHERS," passed Final Reading by a vote of 49 ayes and, with Representatives Bertram and Nakasone being excused.

Conf. Com. Rep. No. 153 and H.B. No. 1171, 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. 1171, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," passed Final Reading by a vote of 49 ayes and, with Representatives Bertram and Nakasone being excused.

At 10:55 o'clock a.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 1572, SD 1, CD 1
 H.B. No. 1569, SD 1, CD 1
 H.B. No. 1568, SD 1, CD 1
 H.B. No. 1345, HD 2, SD 3, CD 1
 H.B. No. 831, HD 2, SD 1, CD 1
 H.B. No. 24, HD 1, SD 2, CD 1
 H.B. No. 1171, HD 1, SD 1, CD 1

Conf. Com. Rep. No. 154 and H.B. No. 19, HD 2, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 19, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I rise in opposition of this bill. Actually, in Conference Committee I voted straight yes on this bill and had a chance to review it and the history of this bill. Previously, this House Bill 19 was to establish the Facilities Alignment Commission, something I was very strongly in support of. What we have experienced over the years, is the same amount of children, way back when until now, and I think this was at least within 20 years ago until now, we've had the same amount of children attending schools.

"And what the Facilities Alignment Commission was to do was to analyze all of this information, and it was a really good bill, and then basically recommend where we may consider closing some schools and also consider areas to build and construct new schools, or expand existing schools. And taking a look at this bill now, it talks about school impact fees and how we can recommend and work with the DOE to build new schools.

"The problem that I have with this particular bill now is that it still does not address doing an analysis of schools that are operating that maybe should not be operating due to economies of scale and not having enough students in that area. What happens is it doesn't assist, in my opinion, the moving forward of Act 51's weighted student formula. I think that there should be a balance that we take a look at not only closing some of the schools, but also expanding in other areas. This is for efficiency and effectiveness, Mr. Speaker.

"So, I will be voting no in hopes that we will also address the other part of this. Nobody wants to talk about that issue of closing down possibly some schools, but I've talked to some teachers, I've talked to teachers at schools that have very small numbers, and some of those schools, not all, but some of those schools maybe should be considered for closing. Thank you.

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

"Mr. Speaker, I rise in strong support of this measure. It may be true that we have the same number of children in public schools right now, but let's not forget that one of the problems that we are now facing is overcrowding in our schools. I believe that building more schools, especially the communities that are growing and sprawling is in good intentions. We need to fix what's broken and overcrowding is one of the broken things in public schools. And funding them through impacts fees is the best way to do it.

"If you remember, Mr. Speaker, we don't have enough State dollars to build infrastructure and we don't want to raise taxes either. So therefore, we need to look into the private sector to help us build the schools, especially the communities where developers go and build a lot of homes. So, I believe that this measure is in good taste and we should all support it. Thank you, Mr. Speaker."

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

"Thank you very much, Mr. Speaker. In support. Let me respond to the points made by the Minority Leader and her 'apples and oranges' comparison. This bill actually did have two parts to it as it left the House. The impact fees actually, as Members know, impact fees have been assigned to developers for decades, frankly, so this is nothing new. What this bill does, however, is give a sense of uniformity and lets the developers know what is expected of them.

"In the past, with impact fees, it was a 'catch-can' system. The developer did not have any kind of expectation of what that impact fee would be. This bill puts everybody on the same level playing field and lets developers know what fees will be assessed prior to the project being built.

"As far as the second point about realigning our schools and so on. As you know, Mr. Speaker, I've introduced bills the past two Sessions that would do precisely that because I believe that the Board of Education has not moved on this issue. Frankly, I do believe that the Board should be doing this. I don't believe in micromanaging the system, but when they fail to take action on this, bills were introduced last year and this year.

"However, the Board is taking action. They've created an Ad Hoc Committee chaired by Board member Breene Harimoto that will do precisely what the Minority Leader talked about in what the bill that I introduced purports to do, and that is take a holistic view of the entire

physical inventory of the department, decide which schools may be consolidated, which schools should be expanded given the property that they have, and again, working with developers and the community to figure out what's the best way we can make the most efficient and effective use of our school facilities. Thank you very much, Mr. Speaker."

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

"Thank you, Mr. Speaker. I rise in support of this measure. I'd like to first incorporate the words of the Chairman of the Committee on Education as if they were my own. I'd like to also address the concerns raised by the Minority Leader and just mention this. First of all, I agree with her concerns. In fact, as the Chairman of the Education Committee, already mentioned there have been numerous measures proposed in the past two years. In fact, I've co-introduced the measure from last year. That's not to say, though, that this particular bill that we're looking at right now should not be supported. It is an 'apple and oranges' thing. I do support the apple, I do support the Board of Education focusing its efforts and making determination of how they're going to proceed to close schools down should the need arise, number one.

"Number two, I also support the mandates in this bill which calls for an impact fees for schools. I really feel for new developments across the State. And I understand the concerns of our colleague from Ewa because when you take a look at these new developments, especially the ones over the last decade, we understand very well that these communities, these new communities, don't have the adequate education facilities and infrastructure necessary for those particular communities. Hence, and thus, the reason for this particular measure.

"I've talked to numerous developers over the years because I've supported this effort ten years ago. I told them that however difficult it is to implement the school impact fee would be alleviated on the selling of these units if they tell these prospective buyers that one of the things that they're doing as a developer working with the State is to assure that when you come into a certain community, a new community, that these particular communities will have the school facilities and infrastructure and will be ready to accept kids. I think this is a win-win for everyone. I think it is a win for the State, the Department of Education. I think it's a win for the developers, and I especially think it's a win for these new homeowners in the future. Thank you, Mr. Speaker."

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

"Thank you very much. I wish to speak for this measure with some reservations. I admit that as the Chairman of Education stated that impact fees has long been used and this will merely to set parameters so that the contractors will know and the developers will know what the impact fees are going to be. That is good.

"However, we cannot treat this impact fees in a cavalier manner because the impact fees affect the cost of the homes. And as you've been reading just recently, the cost of residences, because you don't have an adequate supply of homes, is continuing to rise. It makes it more difficult for the young people, first-time homebuyers, to purchase a home. It gets worse every day. And these impact fees will not help.

"And, so, I can only state that as we go ahead with our good ideals, we should remember the other side of the coin. Whatever we do has a consequence. Thank you."

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

"In support. As a Representative of a community that struggles with chronic overcrowding for 25 years, I support this bill and I'd

like the words of the Chair of Education to be inserted in the Journal as if they were my own," and the Chair "so ordered. (By reference only.)

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

"Thank you, Mr. Speaker. In support. With all due respect to my good colleague from Wailuku, to put a provincial twist on the whole bill and situation, we're one of these communities where the growth of the developments is outstripping the resources. As you look at the budget, you can see we're putting \$32 million into a new school, into our area. A school that's way over needed, and that's coming out of everybody's pockets.

"When I was walking door to door in these new communities, I asked these homeowners, these young families, 'Would you be willing to pay a little extra to have a school ready to go for your kids with the proper amenities, infrastructure, and quality, air conditioning that is expected of a school?' I didn't hear a single homeowner say no. Especially with the fact that they have to drive their kids to an overcrowded school, no air conditioning, and bad playground equipment, where the learning environment is very, very, contrary. It's almost oppressive to them.

"So, you know, I do understand and can appreciate the speaker from Wailuku's concerns about the raising of the prices of homes, but you look at where these communities are growing at such a rate that if we don't do something to put the schools in first and the infrastructure in first, we're just going to keep slipping and sliding downwards and our quality of life is going to continue to slip and slide downwards. And I think that's what everybody wants, is quality of life, especially when it comes to education. Thank you, sir."

Representative Finnegan rose to respond, stating:

"Thank you. Just a few more comments, Mr. Speaker. Still in opposition. First of all, I'd like to continue the analogy of 'apples and oranges'. Yes, I do believe that I'm talking apples, and I do believe that I'm also talking oranges. But these things don't operate independently in and of itself. They belong in a fruit basket and they affect each other. And, so that's why I wanted to make sure that we brought up the discussion as a whole.

"If I could also adopt Speaker Emeritus' comments as well, because I take impact fees seriously. When we talk about development, we are straddling two issues and that's education and housing. I'm not saying do not do impact fees. I'm saying when we do it, and how we do it is very important. And I think that it says that in this measure, as well. But we are straddling two very, very important issues and we should be mindful of that.

"And the last comment, I'm glad that the Board took it upon themselves after introduction of a bill to do a Facilities Alignment Commission two years in a row. I'm glad they're taking it up on their own now. And that's probably what needed to happen is legislation from the Capitol in order for them to actually consider this because it is a difficult issue. But I do also have reservations on the way that the Board and the Department of Education have done things in the past. So, instead of, I was considering changing my vote to a vote with reservations, I will hold to a no just so that we can make a statement that this is a very important part of the whole fruit basket. Thank you."

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

"I rise in strong support, Mr. Speaker. As the Representative from the fastest growing district in the State of Hawaii, it is so frustrating for me to hear the Minority Leader speak out against this measure. Every day new homes are being added, particularly, on the Leeward Coast, and this body knows that I will continue to advocate for the Leeward Coast arduously because I feel so strongly about this issue.

"Over the next 15 or 20 years, there will be 50,000 more homes added to the Leeward Coast. In particular, there is one development, 11,700 new homes will be added to Kapolei-Ewa Beach. So to put things into perspective, there are approximately 11,000 homes in Mililani alone. So a new city will be added into the area of Kapolei-Ewa Beach. My point is that we need to continue to build the infrastructure and infrastructure includes new schools.

"As I walked door to door, I shared the same concerns as the Representative from Lahaina did. My constituents are so frustrated. I have the newest schools in the State of Hawaii, yet, they are already overcrowded. Overcrowding is a problem. It impacts a student's achievement and we must continue to find the resources that this State needs in order to build new schools for our residents, for our communities, for our growing communities.

"Therefore, Mr. Speaker, I stand in strong support. I also ask that the words of the Chair of Education be adopted as my own, as well of the words of the speaker from Lahaina and the speaker from Aiea. Thank you, Mr. Speaker," and the Chair "so ordered." (By reference only.)

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

"In support with some very strong reservations. And I agree with my colleague from Wailuku. We keep talking about affordable housing, but we don't look at the cost drivers. Developers don't pay for it, do they? Everything gets passed on to the buyer. The buyer pays taxes, the developer pays taxes, and if we don't have enough sense in our budgets to provide for the necessary schools and good schools, then we're not doing our job. That's all."

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

Representative Cabanilla rose to respond, stating:

"Just a few comments. Still in support, Mr. Speaker. I would like to pick up on what the Representative from the Big Island said about impact fees, that all the developers do is pass it on to the consumers, to the buyers. That's so true, Mr. Speaker. And, in a way, I'm opposed to that.

"The impact fees should be absorbed by the developers, but it should come from the profit margin of the developers, and I think that we should go back next year and put in a definition for impact fees. Thank you."

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

"Mr. Speaker, I'm standing in strong support. Mr. Speaker, in my district we will be facing a huge, two huge housing developments, Koa Ridge and Gentry Waiawa. And some of the comments earlier stating the impact fees are going to be passed on. I agree. It will be passed on. It's an issue of fairness, Mr. Speaker. I'm not a pro-developer, but I think it needs to be, the cost of everything needs to be spread out equally.

"The concern that I have is our current Department of Education has had a problem putting up schools quickly and efficiently and this will help. Thank you."

Representative Souki rose to respond, stating:

"Yes, Mr. Speaker, I don't appreciate that we are taking all this time on this measure when there's so many other important measures, but housing is an important measure. We have a terrible situation with the homeless. It's growing every day because they can't afford

to buy a home. They can't afford even to get into an apartment. It's so expensive. And government is part of the reason for all of this because we keep on passing on the cost. There's not enough homes to be built.

"And let me tell you about these homes that's been built on the Leeward area. These homes were approved by the respective counties. They're going to have a windfall of the property taxes by the 15,000 homes that are going to be built there. The State had nothing to do with it. Maybe we should re-look at the whole situation and have a law to provide that the counties will provide a rebate on their property taxes to assist the schools to be built. And maybe it's not a far-fetched idea because they become the passive winners in the property tax and in earning an income, and we become the cost drivers. Thank you very much."

Representative Ward rose, stating:

"Mr. Speaker, I rise in inspiration from the previous speaker from Maui because he's actually reaffirming what I think the Minority Leader said about the relationship between 'apples and oranges' being in the same basket because he really brings up the big point of education ..."

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

"Point of order, Mr. Speaker. I don't believe he said whether he's in support."

Representative Ward, continued, stating:

"I am speaking in favor."

At 11:15 o'clock a.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 11:15 o'clock a.m.

Representative Ward continued, stating:

"Yes, in support. My point of inspiration was that if we don't see the link between what we're putting in education and what we're getting out, we miss the opportunity that so much is growing now in our private education industry. I was told by the previous Chair of Education that Hawaii's teachers have more per capita children in private schools than any other state in the union.

"We want to build schools, but the people want quality schools. They want quality education. And I think with these impact fees, which is going to bump housing up, it shows how that drain from the economics of housing going into education is very worthwhile if we get our money's worth. I think that's where the apples bump up against the oranges. The oranges squeeze and they put the apples together. We got some kind of a fruit juice here that I think we have to understand the economics of.

"Because in Hawaii, as in any other place in the United States, education is the great equalizer. That's how we lower the differences between the people in Hawaii. That's how we raise up people from poverty, from ignorance, and allow them to become somebody, to do something, to have their dreams realized. But as long as the education is not producing, I can see why realtors and others would say, why should we 'shake down', as it used to be called, the developers to build schools, if in effect the schools aren't producing what they are supposed to be doing.

"So, Mr. Speaker, the apples and the oranges is a very great analogy and we've got to increase educational excellence, otherwise, all we're doing is taxing and taxing and passing on these things without any results. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I'm rising in support, but with the same reservations that the Transportation Chair from Maui expressed. Mr. Speaker, I would really encourage the Chair of Housing and the Chair of Finance to work with the Transportation Chair on his idea about looking at the way that the counties should participate in this.

"He was a former Finance Chair, he certainly understands the financial implications and when the county gets a windfall and we are hitting the developer, forcing the developers to raise the cost of housing, preventing young families from getting in to their first home, we're not doing it in the right way. I think he may have a really excellent answer and I hope we will pursue this, this coming Session. 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. 19, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Finnegan and Meyer voting no and, with Representative Bertram being excused.

Conf. Com. Rep. No. 155 and H.B. No. 1003, HD 3, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 1003, HD 3, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I'm in support and I do have some very serious reservations about this measure if I may speak. Mr. Speaker, this bill has good parts. It establishes the Hawaii Natural Energy Institute at the University of Hawaii at Manoa. That's very positive. And it says that the Institute, this new Institute at U.H., shall develop renewable sources of energy for power generation. So far, good.

"However, you go to Part 3 of the bill, and you'll see what the primary focus and objective of this new Institute will be, and that's to develop a Hawaii Renewable Biofuels Program to manage this State's transition to energy self-sufficiency and it's based on biofuels for power generation, looking at biofuels as a significant renewable energy resource. And it goes on, promotion of Hawaii's biofuel resources to potential partners and investors for development in Hawaii, as well as for export purposes. So, not only will we be creating a biofuels industry here to serve Hawaii, but we will be creating it to export to other countries.

"If you take a look at the conflicts with our water resources, and you realize that biofuels will not achieve the objective of energy self-sufficiency. The crops will use agricultural land and water. Both of those resources should be used to produce food for local consumption. We can use solar, wind, and wave for our renewable energy resources, our renewable energy needs. We can use our agricultural land to grow local crops for local consumption.

"I'm opposed to this, what I believe is a misguided approach saying that biofuels will be the savior for Hawaii's energy needs. I think we really need to look at this seriously, rethink it, and keep our ag land for food, crops, so local people can buy local. Thank you."

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

"Thank you. I rise with reservations. And I appreciate that the former speaker pointed out the issue of water and, so that's why I stand with reservations. Thank you."

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

"Thank you, Mr. Speaker. In support. Just some brief comments in rebuttal, even though the speaker was in support. Just for the edification of members, the Hawaii Natural Energy Institute is not a new Institute. That Institute was formed in 1978 through Session Laws and all we're doing is codifying that section.

"Secondly, I just want to address the issue of biofuels. There's no one magic solution that will be the energy savior for our State. It will take a multi-prong approach in addressing our energy issues. Biofuels could be one of the near term solutions in addressing our energy situation. For example, existing power plants may be able to transition into biodiesel where we can easily use our old infrastructure by using a renewable fuel.

"But one of the things that this bill will address is a bio-energy master plan. How do we get there? How do we make sure that our need for food security isn't overshadowed by our desire for energy security? It's balancing those kinds of needs and, so, I don't want to 'diss', or have anybody 'diss' the approach to looking at biofuels and bio-energy as a bad potential for Hawaii, but as one of the many approaches and strategies that we have to thoroughly investigate to take us to energy independence and security. Thank you."

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

Representative Thielen later rose to respond, stating:

"Yes, Mr. Speaker, before you call for a vote on this page, I would like to correct one statement that I made. It relates to Conference Committee Report 155, the biofuel industry bill. On further reflection, I find I cannot vote in favor of that measure. I don't think that is the right way to go. I think we've got to develop our true renewable energy resources and we need to save our agricultural land and our water for agricultural crops. 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. 1003, HD 3, SD 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 Thielen voting no, and with Representative Bertram being excused.

Conf. Com. Rep. No. 157 and H.B. No. 55, HD 1, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 55, HD 1, 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. The purpose of this measure is to establish a statewide youth suicide early intervention and prevention program. Mr. Speaker, more youth die from suicide each year than from cancer, heart disease, AIDS, birth defect, stroke, chronic lung disease combined. In Hawaii, suicide is the second leading cause of death among persons age 15 to 24.

"The first step of prevention of suicide is to identify the warning signs. Knowledge and education about suicide is an essential component in preventing suicides. Comments such as, 'I hate myself,' or 'Soon the pain will be gone,' or 'I want to sleep and never wake up,' may sound like a common gripe or it might even sound like a joke. But those that go through this program and are taught by these coordinators will know that this could be the first sign of a suicide or suicide attempt.

"In fact, they will also look at the person, and these are other factors may indicate that the person is contemplating suicide: their lack of energy, the person is angry for no apparent reason, appears to be confused. They also look at the environment. Does the person have problems at school? Is there a history of family violence? Was there a recent break up in a relationship? Remember, not a single factor, but all these factors together may indicate a pattern. And what I'm touching on is just the tip of the iceberg of what the program and the coordinators will teach.

"The benefit will be to the number of people taking the courses, such as law enforcement personnel, healthcare providers, educators, parents, youth, youth advocates, and many other private and public organizations. Mr. Speaker, this will not only help prevent youth suicide, but it will also help prevent suicide in our adult population as well. For those reasons, I humbly ask that Members of our body support this measure. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I'm rising in support of this measure. I think this is a good start. I'm disappointed in that this bill has no money in it and that it authorizes, but does not mandate the Department of Health to establish and operate a statewide youth suicide, early intervention and prevention program. But just the fact that it's passing is a good beginning.

"I think that this is a problem that is not publicized very much. When a young person dies, the paper doesn't say they died at their own hand. But with the large problem that we have with drugs, ice addiction, and addiction to other drugs, I think it happens more often than we know. And it's such a devastating thing to happen in any family. I hope that next year we'll put some money in this. And I also hope that the Department of Health will start on this even though they have no additional funding. Thank you, Mr. Speaker."

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

"Mr. Speaker. I'm standing in strong support. Mr. Speaker, as a clinician who actually has worked with this type of population since 1990, we have seen the effects of young future leaders having depressed moods, suicide idealizations, and even actually, when I worked at the hospital, dealt with individuals who have attempted to hurt themselves. All I have to say is, it's about time. Thank you."

Representative Mizuno rose on a point of information, stating:

"Thank you, Mr. Speaker. I did want to note a point of clarification. The financial component was taken out of the bill during Conference, but it is in the budget. That's one of the reasons why that financial component was taken out of the bill. This program is budgeted. It does have monies. Thank you, Mr. Speaker."

Representative Manahan rose in support of the measure and asked that the remarks of Representative Yamane be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

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

"In strong support. I'm very pleased we've moved something forward. It's an issue that's been here, I think for several years, the last maybe three or four years that I'm aware of. And we finally get a bill out that is really addressing, which is, I think, a frightening statistic when we look at the number of suicide for youth in Hawaii. We need to continue working on this issue. With the stress that our young people are looking at, potentially maybe even looking at war, the war that's going overseas, obviously, mental health issues that we see on the rise. I can't understate that we have to keep this issue

moving forward even next year, and the years coming forward. Thank you."

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

"Thank you, Mr. Speaker. Also, in strong support. As a wife of an ER physician, it's unfortunate, but I have heard of the incidences that come through and it is as my colleague from Waimea said, it's alarming in Hawaii. So I'm glad to see that we're moving something through.

"I also wanted to add that creating nurturing communities is an important part of looking at this issue. The youth of today have such challenges and the culture that they're faced with, the contemporary culture, maybe does not lend itself always to a nurturing community. And so efforts in creating nurturing communities, I would hope, is something that we should look at and we don't have hospitable communities that encourages children to know that there are people who can help them out there. That they are wanted. They're welcomed. That there are other support networks if they think that their narrow environment does not provide one. This is why it is important to have nurturing communities because it affects our youth. 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. 55, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO YOUTH SUICIDE PREVENTION," passed Final Reading by a vote of 50 ayes and, with Representative Bertram being excused.

Conf. Com. Rep. No. 158 and H.B. No. 807, HD 1, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 807, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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

"Also in support. The purpose of this measure is to formally establish the Office of Long Term Care Ombudsman within the Executive Office on Aging. Mr. Speaker, we already have 48 states in our nation that have an office on long term care ombudsman, so, I believe it's time to have this Office established in statute.

"Furthermore, Mr. Speaker, we have about 230,000 *kupuna* in our State, and as you know, that's the fastest growing segment of our population. This measure will ensure that the Office of Long Term Care Ombudsman will provide information and review the health and safety welfare of our *kupuna* and I would also like to ask for permission to insert additional comments in the Journal. Thank you, Mr. Speaker."

Representative Mizuno's written remarks are as follows:

"I am in support of this measure, Mr. Speaker, HB 807. The purpose of this measure is to formally establish an Office of the Long Term Care Ombudsman within the Executive Office on Aging. Mr. Speaker, we already have 48 states in our nation that have an office of a long term care ombudsman and I believe that it is high time that we create our own office of an ombudsman to protect the interests of our *kupuna*.

"We have more than 230,000 older adults who comprise the population our State. No other part of the population is growing up as rapidly as the age sixty and older group with the number of frail elders who are age 85 and older expected to double up in the next 30 years. Given this figures we have a task to prepare for this aging revolution.

"Creating an Office of the Long Term Care Ombudsman will ensure that the health, safety, welfare of our residents of long term care facilities is not compromised and subjected to abuse by some unscrupulous caregivers who take advantage of the vulnerability of our elders. For this Mr. Speaker, I urge my colleagues to support this measure."

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

"Mr. Speaker, I rise in support with reservation on this matter. I do realize that there is a place in the long term care facilities for an ombudsman. But the ombudsmen may act as policeman in these types of facilities. They are there to monitor the facilities, as well as the patients within. And I believe that this function is now being handled by the Department of Health.

"And let me also remind you and the Chamber that the reason why we don't have long term care facilities now, a lot of them have closed down, and we are now sending our *kupuna* to the mainland, is because of overregulation.

"I just went to a meeting a couple of weeks ago here in this building called for by the carehome industry complaining about overregulation and over-visitation. An ombudsman would go and visit these facilities as well. It's well intended. However, I think that it's a side step to the wrong direction. A lot of the patients or residents, we call it, to long term care facilities being nursing homes or carehomes, expect to be treated in a certain way. And I would venture to say, they think they're going to a three star facility in which everything is provided for. And maybe they are entitled for those types of treatment. However, we, as a State, are only willing to pay so much. So whoever own these facilities have to make do with whatever payment they receive.

"Let me just remind this Chamber that this year, we allocated \$20 more to their rate per patient. And I think that if we are going to go and offer all the representation that these residents have and be given all the opportunity and make demands on what they rightfully deserve, that we should also be in cadence in protecting these providers. I thank you, Mr. Speaker."

Representative Mizuno rose to respond, stating:

"Thank you, Mr. Speaker. Still in support. I just want to address some of the comments that were made by the prior speaker. There are approximately 500 carehomes in the State of Hawaii. And I think what happens is this becomes a balancing test. We're looking at overregulation versus policing, I wouldn't even call it policing, versus insuring that the health, safety and welfare of our *kupuna* are being taken care of.

"In this situation, the Office of Long Term Ombudsman would do everything that that office needs to do to insure safety is preserved for our *kupuna*, so, I am an advocate for care home operators, but I think that the health and safety more for our *kupuna* should come first. And, I'll tell you, many of the care home operators too, will say that is true.

"The problems with care home operators aren't much. You only see a few situations where they're mistreating their patients or the clients. So by far and large, most care home operators do a great job, outstanding job. And so again, if you're thinking about overregulation, I wouldn't use those words. I would probably say, rather, to ensure the safety of our *kupuna*. Thank you. Mr. Speaker."

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

Representative Belatti's written remarks are as follows:

"I am in strong support of House Bill 807, Conference Draft 1. This bill formally establishes an Office of the Long-Term Care Ombudsman within the Executive Office on Aging. This office is critical because it provides a voice for our growing elderly population.

"It is becoming increasingly important to provide this voice and protections for our aging citizens today. As the baby boomers begin to retire in the next decade, there will be a dramatic increase in demand for long-term care facilities. Without established protections, potential abuse of our elderly could go unchecked. This bill demonstrates our commitment to look after the health, safety, welfare, and rights of our elderly population."

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

"In support with some reservations. First, the Ombudsman's responsibility as listed in the bill do not really address the true source of neglect and abuse. If we are really concerned about our *kupuna*, the Ombudsman should not focus on long term care providers as stated in the bill. Rather, where statistically where it's shown in data, that most of the abuse is really outside of the facilities. That's a fact.

"Also, on page 4 regarding what the Ombudsman's duties are and qualifications, etc., it does say that they should have expertise and experience in the fields of long term care and advocacy. I don't know exactly what is meant, but I hope it would mean that the Ombudsman would at least have an opportunity to work at a long term care facility first, so that such a person who has police powers, as contemplated in this bill, would know what is required, what the issues are in the care of *kupuna*.

"I think this is a good step. We should feel good that we have, we will show the public that we are creating laws that will protect *kupuna*. But I think that as we proceed, we have to ensure that these individuals, ombudsmen, as we call them, if they are to be given police powers, we have to ensure that they also will not cause this industry, which is fragile, low paid, and yet performing a very, very important job for our State in the care of *kupuna* who aren't able to care for themselves. Thank you, Mr. Speaker."

Representative Sonson later rose, stating:

"Thank you, Speaker. On Stand. Com. Report 158, Relating to Care Giving. I'd like to change my vote from a yes, to a no. On page 2 of this bill, it has actually a misdemeanor charge, and so I will insert comments in the Journal," and the Chair "so ordered."

Representative Sonson's written remarks are as follows:

"I am in opposition to House Bill 807 H.D. 1 S.D. 2 C.D. 1. This bill imposes overly harsh penalties based on vague standards, to be enforced by a new authority without proper experience or qualifications. H.B. 807 prohibits "willful interference" with or impeding of the long-term care ombudsman, and makes this violation a misdemeanor. However, this bill is written in such a way as to encompass an overly broad range of potential actions that could be classified as a violation. Furthermore, that a person may be found guilty of a misdemeanor based on the actions of a new "Office of the Long-Term Care Ombudsman" is troubling because the proposed new Office does not have the experience nor training to adequately address potential conflict situations. Such enforcement powers are better entrusted to existing authorities."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 807, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAREGIVING," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Sonson voting no, and with Representative Bertram being excused.

Conf. Com. Rep. No. 159 and H.B. No. 843, HD 2, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 843, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. On this measure, I stand in strong support. Closing Kahuku Hospital would have put the people on the North Shore in grave and serious jeopardy. This is about saving lives. And with this measure, Kahuku Hospital's condition has improved dramatically from critical to stable condition, and is well on its way to a healthy recovery.

"This is a long ordeal that we have on this measure, and I really appreciate the community and everybody else involved in it because with that information, with that statement made back in November that this hospital was going to be closing by the end of the year 2006, it brought the community together. Not only legislators, but we had people in all different areas coming to talk to us. This measure is part two of a long ordeal that we have to save it.

"And in the health industries, there are a lot of challenges that we have and, hopefully, as we move forward in approving this measure, the Kahuku Hospital will stand its ground.

"I would also like to thank the money Committees on both the House and the Senate, and also the Health Committees for their long work in pursuing this, and all the community people that were involved. It was a long, arduous measure that we need to take a look at because with this industry, as we move forward, in the health industry, as we discussed today on other measures on the Floor, the number one crisis that we have right now is reimbursement for the health industry. And hopefully, that as we further go on, that we can support, and hopefully, put more money into what we have. As we grow older, I know we just finished talking about the bill about *kupuna*, but for us, as we get older, we have to take a look to health.

"But again, on this measure, I stand in strong support as my colleagues. Thank you very much. And also, we will continue whatever we can do. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I'm rising in strong support on this measure. I want to thank all the Members in this Chamber for supporting the efforts to save Kahuku Hospital. We wouldn't be here today and the hospital would not be open now unless the people here would hear the problem and support the efforts of the community.

"It was a very gratifying experience working with the Representative from Haleiwa and the Senator from my district, meeting with the community and executives from Kahuku Hospital, and working with the Governor and the Executive Branch, the Director of the Department of Health that were all extremely supportive. So again, a big *mahalo* to everyone in this Chamber and the Senate Chamber. Thank you very much."

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

"Yes, Mr. Speaker. In strong support. As someone who has had many families saved at Kahuku Hospital, I do want to thank the Chamber and especially, of course, our Representative from Kahaolu who really got on all of us right away as soon as she heard that there were problems and called the Governor and the Department of Health to commit to save Kahuku Hospital, and of course, our great Representative from the North Shore, as well, for all their hard work. I think this is one of the really great things that we have done this Session."

Representative Mizuno rose in support of the measure, asked that the remarks of Representative Magaoay be entered in the Journal as his own, and the Chair "so ordered."

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

"Mr. Speaker, I wish to speak in favor of this measure, however, I want to alert the members on a situation on an island where you have only one hospital. And you have the far reaches from Hana to Kipahulu to Lahaina and Ulupalakua to go to that one hospital especially when you have an emergency. The results are usually catastrophic.

"So all I can request of this body, as the years go by and more requests come to this body for more assistance, that we look to an island that has only one hospital, and I would hope you would look favorably at that request as it comes along. Thank you very much."

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

"Thank you, Mr. Speaker. In support and I won't dwell on the fact that I'm looking forward to having the people on the North Shore experience the management by HHSC, but I think that the Department of Health should take a good hard look at just what a lot of these rural facilities should be. Should Kahuku Hospital, for example, be like the Ka'u facility, which is a rural health clinic with some longterm care and an emergency room.

"And one of the best things that happened to Maui and the Big Island was the threat of closing Kahuku Hospital, because then maybe the people on this island understand the distances that those of us in the rural areas live with, like my colleague from Wailuku said. For example, this is from the Ka'u facility, the Hilo Hospital is the same as it is from Lanai City to Queen's Hospital. So you want to take about distances.

"I think we need to take a good hard look at how we service these rural areas. The Representative from Kona and I have been working for some years in trying to get more mobile clinics so we can cover these rural areas. These 40-foot vans are the complete facilities. They can be driven to wherever the problems are, and so I hope the Department of Health takes a good hard look not only at Kahuku Hospital, but the entire rural areas. Thank you."

Representative McKelvey rose in support of the measure and asked that the remarks of Representatives Magaoay and Souki 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 H.B. No. 843, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO KAHUKU HOSPITAL," passed Final Reading by a vote of 50 ayes and, with Representative Bertram being excused.

Conf. Com. Rep. No. 160 and H.B. No. 1477, HD 2, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 1477, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. Just very brief comments in support. This is a very good thing that we've done. This is one piece of many to help improve the status of healthcare in the State of Hawaii. This \$4 million appropriation over the next two years is being spent on residency programs to train family practice physicians and in that

capacity will be expanding to Hilo to expand again the training creation of primary care physicians. This piece of work force development is fundamental to increasing the access to healthcare in the State of Hawaii. So I think we've done a very good thing, Mr. Speaker."

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

"Just brief comments in support, Mr. Speaker. I just would like to add that our Chair on Health did his residency in an underserved area, and he had been operating in an underserved area since then. So I think this is a good way to recruit doctors to the underserved area. Thank you, Mr. Speaker."

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

"I rise in support. And I wish to comment that this is a significant piece of moving forward on the issue of workforce development. I think one of the problems we're having with doctors in Hawaii is they're reaching retirement age. So again, the 'baby boomer' generation is looking to retire, and the cost of doing business in Hawaii, the stress of the amount of hours that our physicians work is they're considering retirement. It's just so stressful. So workforce development is going to be a key issue even in the healthcare industry, so I really appreciate this work and we have more to do. Thank you."

At 11:46 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 11:48 o'clock a.m., with the Speaker presiding.

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

"Thank you, Mr. Speaker. On Conference Committee Report No. 160. I'd like to just adopt the words of the speaker from Kailua-Kona as my own. And also I just want to thank my good friend and sparring partner, the Chairman of Health, for all his hard work on this measure because it's very important in insuring that we have doctors available, especially on the neighbor islands."

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 support of this measure. This Legislature has, once again, shown its commitment and dedication to improving healthcare for the citizens of Hawaii. The measure before us goes further by providing much needed help to the rural areas across the State.

"With the money appropriated by the Legislature, \$1.5 million in FY08, and \$2.5 million in FY09, the Family Medicine Residency Program, in the John A. Burns School of Medicine and a demonstration project currently underway at the Hilo Medical Center, will be strengthened and stabilized.

"This will eventually allow for the expansion of the demonstration projects into fully accredited rural training sites, thereby possibly gaining eligibility to receive Federal CMS (Medicare) Graduate Medical Education funding.

"Mr. Speaker, given the nature of funding this type of graduate education training, this accreditation will go far in drastically improving the quality and availability of healthcare to rural areas.

"This measure demonstrates the obligation and responsibility to the people of this State that this Legislature has when it comes to providing quality healthcare to the citizens. A critical need, the need for more physicians and better access to health services in the rural areas, has been addressed by this measure. I urge my colleagues to support this measure. Thank you."

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

Representative Lee's written remarks are as follows:

"Mr. Speaker, this bill provides funds to support the existing Family Practice Residency Program of the UH Medical School, and also to support expansion of the program to the Neighbor Islands. This program is important to our State because it is the Family Practice physician who provides much of the primary health care for our people. There is need to support training at facilities both on Oahu and the Neighbor Islands.

"Wahiawa General Hospital has been the site of the Family Practice Residency Program for several years. It is the intent of the Legislature that some monies from this bill will be used to lighten the burden this places on Wahiawa General Hospital for support of the program. I urge the Members' support."

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:

"Thank you, Mr. Speaker. I am in support of House bill 1477.

"Mr. Speaker, the primary healthcare services are extremely strained in many areas of Hawaii. A physician work force shortage in rural Oahu and all of Hawaii's neighbor islands has reached crisis proportions. Population growth, an aging health workforce, and a heavy burden of chronic illness all conspire to worsen this situation in many rural areas. The physician shortage is also exacerbated because physicians who live on Neighbor Islands are leaving.

"House Bill 1477 seeks to stabilize the current fully accredited residency program at Wahiawa General Hospital while developing a statewide primary care training model. This bill is not intended to study the problem, but instead to take immediate steps to create a viable primary care pipeline and improve healthcare access in rural areas.

"Mr. Speaker, the current financial uncertainties at Wahiawa General Hospital have created an unstable environment for the residency program. For several years, Wahiawa General has not been able to cover the full costs of the training program. As this is the only civilian Family Medicine program in the State and as healthcare access worsens, it is essential that the program not be allowed to falter. A stable base program is essential to the development of a state-wide primary care training vision. The residency program at Wahiawa General Hospital provides significant clinical services to the people of Central Oahu and the North Shore. The proposed funding would allow the residency program to continue for the next two years while transition plans are being developed with Wahiawa General Hospital and with the John A. Burns School of Medicine.

"The stabilization of the residency program through this piece of legislation positively affects Wahiawa General Hospital, sustains the healthcare delivery services in Central Oahu and the North Shore, promotes primary care, and insures that the planned Hilo residency program continues.

"Mr. Speaker, family physicians are ideally suited for rural healthcare. The family physician is trained in primary care, mental

health services, maternity care, general pediatric care, adult healthcare, geriatric care, home visit, and is comfortable in the hospital or outpatient settings. Family physicians form the foundation for a primary care network which supports an environment for sub-specialist physicians to work in a cost-efficient manner. The investment of the State of Hawaii to promote and develop the rural training tracks for family physicians is a suitable method of addressing Hawaii's primary care physician shortage. During the time the resident physicians are in training, they will be providing a significant primary healthcare workforce for that community.

"Mr. Speaker, this matter deserves everyone's full attention. It is critical in insuring that rural areas acquire and maintain an adequate primary care physician work force. Failure to fund this bill may result in the loss of the only Family Medicine Residency Program in the State and will worsen access to healthcare. It is essential to develop a primary care workforce pipeline for a sustainable supply of physicians to staff our community health centers, rural hospitals, and improve access to healthcare for the people of our State. 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 strong support. This measure is a collaborative effort with the University of Hawaii and the rural communities. As a Representative from a rural community, this bill will help many who are in need of medical assistance. Hopefully many clinicians will enjoy working in a rural setting and eventually move into these areas where work opportunities are in high demand.

"In addition, I appreciate all of the hard work and effort from both the House and Senate to finalizing this important measure. Thank you, Mr. Speaker."

Representative Meyer 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. 1477, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RURAL PRIMARY HEALTH CARE TRAINING," passed Final Reading by a vote of 50 ayes and, with Representative Bertram being excused.

At 11:51 o'clock a.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 19, HD 2, SD 2, CD 1
 H.B. No. 1003, HD 3, SD 2, CD 1
 H.B. No. 55, HD 1, SD 2, CD 1
 H.B. No. 807, HD 1, SD 2, CD 1
 H.B. No. 843, HD 2, SD 2, CD 1
 H.B. No. 1477, HD 2, SD 2, CD 1

LATE INTRODUCTIONS

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

Representative Mizuno introduced from members of the Farrington High School, T-Shirt Theater: Frankie Amano, Mark Cabico, Honey Grace Gementiza, Jessica Jardinaso, Cleo Mariano; and directors, Mr. George Kon, Mr. Clayton Tom.

Representative Manahan further recognized the Alliance for Drama Education, and presented the Farrington High School T-Shirt Theater who then gave a short performance.

At this time, the Chair announced:

"Members of the House, the Chair would like to share with you that we have three Members that will be leaving this Chamber at about 2:00 to 2:30. The Senate has just one page left on their Order of the Day and I thought we would try to control our speeches on the Floor this morning.

"We have seven pages more to go and I am not going to deny any debate on the Floor of this House, but I would like to run it as efficiently as possible because after the original Order of the Day, we also have our yellow Action Sheets to contend with, and also a Supplemental Calendar #1. So, if it is possible, the last Floor Amendment that was filed on this House floor on Tuesday was at 1:59. At 12:25, the Chair will call a recess to break for lunch and also to allow Members of the House to attend a press conference if you folks are invited to that particular press conference.

"I'm just proposing it to the Chamber if you want to speak on the Floor, be my guest. If you want to insert written comments for or against, be my guest, also. But there are deadlines that I have to meet in regards to the members that are leaving at 2:00 to 2:30. And there are three Members that are leaving."

UNFINISHED BUSINESS

Conf. Com. Rep. No. 161 and H.B. No. 367, HD 1, SD 3, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 367, HD 1, SD 3, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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

Representative Lee's written remarks are as follows:

"Mr. Speaker, I rise in support of this measure. Mr. Speaker, we know that the abuse of alcohol and drugs in our State is too high. We also know that screening, counseling and referral for those who are abusing are effective techniques in reducing such abuse. One way to help the abuse rate is by ensuring that a referral to appropriate alcohol and drug abuse screening and counseling is offered to a patient when an examining physician in a primary care or emergency room setting has good reason to suspect substance abuse by the patient.

"This initial point of contact in a medical setting is a recognized window of opportunity where patients are most vulnerable and open to intervention and dialogue that address their underlying alcohol or drug issues. It is at this "teachable moment" that individuals can benefit from assessment, education, counseling, or, if necessary, referral to treatment.

"This evidence-based, cost-effective program is recognized as a best practice model by the Substance Abuse and Mental Health Services Administration, an agency of the United States Department of Health and Human Services.

Mr. Speaker, by investing in treatment we will reduce our incarceration rate and therefore reduce the cost to the State in the long-term. I urge my colleagues to support this measure. 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. 367, HD 1, SD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SUBSTANCE ABUSE," passed Final Reading by a vote of 49 ayes and, with Representatives Bertram and Herkes being excused.

Conf. Com. Rep. No. 162 and H.B. No. 1368, 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. 1368, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOSPITAL AND MEDICAL FACILITIES SPECIAL FUND," passed Final Reading by a vote of 49 ayes and, with Representatives Bertram and Herkes being excused.

Conf. Com. Rep. No. 163 and H.B. No. 1220, HD 1, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 1220, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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

Representative Tsuji's written remarks are as follows:

"I am in strong support of HB 1220 HD1 SD2 CD1. Broadly speaking, this measure would provide a much-needed fund for the marketing of Hawaii's ag products through the Seal of Quality Program. If a robust, diversified ag industry is to be sustained *in Hawaii*, we must ensure that the quality of those products is synonymous *with Hawaii*. The Seal of Quality program accomplishes this task by differentiating, establishing, and certifying locally-produced products through the use of a highly identifiable brand that differentiates those products in the current competitive marketplace.

"For that reason, implementing a special fund to collect revenue from the program would allow it to become self-sufficient and revenue-neutral, thereby contributing greatly to the program's longevity and sustainability without placing a burden on public funds. The value and tangible benefits of such a program are manifold: ranging from protecting the "Hawaii" marketing cachet to validating its authenticity to ensure high quality products and food safety compliance. Given these far-reaching benefits, I urge you to join me, then, in supporting HB 1220 HD1 SD2 CD1."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1220, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL MARKETING," passed Final Reading by a vote of 49 ayes and, with Representatives Bertram and Herkes being excused.

Conf. Com. Rep. No. 164 and H.B. No. 400, HD 1, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 400, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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

Representative Tsuji's written remarks are as follows:

"Thank you, Mr. Speaker. I am in strong support of HB 400 HD1 SD2 CD1. This measure seeks to combat the adverse effects of drought on our local ag and livestock industries. Although rainfall appears abundant today, our watersheds continue to make up for sustained and ongoing periods of drought that have plagued our state annually, resulting in very large fluctuations in water availability that have negatively impacted our farms.

"HB 400 would provide much-needed funding to implement the Hawaii drought plan, water infrastructure policies, and county water management strategies that were developed in 2004, but which have yet to be put into action due to a lack of resources. These preventive measures would help to safeguard not only our general water supply, but also our local commerce, environment, public health, and overall safety as well.

"In sum, the time to prepare for a drought is not *as it occurs*, but *before it occurs*. Taking action at this time is therefore prudent, necessary, and most sensible. For these reasons, I urge you to join me in support of HB 400."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 400, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Final Reading by a vote of 49 ayes and, with Representatives Bertram and Herkes being excused.

Conf. Com. Rep. No. 165 and H.B. No. 399, HD 1, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 399, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Meyer rose in support of 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:

"I am in favor of this legislation. As you know, the purpose of this bill is to appropriate funds for the operation of our soil and water conservation districts. There are 16 such districts around the State and each is important in its own right.

"Soil and water conservation is extremely critical on all of our islands and is especially critical in my district in Windward Oahu. Water rights have long been an issue in the Koolauloa district. Conservation of water and soil is a daily concern for farmers and community residents alike.

"These soil and water conservation districts play an extremely important role for the members of our agricultural community. I'm proud to stand up for this important appropriation and hope the Legislature and the Executive Branch have the foresight to continue this important funding. Thank you."

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

Representative Tsuji's written remarks are as follows:

"This measure seeks to allocate funds to the Hawaii Association of Conservation Districts (HACD), comprised of 16 Soil and Water Conservation Districts. The sole purpose of these districts is to educate, construct, maintain, and assist in the development of conservation plans to protect our soil and precious water resources.

"At present, the HACD is notably under-funded to carry out the myriad of important functions they provide to the State's ag industry. The resulting strains on staffing, office expenses, training, and so forth, have made it exceedingly difficult for the district conservation officials to carry out their duties.

"Additional funding is therefore necessary to help fund and maintain resources to sustain current and future operations. For these reasons, I urge my colleagues to join me in support of HB 399."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 399, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Final Reading by a vote of 49 ayes and, with Representatives Bertram and Herkes being excused.

Conf. Com. Rep. No. 166 and H.B. No. 1435, HD 1, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 1435, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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 favor of this bill. This bill continues the Legislature's support of the Honolulu Symphony as it progresses into the 21st Century. The Honolulu Symphony was founded in 1900 and lays claim to the distinction of being one of the oldest symphonies west of the Rocky Mountains. The Honolulu Symphony's benefactors – besides the audience – are the children of Hawaii.

"With the demands of No-Child-Left-Behind requirements, music programs throughout the nation have taken a back seat to core educational programs, such as English, math, and science. The Symphony provides an opportunity for Hawaii's children to listen and experience music through its youth concerts and chamber ensemble performances.

"The Honolulu Symphony has established itself as one of Hawaii's most prominent and recognizable cultural, educational, and entertainment organizations by keep true to its mission to enhance the quality of life of the people of Hawaii by sustaining a symphony orchestra of the highest artistic quality.

"This bill clarifies the Legislature's intent to provide matching funds for the Honolulu Symphony that encourages donors to pledge financial support. Mr. Speaker, as you may recall, last year the Legislature passed H.B. 3235, which became Act 97, Session Laws of Hawaii. Act 97 appropriated \$4,000,000 to be deposited into the State of Hawaii endowment fund, from which the income and capital gains shall be used for the production of music by an Oahu based symphony orchestra, provided that the funds appropriated are matched, dollar for dollar, by private funds.

"In an Opinion Letter, however, the Attorney General (AG) called into question the Legislative intent of Act 97 as to what was to be considered as a dollar for dollar match. With the Legislative intent ambiguous, the Attorney General construed the statute in its ordinary and popular sense, and determined that it was reasonable to require the matching funds to be limited to only third party cash contributions. Thus, pledges and other similar promises of monetary contributions were not recognized. On the other hand, the Attorney General also recognized that another rule of statutory construction known as *pari materia*, would result in a different conclusion and opinion. By applying *pari materia* rule of statutory construction, the Attorney General construed that Act 97's matching private funds requirements to include the types of funds specified in HRS §40-88 (b).

"Thus, given that there is more than one possible interpretation of Act 97's matching fund requirement, the Attorney General suggested clarifying language to carry out the Legislative intent of Act 97. This bill contains the clarifying language as reviewed and endorsed by the Attorney General's office and is expected to cure any ambiguity that may have affected Act 97. Additionally, the bill will extend the \$4,000,000 appropriation another two years to June 30, 2009.

"Finally, I would be remiss if I did not express my appreciation for the diligence and tenacity of Mrs. A.Q. McElrath whose fervor and passion for the Honolulu Symphony knows no bounds, but deserves all regard and recognition for this bill. For these reasons, I urge my colleagues to support this bill. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I am in strong support for the symphony funding."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted 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," passed Final Reading by a vote of 49 ayes and, with Representatives Bertram and Herkes being excused.

Conf. Com. Rep. No. 167 and H.B. No. 575, 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. 575, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCIES," passed Final Reading by a vote of 49 ayes and, with Representatives Bertram and Herkes being excused.

At 12:01 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 367, HD 1, SD 3, CD 1
 H.B. No. 1368, SD 1, CD 1
 H.B. No. 1220, HD 1, SD 2, CD 1
 H.B. No. 400, HD 1, SD 2, CD 1
 H.B. No. 399, HD 1, SD 2, CD 1
 H.B. No. 1435, HD 1, SD 2, CD 1
 H.B. No. 575, HD 1, SD 2, CD 1

Conf. Com. Rep. No. 168 and H.B. No. 1866, HD 3, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 1866, HD 3, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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

"Mr. Speaker, I vote with reservations on Conf. Com. Rep. No. 168. Basically, it has to do with using the CRF, the Compliance Resolution Fund, as the initial funding measure or appropriation and had some real strong reservations on that."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1866, HD 3, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MIXED MARTIAL ARTS," passed Final Reading by a vote of 50 ayes and, with Representative Bertram being excused.

Conf. Com. Rep. No. 169 and H.B. No. 1719, 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. 1719, HD 1, SD 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. 170 and H.B. No. 1352, HD 1, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 1352, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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

"Thanks, Mr. Speaker. I just have some reservations on this measure and I just wanted to say that I hope the Commissioners appointed as a result of this legislation will have sufficient historic perspective and good sense to appreciate the significance of Iolani Palace and look elsewhere for a focal point for the 50th anniversary celebration. And I have additional written remarks."

Representative Shimabukuro's written remarks are as follows:

"Mr. Speaker, I have some reservations regarding House Bill 1352. In lending my support to the establishment of a commission to plan and coordinate our 50th anniversary observance, I urge certain cautions. It is my hope that the Commission will be charged to carry out its mandate with the utmost sensitivity and respect for the culture and traditions of our Native Hawaiian people.

"I am aware that among the Hawaiian community itself, there is a variety of opinions and feelings regarding Statehood, ranging from total acceptance to outright rejection. The sentiments expressed by protesters at last year's Statehood ceremonies at Iolani Palace represent one strong and important point of view on this wide spectrum.

"I would hope the Commissioners, appointed as a result of this legislation, will have sufficient historic perspective and good sense to appreciate the significance of the Iolani palace ... and look elsewhere for a focal point for the 50th Anniversary Celebration.

"One way to ensure that the Hawaiian perspective receives proper attention is to see that Native Hawaiians are adequately represented on the 25-member Commission. The inclusion of OHA as one of the four institutional participants, along with Tourism, Culture and the Arts & the Military, is a good, but token, start. Hopefully, those charged with appointing the other 21 Commissioners will see that Hawaiians are included in that number. Mahalo."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted 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," passed Final Reading by a vote of 50 ayes and, with Representative Bertram being excused.

Conf. Com. Rep. No. 171 and S.B. No. 1718, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1718, 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 rising to speak against the issuance of a special purpose revenue bond for BlueEarth, the biodiesel operation. Mr. Speaker, there are several reasons why I oppose this. Number one, I believe it's premature. To my knowledge, this company, which is registered at, I believe, in Nevada, still hasn't filed its registration forms and given the information they need to give to Hawaii, to the DCCA, Department of Commerce and Consumer Affairs.

"The other reason is I support renewal of agriculture, support agriculture for food crops and I am concerned with going ahead with the biodiesel as the answer to Hawaii's energy needs.

"The third thing is, there is evidently this BlueEarth is going to have a partnership with Maui Electric, which is a subsidiary of Hawaiian Electric Company. And Hawaiian Electric has looked at biodiesel as the way to get it out of the problem of it failing to develop true renewable energy sources. Hawaiian Electric on Oahu uses 93% fossil fuel. It's now saying, 'Let us build another power plant and King's "X" we will run it on biodiesel'. And I say to Hawaiian Electric, 'Why don't you go out and develop the true renewable energy sources, which Hawaii is blessed with.' We have abundance of wind, solar, and certainly the wave energy. So I think that this is premature and not the good way to use our SPRBs. Thank you, Mr. Speaker."

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

"Mr. Speaker, I rise in strong support of this measure. Mr. Speaker, this is an opportunity for us to put our money where our mouth is when we say we're dependent upon imported oil. We don't have enough sustainability in terms of our energy. We're polluting the environment and all the arguments that have been put forward towards us getting more energy efficient and this biodiesel is one opportunity to do that. In fact, to put 60% of our sugar and ag lands that are empty and growing weeds into productive purposes, and I would remind the speaker of Kailua that the biggest problem with American agriculture is overproduction, not underproduction. We have enough land to grow food. Every country has enough land to grow food. It's overproduction. That's the biggest problem of hunger in this country, as well as the world.

"But let's make no mistake. This is a test for HECO, Hawaiian Electric. They are the partners. They are the ones we are going to be watching. They are the ones who are going to deliver on this and lest we malign who they are in agreement with, I think the test of the pudding is going to be in the eating. Can they produce at what presumably is going to be very reasonable rates? Can they produce electricity?

"So the bottom line, Mr. Speaker, rather than saying spend billions of dollars and send them out to sea or to capture the wind, which eventually, we will, let's give them a chance to fight this battle on land, and give them the opportunity by giving them a break with these SPRBs. Thank you, Mr. Speaker."

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

"Mr. Speaker, in strong support. I would like the comments of the previous speaker entered into the Journal as if they were my own.

"And for the edification of the Members, the land parcels to which this would occur is basically growing weeds. There's nothing there but rocks and weeds. This will provide much needed jobs for our ILWU workers, many of whom are being displaced from the closing of the pineapple factory. And also this will provide basically a way for us to stop shipping crude oil to Maui from the Middle East where our people are dying, and to get off the grid and to be energy self-sufficient.

"So while I do appreciate the concerns of food production and such, I think this is a very good project and I would like to publicly thank the Chair of EEP for all her hard work and her clarity and vision on this issue. Thank you."

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

"Thank you, Mr. Speaker. In support of this measure. I'd like to incorporate the words that I spoke on this bill during Third Reading

and adopt the words of the speaker from Lahaina, except the part where he talked about me," and the Chair "so ordered." (By reference only.)

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. We hear about importing oil. We'll stop importing oil. Of course, when this bill was moving through the House, it was importing palm oil from Southeast Asia and if it is built anytime soon, it will continue to import palm oil from Southeast Asia because that's where most of it is grown. What's the difference between sending dollars out for petroleum or sending dollars out for palm oil?

"I feel like this is a little bit premature. There is a biodiesel factory on Maui that does a true recycle. They take fat that French fries and chickens are in and they recycle it into biodiesel. So those are my reservations on this. Thank you."

Representative McKelvey rose to respond, stating:

"Mr. Speaker, in rebuttal. First off, I don't remember ever a palm oil spill killing wildlife. Second of all, I don't remember a war being conducted for palm oil. Third of all, this is just temporary to bring the ..."

Representative Meyer rose, stating:

"What does this have to do with anything?"

The Chair then stated:

"Representative Meyer, you're out of order. Representative McKelvey, please proceed in your rebuttal."

Representative McKelvey continued, stating:

"Third of all, this is just temporary until we can get local feed stock production up on-line. So anyways, that's just my point."

Representative Morita rose to respond, stating:

"Thank you, Mr. Speaker. Just a couple of items for the edification of the Members. The issue of imported palm oil is speculative at this point. The opponents of this measure are saying that they're going to use imported palm oil from Indonesia, but that was never stated by the proponent of the bill.

"Secondly, all palm oil is not bad palm oil. There is a possibility of rainforest being destroyed for the cultivation of palm oil. But there also palm oil being cultivated not from destroyed rainforest areas. The proponent of this bill stated that the initial feed stock may come from American oil crops and itself.

"So there's a lot of speculation going on about what the feed stock is. This is a 'chicken or egg' thing. In order to get local production of biocrops going, we may have to import feed stock to capture the market early. And all of these have to be discussed and there's a lot of due diligence that has to be done before we see this project."

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

"Thank you, Mr. Speaker. I rise in support with a slight reservation. And I do think that there is an issue of getting the fuel that's going to be needed to create electricity. In my travels to Southeast Asia on the front page, they were talking about the new industry, blossoming industry of biofuels and they definitely will be cutting down rainforests to put in the plant material that will be needed for creating this electricity. They had a certain crop that's not palm trees. There was another crop, I can't remember the name of it,

that they're going to be planting. They say it burns really, really hot and efficient, and they were seeing this as a new commodity. So, I just wanted to point that out. Thank you."

Representative Ward rose to respond, stating:

"Thank you, Mr. Speaker. Also, in strong support. And in support of palm oil, if I may mention a couple of things. One is there's a proviso, at least it's suggested in the bill that they will not be using palm oil, even though it doesn't say it specifically. The point is to use locally grown ag based kinds of fuels.

"Secondly, I appreciate the speaker from Kauai mentioning not all palm oil is bad. I have personal experience of two years of living in a village of ex-headhunters planting palm oil which saved their lives. They were able to plant, sell, and, in fact, become independent individuals in North Borneo.

"Also, because of the tradition of the losing of rainforests, reforestation is alive and well in Southeast Asia. I don't understand why some people in this country think that people in Southeast Asia are ignorant of ecological agriculture and the otherwise wellbeing of their land. Mr. Speaker, this has been for years and years been the case. And to malign people who have been hungry in the past, and this was many, many years ago when I was in that village, to do something that gives them sustenance and sustainability I think is a misplaced emphasis on this environmental reception. So let's give them a chance on Maui. Let's see what they can do. Thank you."

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

Representative Awana rose in support of the measure with reservations, and asked that the remarks of Representative Evans be entered in the Journal as her 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. 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," passed Final Reading by a vote of 45 ayes to 5 noes, with Representatives Belatti, Berg, Finnegan, Pine and Thielen voting no, and with Representative Bertram being excused.

Conf. Com. Rep. No. 172 and S.B. No. 686, 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. 686, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATIONAL ASSISTANTS," passed Final Reading by a vote of 50 ayes and, with Representative Bertram being excused.

Conf. Com. Rep. No. 173 and S.B. No. 688, 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. 688, SD 2, 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. 174 and S.B. No. 1614, SD 1, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1614, SD 1, HD 1, 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 strong support. This measure will appropriate funding for the implementation for a new Human Resource Management Model at Waianae High School and its feeder schools to confront the teacher retention problem at the Waianae schools. If successful, this program will allow the DOE school system to recruit highly qualified teachers systemwide. In addition, human resource goals will include: the establishment of clear expectations to teacher performance, professional development with career focused opportunities and an induction program to acclimate new teachers to the area.

"In closing, this proposal is vital for the Waianae Coast. It will help to recruit and provide highly qualified teachers who will improve the education of the school system and increase the opportunity for students to achieve their dreams. 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. 1614, SD 1, 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.

At 12:13 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 1866, HD 3, SD 2, CD 1
 H.B. No. 1719, HD 1, SD 1, CD 1
 H.B. No. 1352, HD 1, SD 2, CD 1
 S.B. No. 1718, HD 2, CD 1
 S.B. No. 686, SD 1, HD 1, CD 1
 S.B. No. 688, SD 2, HD 1, CD 1
 S.B. No. 1614, SD 1, HD 1, CD 1

Conf. Com. Rep. No. 175 and S.B. No. 1820, SD 1, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1820, SD 1, HD 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 and I would like to thank the Chair of Education for taking an idea that I brought to him four years ago that we worked on together and making sure that that it moved forward through this bill. 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. 1820, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF EDUCATION," passed Final Reading by a vote of 50 ayes and, with Representative Bertram being excused.

Conf. Com. Rep. No. 177 and S.B. No. 1133, SD 3, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1133, SD 3, HD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Belatti 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 Belatti's written remarks are as follows:

"I support Senate Bill 1133, Conference Draft 1 with some reservations. By not allowing the temporary tax increase of \$1 on rental motor vehicles to sunset as the original 1999 law provides, this bill maintains the projected and much needed \$14,000,000 revenue stream into the State highway fund. However, I think that in fairness to the rental motor vehicle or U-drive industry which has carried the burden of this temporary tax, measures must be taken to ensure adequacy of the State highway fund by looking at all revenue sources. My hope is that the joint Senate and House taskforce will find a fair and equitable resolution to this matter of adequately funding our highways."

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 measure extends the sunset date of the rental motor vehicle surcharge tax, keeping it at \$3 per day. The rate that it has been at since 1999. This will allow the State Highway Fund to retain about \$14 million per year.

"Recognizing the importance of this matter, a joint taskforce of the House and Senate will be formed to examine the various funding sources for the Highway Fund. The Legislature, through this joint taskforce, will be in a better position to decide if the rental motor vehicle surcharge should be modified, made permanent, extended, or repealed.

"The condition of the roads and highways of the State remain as one of the top concerns of the general public. With repairs and renovations needed and the onset of the City and County of Honolulu's mass transit project, it may not be prudent to take monies away from the State highway fund at this time. A study done by the taskforce will help to clear the uncertainties."

Representative Finnegan 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. 1133, SD 3, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Final Reading by a vote of 46 ayes to 4 noes, with Representatives Berg, Brower, Pine and Thielen voting no, and with Representative Bertram being excused.

Conf. Com. Rep. No. 178 and S.B. No. 600, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 600, HD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. In strong support. Members, I believe that if this measure is passed by the Legislature this Session, it will have gone to great lengths in promoting the conversion of leasehold land to fee simple. It'll have a major impact in helping individuals and families to keep their homes for generations to come. And I believe this will be at a reasonable cost.

"This measure sunsets in five years. The Department of Taxation estimates that this measure has a potential loss revenue of \$900,000 each year. On the plus side, though, we pick up the conveyance taxes from the units sold. So I know that a lot of people in this room have some concerns about this measure, but I think there's the greatest concern, and that's the potential for more homelessness without this. Thank you, Mr. Speaker."

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

Representative Belatti rose in support of the measure, asked that the remarks of Representative Brower 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 Belatti's written remarks are as follows:

"I support Senate Bill 600, Conference Draft 1. This bill provides an incentive to landowners to voluntarily convert their leasehold interests in condominiums, cooperatives, or planned unit developments during a five-year time period. Because these sales of leased fee interests are to associations of apartment owners or residential cooperative corporations, this bill is intended to assist residential lessees. Despite concerns about State revenue loss, I believe that overall this bill is an effective and targeted policy tool that encourages landowners to voluntarily sell their interests and allow residential lessees to acquire fee simple home ownership."

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

"Mr. Speaker, strong support, and very briefly, just to point out, this is primarily intended for the 'mom and pop', small owner, those who have bought and built maybe a three, four story and who, without some incentives. And I commend this body for taking the entrepreneurial incentive to task here, and giving them a chance to sell off to enhance ownership.

"Mr. Speaker, we are only 57% owners, the rest are renters. The mainland is about 70%, so we need bills like this. We need to get home ownership to the people of Hawaii. Thank you."

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

"Mr. Speaker, in support with reservations. I just want a short rebuttal. A 'mom and pop' store of a two story walk up with four units, at a conservative \$300,000 per unit, is \$2.4 million. That's a millionaire. Thank you."

Representative Ward rose to respond, stating:

"Mr. Speaker, a small rebuttal on the question on the lease to fee conversion. Mr. Speaker, who in Hawaii does not have a mortgage? When you sell, you pay."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 600, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LEASEHOLD CONVERSION," passed Final Reading by a vote of 50 ayes and, with Representative Bertram being excused.

Conf. Com. Rep. No. 180 and S.B. No. 1922, SD 2, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1922, SD 2, HD 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 support. In recent years, we have passed tax incentives to help attract more film and creative media projects in Hawaii. However, what is the use of having film and creative media projects in Hawaii if the people of Hawaii cannot be a part of it? Therefore,

importantly, we supported the inception of the Academy of Creative Media at the University of Hawaii to help prepare our students to become a significant part of Hawaii's film and digital media industry. The Academy is playing a huge role in making sure Hawaii has its share of filmmakers, screen writers, computer graphic designers, and computer game programmers.

"In spite of its success, the Academy for Creative Media is without a central facility or permanent home on any campus and does not receive any funding for programmatic needs outside of faculty salaries. Senate Bill 1922 authorizes the Academy for Creative Media to designate the existing public broadcasting system (PBS Hawaii) facility and a studio located on the University of Hawaii at Manoa campus as an interim home and appropriates \$2,870,000 or so much thereof as may be necessary for fiscal year 2007-2008 and \$2,000,000 or so much thereof as may be necessary for fiscal year 2008-2009 for the equipment and installation suitable for the Academy for Creative Media programs, costs associated with handicapped compliance, and common area spaces of the PBS Hawaii facility and studio.

"In addition, we recognize that Hawaii's music industry is an established segment of Hawaii's creative media industries sector, with a growing popularity reaching far beyond the shores of our island state. Full recognition of the merits of Hawaiian music came in 2005 when the National Academy of Recording Arts and Sciences announced the creation of a Hawaiian music category in its annual Grammy Awards, the world's most prestigious music awards program.

"While Hawaii has an unusually high concentration of raw musical talent and industry professionals, it lacks the technical support infrastructure to assist individuals in the progression of their careers and businesses.

"Thus, Senate Bill 1922 also establishes a music and enterprise learning experience program at the University of Hawaii-Honolulu Community College to develop the technical business skills required by Hawaii's music artists and music industry.

"There is established at the University of Hawaii-Honolulu Community College campus the music and enterprise learning experience program to expand the existing industry capacity, and to create new technological, intercultural, and genre-bending forms of music through creativity and professional business expertise. The program will be developed around artist creativity, entertainment business expertise, and technical production skills.

"The program will collaborate with Belmont University of Nashville, Tennessee, on the joint use of Belmont's curriculum, technical facilities and equipment specifications, training, dual credit course offerings, and will also offer internships in some of the most varied music environments in the world.

"The program will be seeded through a Title III Developing Institutions grant that has been awarded to Honolulu Community College native Hawaiian center, and will provide for some basic program development of course offerings in coordination with Belmont University of Nashville, Tennessee.

"The bill appropriates out of the general revenues of the State of Hawaii the sum of \$150,000 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 to carry out the purposes of leasing, operating, and maintaining a music and entertainment business training center. 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. 1922, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CREATIVE MEDIA," passed Final Reading by a vote of 50 ayes and, with Representative Bertram being excused.

Conf. Com. Rep. No. 181 and H.B. No. 317, 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. 317, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL EMPLOYMENT ORGANIZATIONS," passed Final Reading by a vote of 47 ayes to 3 noes, with Representatives Belatti, Saiki and Takamine voting no, and with Representative Bertram being excused.

Conf. Com. Rep. No. 183 and H.B. No. 1670, 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. 1670, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE INGENUITY CHARTER," passed Final Reading by a vote of 44 ayes to 6 noes, with Representatives Ching, Finnegan, Marumoto, Meyer, Pine and Ward voting no and, with Representative Bertram being excused.

At 12:19 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 1820, SD 1, HD 2, CD 1
S.B. No. 1133, SD 3, HD 1, CD 1
S.B. No. 600, HD 2, CD 1
S.B. No. 1922, SD 2, HD 1, CD 1
H.B. No. 317, HD 2, SD 2, CD 1
H.B. No. 1670, HD 2, SD 2, CD 1

Conf. Com. Rep. No. 184 and H.B. No. 1083, 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. 1083, HD 2, SD 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 Bertram being excused.

Conf. Com. Rep. No. 185 and H.B. No. 1659, HD 2, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 1659, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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, one of the most important obligations of this legislative body is to provide accountability for how taxpayer money is spent. The importance with which we should regard this responsibility is reflected in the purpose and provisions of this bill.

"This bill is a mechanism to create greater transparency and accountability by ensuring that funds solicited by government to cover the costs and expenses of state-sponsored trips and other activities to generate business opportunities and goodwill for the State are expended fairly and openly and subject to competitive procedures.

"With a more accurate mechanism to quantify if taxpayer money is being expended in an appropriate manner, government officials and agencies will achieve a greater understanding of the intent, outcome, and effectiveness of their policy decisions. Practices which obscure

the entities sponsoring state activities, for example, has the potential to create the harmful and dangerous perception that government is willfully hiding something from the public. Such ambiguity is misaligned with what should be the Legislature's goal of reaching a greater level of fiscal responsibility.

"I urge my colleagues to support this bill."

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

"I am in strong opposition to 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. 1659, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," passed Final Reading by a vote of 43 ayes to 7 noes, with Representatives Ching, Finnegan, Marumoto, Meyer, Pine, Thielen and Ward voting no and, with Representative Bertram being excused.

Conf. Com. Rep. No. 187 and H.B. No. 767, 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. 767, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE RUNNING START PROGRAM FOR COLLEGE PREPARATION," passed Final Reading by a vote of 50 ayes and, with Representative Bertram being excused.

Conf. Com. Rep. No. 188 and H.B. No. 777, HD 2, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 777, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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

"Mr. Speaker, in strong support. I just want to thank the Chair of the Higher Education Committee, as well as his counterpart in the Senate for expanding the Hawaii Educator Loan Program and I request permission to enter written comments into the Journal," and the Chair "so ordered."

Representative Har's written remarks are as follows:

"Mr. Speaker, I am in strong support on CCR 188, HB 777, HD2, SD 2, CD1.

"Mr. Speaker, in 2001, the Legislature enacted the Hawaii Educator Loan Program ("HELP") to deal with recruitment and retention of public school teachers. HELP was a recommendation made by the National Commission on Teaching and America's Future Hawaii Policy Group that was comprised of a comprehensive group of Hawaii's educational stakeholders including the Representatives from Kaneohe and Aiea, the then Chair and Vice Chair of the Education Committee in the House, respectively, and the Senator from Salt Lake, Chair of the Education Committee in the Senate. I was privileged to work with the NCTAF Hawaii Policy Group as an aide to the Chair of the policy group, Lt. Governor Mazie Hirono, and therefore have a vested interest in this measure.

"HELP is a loan forgiveness program administered by the University of Hawaii College of Education which allows any student who attends the UH COE and receives a degree in education and then teaches in the Department of Education for six consecutive years, to have his or her loan forgiven. In 2001, when the Hawaii Educator Loan Program was enacted, the Legislature appropriated \$100,000 to

this measure which successfully recruited 23 students who are now teaching in the DOE.

"While the Hawaii Educator Loan Program has proven itself successful, the State unfortunately continues to experience a teacher shortage particularly in hard-to-fill positions such as in rural area schools. HB777 HD2 SD2 CD1 now addresses these hard-to-fill positions by expanding the Hawaii Educator Loan Program to apply to students who teach in our rural area schools.

"Our Legislature this year has appropriated \$250,000 to this measure and I want to thank the Chair of Higher Education and the Senate Education Chair for championing HB 777 this Session, which clearly demonstrates our State's commitment to recruiting qualified teachers to address the teacher shortage we are facing in our public schools. Accordingly, I stand in strong support. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I rise in support. Brief comments. When we started this program, I think it was the year 2000, and the NCTAF Hawaii group, National Commission on Teaching and America's Future Hawaii group, led by then Lieutenant Governor Mazie Hirono initiated this. I'm just happy today to see that we're moving forward on this because I think the first time we funded it was for \$100,000 in 2000. And for many years now, it has sat there unfunded.

"So I congratulate and commend the introducer of this measure and I look forward to seeing more appropriations in the future for this particular program."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 777, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII EDUCATOR LOAN PROGRAM," passed Final Reading by a vote of 50 ayes and, with Representative Bertram being excused.

Conf. Com. Rep. No. 189 and H.B. No. 1014, 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. 1014, HD 2, 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.

Conf. Com. Rep. No. 190 and H.B. No. 1764, HD 1, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 1764, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

Representative Finnegan 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 Meyer 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. 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," passed Final

Reading by a vote of 50 ayes and, with Representative Bertram being excused.

Conf. Com. Rep. No. 191 and S.B. No. 914, 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. 914, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MENTAL HEALTH ISSUES OF COMMITTED PERSONS," passed Final Reading by a vote of 50 ayes and, with Representative Bertram being excused.

At 12:23 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 1083, HD 2, SD 2, CD 1
 H.B. No. 1659, HD 2, SD 1, CD 1
 H.B. No. 767, HD 2, SD 2, CD 1
 H.B. No. 777, HD 2, SD 2, CD 1
 H.B. No. 1014, HD 2, SD 1, CD 1
 H.B. No. 1764, HD 1, SD 1, CD 1
 S.B. No. 914, SD 2, HD 1, CD 1

Conf. Com. Rep. No. 192 and S.B. No. 1174, SD 1, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1174, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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

Representative Lee's written remarks are as follows:

Mr. Speaker, I am in support of this measure. Mr. Speaker, Hawaii has more than 6,000 people behind bars – with more than 1,900 serving their sentences abroad. It is estimated that there are 6,665 children who have parents incarcerated within our system. Research shows that children of incarcerated parents suffer strong emotional reactions and are up to six times more likely to become a part of the criminal justice system themselves.

Mr. Speaker, this bill seeks to help reduce those numbers. This program supports the expansion of parent-child interaction programs such as the SKIP program at Waiawa to other State correctional facilities and institutions to facilitate appropriate child visitation of incarcerated parents. These programs strengthen family relationships and have a positive effect on preventing recidivism. In the words of one of the supporters of a similar bill:

This program is such a valuable and important resource for families of incarcerated parents. It gives them hope and an opportunity to become functioning, loving, nurturing fathers, mothers and/or parents. It empowers people and families who are at rock bottom and believe the only alternative left to them is hurt and pain and to lash out at others. It is a lifeline, to better, secure, loving relationships. It empowers families and communities, and society.

"I urge all of my colleagues to vote in favor 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. 1174, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INCARCERATED PARENTS," passed Final Reading by a vote of 50 ayes and, with Representative Bertram being excused.

Conf. Com. Rep. No. 193 and S.B. No. 613, 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. 613, SD 2, HD 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. 194 and S.B. No. 885, 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. 885, SD 2, HD 3, 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. 195 and S.B. No. 603, SD 2, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 603, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I'm standing in strong support. I did just want to highlight a couple things. But before I do that, may I have a ruling on a potential conflict? Both my children go to charter schools," and the Chair ruled "no conflict."

Representative Finnegan continued, stating:

"Thank you. I just wanted to thank both the Senator from my area, as well as, the Chair of Education on this bill. The Charter Schools have since its origination has had really difficult time in operation and this bill really does go very, very far to help with the governance, to help with issues of funding. I just wanted to really thank our Education Chair for working so hard on this bill. He has been able to work with the Charter School community and I believe that they really feel heard through this bill passing in the way that it's passing. Thank you."

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

"I just want to vote with reservations on this one here. I have some concerns with the progress of the Charter Schools in their governance. What we are creating is a two-tiered school system within the public school system, and I believe in time it's going to provide some major problems with the school system as it moves along with an independent policy making board other than the Board of Education and the Legislature. In fact, it becomes a three-tiered situation, so I do have some concerns with this. I think we moved ahead too rapidly on this particular measure. Thank you very much."

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

Representative Finnegan rose to respond, stating:

"Thank you, Mr. Speaker. Just one short comment in regards to the previous speaker. We actually have moved quite slowly in regards to responding to the Charter School needs, but that's just another day, and another story. But one thing that I really regret not saying is, and now I am saying is, thank you very much to the Chair of Finance for also his support in this measure, as well as in the budget. And of course, without his support, without his taking a look

and listening, being able to hear what the Charter Schools were saying, that we would not be able to be in another year where these Charter Schools can still survive. Thank you."

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

"Thank you, Mr. Speaker. I'm rising in strong support. This bill goes a long way towards supporting the Charter Schools."

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

"Thank you, Mr. Speaker. In very strong support. If it wasn't for Charter Schools, in some areas of my district, there wouldn't be any schools at all."

Representative Souki rose to respond, stating:

"Yes, Mr. Speaker, again, I speak with strong reservations on this measure. I don't know if a lot of the members here realize, some years back we had an English standard and the regular school system within the Board of Education. For those who were privileged, they went to the English standard school, and for those who weren't, they just go to the plain public school system. This is the area that we seem to be going to where we have Charter Schools that provide, not for the equality of the school system that the Board originally was created for, that every school will have a similar method of education that no one would be better than the other.

"Now with this Charter School, you have a whole diverse situation where some of the Charter Schools have the parents and the expertise where they can rise above the other students. Whether this is good in some areas where the community will benefit, mostly it's in the communities where they can afford it. The more affluent communities will be the beneficiaries of this program, rather than those communities of more modest means. 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, since the establishment of the Charter School Review Panel last year, the Charter School Administrative Office, charter schools, and other members of the community have highlighted the need to clarify the appropriate relationship between and among the Panel, Board of Education, Charter School Administrative Office's Executive Director, and charter schools. This bill responds to that need and provides clarifications and alterations of roles and responsibilities of these parties. Specifically, one provision entrusts the duties of issuing and revoking charters, currently responsibilities of the Board of Education, to the Charter School Review Panel. This measure endows charter schools with greater autonomy and provides a mechanism for charter schools to carry out a more effective and streamlined administration.

"Additionally, this bill contains a provision requiring the most recently-approved executive budget recommendations for the DOE to be used as the basis for the Charter School Administration Office's annual budget request. This will assure that the appropriate base is applied to the calculation of the funding that charter schools should receive. Although a proper base is identified in this bill, the issue of how to calculate funding still remains. The Administration and the Board of Education need to address this issue in a fair and equitable manner."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 603, SD 2, HD 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.

At this time, the Chair stated:

"As the Chair stated, the Chair will call a recess to allow some of the Members to go to their press conference. There is lunch for all of you in the parlor adjacent to the Majority Caucus Room.

"Let me say this, the last Senate bill with a Floor Amendment was filed at 1:59 p.m. on Tuesday. Please understand that. So, no matter what happens, we will have to stay here until after 2:00. But I would like to get all of these things done on behalf of three of our colleagues, who will be leaving. That's why the Chair was trying to facilitate the discussion.

"So, at this time, we will recess and reconvene at 1:15 to take up all of the other measures on pages 10, 11, 12, and 13."

At 12:30 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 1:25 o'clock p.m.

Conf. Com. Rep. No. 196 and S.B. No. 1917, SD 3, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1917, SD 3, HD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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

Representative Belatti's written remarks are as follows:

"I am in strong support of Senate Bill 1917, Conference Draft 1. For too many of our families, homelessness and the inability to afford the price of rent or a home are problems that demand our attention as legislators. This Session began with many ideas, and, as a legislative body, we are and have to remain committed to finding solutions to the problem of affordable housing and affordable rentals.

"This bill, however, is a good demonstration of our commitment. For example, by extending the 50% allocation of the conveyance tax into the Rental Housing Trust Fund for one more year, we are setting aside monies into a fund that benefits those individuals and families with incomes at or below 30%, 100%, or 140% of the median family income. Equally important are the Legislature's appropriation of \$14,000,000 from the Rental Housing Trust Fund for the planning, development, and construction of affordable housing, and another \$6,000,000 from general revenues to homeless shelters and services. As one of many steps to solving the homeless and affordable housing crises facing many our residents, this is an important and critical step for this Legislature to take."

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

"Mahalo very much to everyone on the money Committees for passing this very important bill for housing, giving \$6 million for homeless causes, and also extending the Rental Housing Trust Fund's share the conveyance tax of 50% for another year. And that's going to generate about \$14 million into the Rental Housing Trust Fund. So, mahalo. This will be a very good thing for the homeless. Thank you."

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

"Mr. Speaker, I rise in support with reservation. One comment. Some of those funds will be used for the elevators, which are not

going to be repaired because of the budget cuts which we spoke about yesterday, and that's in need of repair. Thank you."

Representative Shimabukuro rose to respond, stating:

"Sorry. Just in brief response. There is \$5 million that was a CIP allocated for the elevator repair and \$20 million to HPHA in general for repair and maintenance. So hopefully, a lot of the concerns that have been raised will be addressed with our CIP and other budget items"

Representative Ward rose to respond, stating:

"Mr. Speaker, just to clarify. The Governor specifically asked for \$15 million, specifically, for repairs of elevators, which were in such bad condition. HUD, and the Justice Department were sending warnings out to fix these elevators for these poor public housing conditions, otherwise, stairwells are going to have to be used. 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 measure. The homeless crisis is something that everyone here has seen and recognizes as one of the more pressing dilemmas that we, as lawmakers, must address. This is a problem that must be handled with determination and perseverance.

"Mr. Speaker, I am pleased to say that this Legislature has made a significant commitment to stemming homelessness in the State. The development of affordable housing is the first and primary thing that can be done to combat homelessness in Hawaii. Recognizing this, \$14 million has been diverted from the conveyance tax to the Hawaii Housing Finance and Development Corporation for the planning, development, and construction of affordable housing in cooperation with private and nonprofit developers.

"An appropriation of \$6 million has been made to the Hawaii Public Housing Authority for homeless facilities, emergency shelters, and transitional shelters, outreach and support services for the homeless, continual operational funds to provide matching funds for federal housing programs, and operational funds to nonprofit agencies to develop affordable housing. Besides these appropriations, the biennium budget also provides noteworthy funding for various housing programs and homeless programs.

"Mr. Speaker, though this is a significant commitment, this Legislature must realize that more must be done and that the homeless crisis will not be solved overnight. We, as legislators, must not forget our duty to protect and look out for the best interests of some of the most needy in our society, who may just need a small hand to support themselves and their families."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1917, SD 3, HD 2, 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. 198 and S.B. No. 907, SD 2, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 907, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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 907, SD2, HD2, CD1, Relating to the Office of Aerospace Development. This measure renames the Office of Space Industry in the Department of Business, Economic Development and Tourism (DBEDT) to the Office of Aerospace Development. The primary goal of this Office is to position Hawaii to be nationally and globally competitive in aerospace development.

"The Office shall be tasked with identifying opportunities for expanding and diversifying aerospace-related industries in the State. Its activities will include assisting the University of Hawaii, local companies, research institutions, and other interested organizations in establishing partnerships with corporate, government, and academic organizations that can promote and enhance the State's aerospace industry.

"This bill provides funds to allow DBEDT to establish and operate the Pacific International Center for Space Explorations (PISCES), to support space exploration and settlement. Thank you."

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

"I rise in infinite support of Conf. Com. Rep. No. 198. As in, 'to infinity and beyond'. I use this not to delay the session, but to say, because I was really enthralled and taken by the implications of this aerospace bill. It will not only identify, promote, expand and diversify aerospace, it will set up the Pacific International Center for Space Exploration. That stretches your mind. That stretches the economy. And it stretches what we as the center of tourism in the world, have a very strong implication coming out of this bill because space tourism is one of the things that we can now concentrate on. So, this bill is an exciting step forward.

"What is space tourism? Before, you had to be a millionaire to get up into space in orbit. Now they have this thing called parabolic flights where you go straight up and down and you experience weightlessness for about a minute in about an hour and a half flight. It costs \$3,500. It's prospering in Florida. They've just started last month in Las Vegas. And, Mr. Speaker, this gives DBEDT and the State of Hawaii a chance to get a leg up on that being that we have 7.5 million tourists. This is, to me, a 'no brainer', but something that's very, very exciting.

"Number two, this bill not only opens up for Hawaii through DBEDT with the space tourism, but also we have the best next thing to be on the moon with our lavascape on the Big Island. DBEDT is already in serious discussions with NASA to do simulated life and settlements on the moon. That to me is really exciting. I think the implication is, and it was mentioned in one of the Internet articles I researched, eventually they're going to move into space hotels, and nobody knows hospitality greater than us.

"My point of this, Mr. Speaker, is we talk about diversifying the economy, this is a golden opportunity. It's made for us. And I'm really happy that all of my colleagues have agreed that this is something that we can do and we can give Ted Liu the go ahead, so we will not only be first in hotel tourism in the world, but also the first in space tourism. Thank you."

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

"In strong support. Some of the Members will remember in 2000 when we honored Astronaut Buzz Aldren on this very Floor, and he is one of the strongest proponents of space tourism. And, incidentally, he and Neil Armstrong trained for their moon walk on the Big Island on Mauna Loa. Thank you."

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

"In strong support, Mr. Speaker. This bill is out of this world, but it's definitely worth supporting. I just hope that we can still assess the TAT on our space hotels. Thank you."

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. For nearly half a century, the State has supported our national space efforts, beginning with astronaut training programs in the late 1950s and the development of world-class observatories in the 1960s. Over the past three decades, the University of Hawaii, the United States military, and numerous companies statewide have also engaged in a variety of nationally-funded pioneering programs in planetary geosciences, satellite communications, remote sensing, environmental monitoring, and meteorology.

"The purpose of this bill is to position Hawaii to be nationally and globally competitive and recognized in aerospace development. The measure renames the Office of Space Industry to the Office of Aerospace Development, and adds additional duties and appropriates out of the general revenues of the State of Hawaii the sum of \$500,000 or so much thereof as may be necessary for fiscal year 2007-2008 for the Office of Aerospace Development to carry out its duties to identify and promote opportunities for expanding and diversifying aerospace-related industries in the State. Thank you."

Representative Cabanilla rose in support of the measure and asked that the remarks of Representative Ward be entered in the Journal as her 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. 907, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AEROSPACE DEVELOPMENT," passed Final Reading by a vote of 50 ayes and, with Representative Bertram being excused.

Conf. Com. Rep. No. 199 and H.B. No. 1631, HD 2, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 1631, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. In strong support, with written comments. Just very briefly, Mr. Speaker, this measure is one of the foundational pieces that we need to put in place to have measurements of what we want to see moving forward into an innovation economy. Mr. Speaker, this bill will gather information that we can analyze. This is one of the foundation pieces, along with the bill that we did hear earlier, Senate Bill 709. Thank you very much."

Representative Yamashita's written remarks are as follows:

"Mr. Speaker, I am in strong support of House Bill 1631, HD2, SD2, CD1, Relating to High Technology Business Investment Tax Credit. This bill will allow the State to measure and promote greater understanding of the economic impact of the tax credit by gathering and analyzing important information from high technology businesses that are benefiting from it.

"This measure requires businesses that accept investments linked to the tax credit to complete an annual survey designed to measure

economic benefits to the State, including criteria such as jobs created, wages paid to employees, revenues, and research activities.

"The information will be collected and analyzed by the Department of Taxation, and the Legislature will receive an annual report. This report will be a critical tool in guiding our policymakers in planning for high technology incentives in the future. 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. 1631, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY BUSINESS INVESTMENT TAX CREDIT," passed Final Reading by a vote of 50 ayes and, with Representative Bertram being excused.

At 1:33 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 1174, SD 1, HD 1, CD 1
 S.B. No. 613, SD 2, HD 2, CD 1
 S.B. No. 885, SD 2, HD 3, CD 1
 S.B. No. 603, SD 2, HD 2, CD 1
 S.B. No. 1917, SD 3, HD 2, CD 1
 S.B. No. 907, SD 2, HD 2, CD 1
 H.B. No. 1631, HD 2, SD 2, CD 1

Conf. Com. Rep. No. 200 and H.B. No. 1008, HD 2, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 1008, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. Very brief comments in support. This is the Keiki Care Bill, Members, and I think we should all be proud that we are going to be providing insurance for every single child in the State of Hawaii. It's been a long road supported by Democrats and Republicans alike, including the Administration. Hawaii can now count itself at the top of the nation for taking care of its children. Thank you, Mr. Speaker."

Representative Mizuno rose in support of the measure and asked that the remarks of Representative Green 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 Mizuno's written remarks are as follows:

"Mr. Speaker, I am in support of H.B. No. 1008, H.D. 2, S.D. 2, C.D. 1. This bill will work toward ensuring that all of Hawaii's children receive appropriate health care.

"Mr. Speaker, Hawaii was progressive in its thinking by establishing the Prepaid Health Care Act in 1974 to ensure that almost all of our residents would be able to receive proper healthcare. In fact, we were often looked at as a model for healthcare. Yet, today, there continues to be a gap group that remains uninsured since they are ineligible for either State or federal healthcare coverage. This gap group often includes many of our most vulnerable residents – our children.

"In this great State of ours, it is unbelievable that a significant number of children, our most precious resource, are forced to go through their most formative years without one of the basic necessities of life – proper healthcare. This bill is a major step in addressing this most pressing need.

"Mr. Speaker and colleagues, many families with uninsured children find themselves in a 'Catch-22' situation: Their incomes are

too high for them to qualify for Medicaid or Hawaii's QUEST Program, but too low to afford the high costs of health insurance. The establishment of the Hawaii Infant Health Care Program and the Hawaii Children's Health Care Program, as well as expanding coverage through QUEST-Net for all eligible children up to 300% of the federal poverty level, will make significant strides towards ensuring that all of Hawaii's *keiki* are receiving the appropriate healthcare they need.

"It has already been estimated that the initiation of these programs will benefit 3,500 of Hawaii's children. That's 3,500 children receiving healthcare who at one time, had no healthcare at all. In my mind, that is a tremendous accomplishment and well worth any costs these programs might incur.

"However, we all know that cost is always a factor that plays into any decision we, as legislators, make. While implementation of these initiatives will have initial costs, I assert that this is a cost-effective investment. Most people without health insurance or proper healthcare inevitably use the hospital emergency room, one of the most expensive healthcare settings, for their non-emergent healthcare needs. This adds to healthcare costs and puts further strain on an already taxed emergency healthcare system. The economy suffers, as work days are lost due to a child's illness.

"In addition, less quantifiable losses are felt by parents who cannot afford healthcare for their children as this adds to the already difficult and stressful job of raising a child in today's world. Thus, I believe our initial investment will pay large dividends to our society over time. 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. 1008, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILDREN'S HEALTH CARE," passed Final Reading by a vote of 50 ayes and, with Representative Bertram being excused.

Conf. Com. Rep. No. 201 and H.B. No. 212, HD 2, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 212, HD 2, SD 2, 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 voting against this measure. This measure will create a temporary Maui Health Initiative Task Force to develop a comprehensive, strategic health plan for Maui County. The problem I have is with the composition of this taskforce. The bill seems to set up a situation that's a foolish attempt by the legislative body to flex its muscles against the Executive Branch. Out of the 15 members on this Board, 7 will be appointed by the Mayor of Maui, 4 will be appointed by the Speaker of the House, and four will be appointed by the President of the Senate, without the need of the Governor's approval."

The Chair then addressed Representative Meyer, stating:

"Is this Conf. Com. Rep. No. 201 that you are addressing?"

Representative Meyer responded, stating:

"Yes, Conf. Com. Rep. No. 201, HB No. 212, Relating to Health Care. It doesn't sound familiar, I guess.

"Also, this bill does not allow for a taskforce member to be employed by the Department of Health or the State Health Planning and Development Agency. It seems to me that we would want members on the Board that are familiar with the problems relating to health and Maui, not this partisan taskforce.

"I also don't understand why the money that is being appropriated in this bill goes to the John A. Burns School of Medicine. The money should go to the Department of Health for they have already dealt with the issue relating to health needs and work force shortages, and would just add all the new data to what they already have.

"Mr. Speaker, I'm disappointed that this Legislature would play partisan politics with the health of the people of Maui. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. With reservations. I did take a look back on this bill. As it left the House that it did establish a statewide comprehensive healthcare work force map, and that was something that I know that the people on our taskforce that we had really wanted. So, I do have reservations. Thank you so much."

Representative Ching 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. 212, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH CARE," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Meyer voting no, and with Representative Bertram being excused.

Conf. Com. Rep. No. 202 and H.B. No. 1529, 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. 1529, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LEGISLATIVE SCHOLARSHIP PROGRAMS AT THE UNIVERSITY OF HAWAII," passed Final Reading by a vote of 50 ayes and, with Representative Bertram being excused.

Conf. Com. Rep. No. 203 and S.B. No. 1365, 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. 1365, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE INNOVATION ECONOMY," passed Final Reading by a vote of 50 ayes and, with Representative Bertram being excused.

At 1:37 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 1008, HD 2, SD 2, CD 1
H.B. No. 212, HD 2, SD 2, CD 1
H.B. No. 1529, HD 2, SD 2, CD 1
S.B. No. 1365, SD 2, HD 3, CD 1

H.B. No. 1757, HD 1, SD 3, CD 2:

Representative Caldwell moved that H.B. No. 1757, HD 1, SD 3, CD 2, pass Final Reading, seconded by Representative B. Oshiro.

Representative Morita rose in opposition to the measure, and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Morita's written remarks are as follows:

"Mr. Speaker, while I wholeheartedly support Part I of this measure, I cannot support Part II of this bill. The general excise tax

is a tax for the privilege of doing business in the State on Hawaii. It is a tax on the business (which chooses to pass it on to the consumer), not a sales tax (which is a tax the consumer is responsible for). If we really wanted to give Hawaii taxpayers a break it should be in the form of an income tax credit or tax deduction. Secondly, without a full understanding of gasoline pricing in Hawaii, there is no feasible way to determine if the retailer is actually passing on the savings to the consumer, no matter what goodwill the oil companies claim.

"This is a quote from an article in this morning's paper: "Customers certainly won't have a problem with cheaper gas", said Jordan Barnhorst of Kane'ohe, who paid \$3.27 per gallon for super unleaded fuel to fill up his BMW X-5.

"Who doesn't want lower gas prices, right?" Barnhorst said. "No one complains about this, especially those of us with big SUVs that guzzle gas."

"It is ironic that this morning we passed a bill dealing with greenhouse gas emissions reduction. Lower gas prices does nothing to help in this area. We really should be looking at how tax revenues generated from the sale of gasoline can be used to redirect our energy future for the better rather than losing this revenue just to promote energy inefficiencies especially the driving of gas guzzling SUV's. This is a bad tax policy that does not further the interest of Hawaii residents in the long run."

The motion was put to vote by the Chair and carried, and H.B. No. 1757, HD 1, SD 3, CD 2, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Morita voting no, and with Representative Bertram being excused.

At 1:39 o'clock p.m., the Chair noted that H.B. No. 1757, HD 1, SD 3, CD 2, passed Final Reading.

At 1:39 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 1:43 o'clock p.m.

At this time, the Chair announced.

"At this time members, at the Chair's recommendation, can you move to page 12, we will be taking S.B. No. 1792, SD 3, HD 3, CD 2, out of order."

S.B. No. 1792, SD 3, HD 3, CD 2:

Representative Caldwell moved that S.B. No. 1792, SD 3, HD 3, CD 2, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I stand in support. I do have some personal reservations, but I stand in support. Where to begin? Members, the healing process must begin. That's the case for healthcare on the individual level, our work as legislators, and our work in the healthcare system of Hawaii. This has been the most complicated bill I have ever seen. It's the largest bill from a healthcare standpoint that we've taken up this Session.

"I'm going to speak about a couple of issues today. I'll speak about my reservations and my support.

"First of all, I want to say the reason that I'm supporting this bill today is because we've come so far this Session. We've worked on many measures. We worked on rate regulation, which I was proud

of. We've taken up measures like Keiki Care, and we've recommitted ourselves to reinvesting in the healthcare system. And then comes a bill that relates to our safety net, Hawaii Health Systems Corporation, a bill that, I'm the first to admit, has been so complicated that I've been in favor of it, pretty much right after I submitted my own personal draft. I supported that, of course. And then I was opposed to it when I had concerns that it was too focused on one region. And then, finally, after a lot of gut-wrenching thoughts, realizing that the bill would not make the sky fall.

"We've changed this bill many times. We've looked into it many times. The reservations I had, the most significant reservations, did revolve around a process that I felt at times, we were rushed. This bill is so colossal that it is a bill that in some cases we have to be more careful than any on. But I have read the drafts over and over again, and I really respect the work that all of the Conferees did to find a balance on the Board. The new Boards, the Regional Boards, which is what this creates, do represent each region very well. I think that is important to every Neighbor Islander that's out here. That was one of the most important things to me. Do they trump my concerns about process? Well, I have got to tell you this. At the end of the day, what we're charged to do here is to make sure that Hawaii Health Systems Corporation is our safety net and remains our safety net. That's what we have to be vigilant about.

"So what I would submit to you is that as we go forward and create these Regional Boards, and as those Regional Boards create the Corporate Board, they will be what we make of it as politicians and individuals concerned with healthcare. It's not an easy bill. It's not an easy bill because there are so many people that are passionate about it. Even the Big Island delegation was divided in many ways on this bill. I took my lumps on this bill as a physician. There were a lot of questions as to whether I should be involved. I maintained from the beginning that I should be involved because as a physician, even though I do work as a contract physician in HHSC, I knew this system very well, and I have, therefore, concerns from inside looking out, in addition to looking outside looking in as a member of this body.

"Are there concerns about procurement? We've always had concerns about procurement, and I still have them. I hope that as we go forward with the regional procurement exemption, that we'll audit each of those regions, not out of vindictiveness at all, but out of safety. That was a recommendation that I discussed with one of my colleagues from the Big Island at length.

"At the end of the day, I want you all to know that I spent time with every group. I flew to Maui to discuss it with the Maui CEO and the doctors at that department, and they felt strongly in support of this measure. That was when I was at my lowest and had my greatest concerns. I traveled, of course, around the Big Island and sought opinions, and they were very mixed in their position, Hilo and Kona feeling very differently at different times on this bill.

"I was respectfully asked by the Republican Caucus to address some of my concerns about this bill and I appreciate that. We discussed at length about process, about other issues that were involved in the bill and about the actual composition of the Board itself. I went to the extent of calling the CEO of the company of HHSC to ask what he really believed at the end of the whole process, whether it would hurt the healthcare situation in Hawaii or would it help it. And that CEO did tell me that he thought it was time to move forward. He had great misgivings, of course, but I think that it's important as legislators to hear every opinion.

"And then finally, I leaned on my colleagues and I asked them really, what is our goal? Are we here to make sure HHSC goes forward in a more responsive way? And the answer was a resounding, yes. I do want to honor the amendment that was offered. It greatly improved the bill and allayed many of my concerns.

"So Members, I'll close with this thought. We all are committed to making sure the safety net is stable. We're all committed to making

sure everyone has adequate healthcare, whether it's from HHSC or any other provider in the State. So going forward, let's take this chance, whether we're for or against this bill, to shepherd it together to make sure Hawaii Health Systems Corporation in 2008 and 2009 and 2010 becomes a much stronger organization, that the Regional Boards created do not compete amongst themselves, but cooperate together. That they come to us as a legislative body and tell us what they honestly believe will be in the best interest of every citizen in the State of Hawaii.

"So in spite of my misgivings about certain events, I do not harbor any ill feelings and it's not my place to actually place them on this Floor. It's my place to tell you I don't think the sky will fall, and that we have to go forward together to create a better health system. I'm not asking you to vote yes. I'm certainly not asking people to vote no. What I'm asking us is to all come together and make sure that we go in a singular better direction for the state of healthcare in Hawaii. So I cast a yes vote."

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

"Thank you, Mr. Speaker. I rise in opposition to this bill. Mr. Speaker, while I truly appreciate the efforts of the Representative from Kahului in keeping the essence of the House Draft 3 version of this bill in this Conference Draft, I do have some concerns and would like to explain my opposition. While there are areas of this bill that may be problematic, these can be fixed with future amendments. However, my concerns cannot be fixed by legislation.

"Mr. Speaker, my heart tells me to trust the system, but my *na'au* feels otherwise. The integrity of preserving the safety net of a statewide health system hinges on the guidance of the Board of the Hawaii Health Systems Corporation. The integrity of the Board of the Hawaii Health Systems Corporation is dependent on the selection process and appointments to the Board. It is my hope that when appointed to the HHSC Board, each Board member will rise to the responsibility in assisting the regions to work collaboratively and cooperatively to maintain this important safety net statewide.

"Mr. Speaker, part of the selection process is in your hands. I hope you will help to prove me wrong. My worst fear is that the Board will disintegrate pitting region against region for scarce State resources by individuals who may have only the interest of their region at heart and not the integrity of maintaining a statewide system. Only time will tell if I am wrong in my assessment, and in this case, I hope I am proved wrong. Mr. Speaker, may I submit additional comments just to point out the areas of the Conference Draft that I think may need to be amended. Thank you."

Representative Morita's written remarks are as follows:

"Mr. Speaker, here are areas of the bill that I find problematic and where we should consider future amendments:

"Although this may be moot by the time the Legislature can address the issue, the measure provides an inadequate transition process, eliminating the existing system board too quickly and not enough time to establish the Regional Boards. The terms of several existing Corporate Board members will be terminated in December 30, 2007, and the remaining will be terminated on September 30, 2008, not leaving in place the experienced Board members to govern the reorganization to regional governance. Healthcare is a complex industry. Coupled with the fact Hawaii Health Systems Corporation (HHSC) is a State agency, it takes six months to a year for Board members to learn enough about the system to become an effective Board member.

"At the same time that the existing, experienced Board is being eliminated, the bill requires the immediate establishment of all 5 Regional Boards. The Regional Boards will assume custodial control of all the assets of the corporation in their respective regions, and will operate the facilities consistent with corporate policies and

procedures. In order to set up this system of policies, the Corporation Board must be knowledgeable about the operation of the facilities and system. Not only will the Board members be new, but resources will be overtaxed as the new boards are set up and the Kahuku Hospital acquisition goes forward. To impose this timeline and a new Board of Directors is to set up the reorganization for failure.

"The elimination of the community based input for nominations to the HHSC board does not further the purpose of this measure to increase community involvement and creates an imbalance between the nomination and appointment authorities for the HHSC board.

"The bill provides that 10 of the 15 Corporate Board members shall be appointed by the Governor after nomination by the Senate and House leadership. The purpose of the bill is to "advance the State's commitment to provide quality healthcare for the people of Hawaii, by moving forward on the original taskforce recommendation of community-based governance and establishing regional system boards for all regions, to be governed by a community-based regional system Board of Directors, and to provide the necessary authority for each region to accomplish the goal of community-based governance." The nomination process for the corporate board should be more open so that the community leaders and other interested people who are served by the community hospitals may submit names to the Governor for possible Board membership. In this way, a truly community based system will be established.

"The contract priority clause in this measure may impede the ability of the corporation to conduct systemwide contracting for economies of scale and consistency of care. The contracts clause in Section 23, allows a regional board to enter into a contract exclusively for that region, and if it conflicts with a corporation contract, the regional contract prevails. This clause will put into question the ability of the corporation to do systemwide buying, which is essential to operating a hospital system economically. The system will not be able to sign a contract knowing that it is a conditional approval: conditioned on the regions not signing a conflicting contract.

"The ability of one region to pledge assets of other regions in the corporation in a bond issuance will adversely impact financial security of the entire system. Most of the bond language is not necessary to issue a bond and would be more appropriately placed in the bond covenants. However, the language appears to assume that the regional boards are legal entities, which they are not and there in creates a conflict and legal question.

Other problems for the measure are as follows:

- The Regional Boards are allowed to acquire property in their own names yet they are not legal entities. Other areas of the measure acknowledge that the regions have custodial control of the property recognizing they are not legal entities that can own property.
- Employees retain their rights in the Executive Branch. However, HHSC employees are not employees of the Executive Branch. HHSC has its own civil service jurisdiction. This language should be amended or even eliminated, since there is no change in employment with the establishment of the regional boards where HHSC remains the employer.
- Procurement code exemption is only allowed for Regions, but should include the Corporation so there is no need for two sets of policies and the possibility of confusion that may result.
- Regional CEOs and CFOs can only be fired for malfeasance, like dismissal of a Board member (felony conviction, etc.) until Jan 1, 2009. These exempt employees of the State should not be given this special treatment. (Section 2, pg 5). Only the Regional Boards are involved in the hiring of the Regional CEO

until Jan 1, 2009; it should be a joint decision between the Corporate Board and the Regional Board.

- Regional Boards are self-perpetuating after the initial appointments. We need to question whether we really intend such as a policy."

Representative Belatti rose in opposition to the measure and asked that the remarks of Representative Morita be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

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

"Mr. Speaker, I also rise in opposition to this measure. I think the good doctor from the Big Island said it well; that we need healing. In fact, some of our necks are going back and forth so often, flip flopping on this bill, flop flopping on the way it's been written, flip flopping on the way it's been interpreted. We get a headache, which tells us, as legislators, something's wrong, not only procedurally, that he mentioned and apologized or asked for forgiveness for, but something procedurally in terms of when you got a half-baked legislation, you shouldn't rush it through. If anything, we should probably be doing a sunrise on what we should be doing, rather than rushing into this because there's been so many versions, so many different, very complicated things. Anybody who really knows what is in this bill, intellectually, honestly, probably can't say that they know it, which really means it's going to leave it to chance.

"And Mr. Speaker, I think when we deal with people's lives in the hospital system, we have our first obligation not to our districts, but to the State of Hawaii and the welfare of the people of Hawaii. This bill unfortunately brings us quickly back to the past. It's going towards the future, but back to the past, which, when this body considered it over ten years ago, we were saying they're too independently unstable, they're not systematic, they're not getting the quota of breaks in bulk purchasing. Let's get them all together. Now, we've got the first dismemberment or the first volley to dismemberment before us today. God bless Maui. Maui no ka oi. I really like the spirit that drives Maui. But this bill is not about Maui. It's about the State of Hawaii, the people of Hawaii, the hospitals of Hawaii, and the security and the well-being of those hospitals, of which I believe, Mr. Speaker, is a precipitous step in that direction with this bill.

"The only analogy I can think of is when Yugoslavia sat around the table and Slovenia, who had been paying most of the taxes, said, 'I'm out of here. We supported you guys, we're out of here.' And then after Slovenia, the whole Balkanization of that great country, that great people disintegrated. No one here today, regardless of which way they vote, will know what's going to come out of this by this particular bill. Nobody knows. It's a crapshoot, if I may. It's for some a motion to get particular leaders and other particular management styles maybe put aside, but that's not what this is about. If you've got a problem with a taxi driver, you don't go and change the taxis just because you had a problem with the driver.

"Mr. Speaker, I think this is a bit misguided and we're taking a risk, and in conclusion, I would say cooler minds should prevail. And the way that this bill, right until the last minute, even to this moment on the Floor, of which I was informed of only an hour and a half ago, that some people had changed their minds because some interpretation has changed, that we are now putting legislation, or at least locking it in to a point which I think jeopardizes the whole system. And that's what we're here for, the whole system, not just one. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In support. Mr. Speaker, if I can have the words from my Chair, the Representative from North Kona, placed into the Journal as if they were my own, notwithstanding, the

with reservations vote," and the Chair "so ordered." (By reference only.)

Representative Mizuno continued, stating:

"Mr. Speaker, Senate Bill 1792, as we can see, has gone through a number of drafts. This bill has created a passionate response with a great deal of debate through our legislative process. Nearly thousands of testimonies has been received on this measure. In fact, our hearing in your Health Committee had more testimony than we did on the death with dignity, physician assisted suicide bill. Of course, this is a very important issue. As I stated in an earlier floor session, this will affect 12 community hospitals, 13 when Kahuku is added. This is the nation's fourth largest community hospital system, so by no way do I think that we are going too fast. We did a number of safeguards and reviewing and reading before we came up with this conclusion, a number of floor amendments, and a number of drafts.

"Looking through the history of Hawaii Health Systems Corporation, also known as HHSC, 14 years ago, a taskforce was convened to make recommendations on our healthcare system. This is what the taskforce came up with and I quote, "The Hawaii Health Systems Corporation should administer the state facilities in a decentralized fashion with the facilities to be grouped into five regions."

"Mr. Speaker, that was 13 years ago and I humbly ask, Members, to support this. The time is now to initiate that recommendation by creating Regional System Boards responsible for local governance, operations, and administration of the delivery of hospital services in each of the five regions in our State. This will help us to ensure that local community stakeholders through independent regional system boards will be in the best position to make critical decisions relating to their community hospitals.

"One of the rationales behind this, Mr. Speaker, is certain decisions in Ka'u, or Maui, or Lanai City, at their hospitals, may not be appropriate for one of our hospitals on Oahu. It's different. We need to allow our Regional Boards to make those independent decisions because it's affecting them. They would know better than us.

"Mr. Speaker, at the Health Committee hearing, nine members were there, and at the Finance hearing we had 17 members present. Tom Driscoll, who is the President and Chief Executive Officer of HHSC, stated that he knows they have problems with HHSC, with their system. He was very honest and forthcoming. He said he knows they have concerns. And this is what he told us, both at the Health hearing and at the hearing of Finance: 'Please, no to affiliate corporations. You're going to end up breaking HHSC.' But he did say this: 'Let's go with Regional Boards. Let's go with Regional Boards and let's empower them.' Every member that was at the Health hearing and at the Finance hearing knows that. 'Let's go with Regional Boards, let's empower them.'

"I respect Mr. Driscoll and I think that's what we're doing today. I do want to commend Chair Green and Representative Nakasone for an outstanding job they did in Conference, and the Chair and Vice Chair of the WAM Committee on the Senate side. For those reasons, Mr. Speaker, I support this measure."

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

"Mr. Speaker, I would like a ruling on a potential conflict. I'm with the Management Advisory Committee, for the Kauai MAC," and the Chair ruled "no conflict."

Representative Sagum continued, stating:

"With that, I'd like to adopt the words from the Representative from North Kona as my own," and the Chair "so ordered."

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

"I would like a ruling on a potential conflict. At my law firm, I represent HHSC on procurement matters," and the Chair ruled "no conflict."

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

"Thank you, Mr. Speaker. I do apologize. I meant to ask for a potential conflict. I've asked for it so many times, it actually slipped my mind," and the Chair ruled "no conflict."

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

"Thank you, Mr. Speaker. I rise in opposition to this measure. First, I would like the words of the Representative from Hanalei entered into the Journal as if they were my own. Thank you.

"This is a very difficult issue. I think we can all admit that. Before talking about the CD 2 that we have in front of us, I just wanted to spend a few minutes talking a little bit about what was prior to the invention of the Health Systems Corporation.

"In 1996, when we were here, Mr. Speaker, we voted to create this system, because as you recall, all of the regional hospitals were dilapidated, were worn down, were in terrible disarray. The facilities were old. And it's not for the lack of trying. I think many people throughout the State worked very hard to ensure adequate health system, and healthcare for all. However, we recognized back then in 1996, and even prior, in 1994, when the taskforce came out with their recommendations that in order to be successful, we had to pull these regional hospitals and facilities together as one, one system. And over the course of the next decade or so, they have moved the system forward. Today we have a number of healthcare facilities throughout the State, Neighbor Islands, especially, and the rural areas on Oahu, as well, that are doing quite well in serving their communities.

"That brings me to today's discussion. And I agree with some of the speakers prior regarding their concerns about how quickly we're moving in this direction without total awareness of the consequences of even some of the mandates in CD 2. When we started this Session, many people were concerned. The Senate position coming to us was to breakup this system. Our House Draft 3 position as it left on Second Crossover was that we would empower Regional Boards. The CD 1 that came out on Friday night was very lacking and there were much, much more to be desired, and I'm so glad that there were efforts made both in this house and the other house to deal with some of the major concerns, which we now see addressed in CD 2.

"We do have some problems. I continue to have some problems with CD 2. Just a few I'll mention right now. I think enabling the Regional Boards, providing procurement exemption to them is a step in the right direction. But I question why, why we don't allow the system to have the exemption as well. And I think it's going to be problematic in the future when these bulk purchase agreements come due and the regions can move forward, but as a system, they may not be able to. That's going to be a problem, Mr. Speaker, and I hope we can address it in the future.

"And I think the Representative from Hanalei talked a little bit about the concerns that she had in regards to the makeup of the System Board as we move forward. I share her concerns. I think as I spoke many times on the Floor prior regarding this particular issue, what I do hope we do not see is what we saw in the '90s, prior to the creation of HHSC where each region came to us specifically, and only concerning, their own interest. It was a dog fight, Mr. Speaker, here at the Capitol, and I hope we don't see that again. And like I mentioned before, there's a reason why we have a statewide Department of Education system, and a statewide University of

Hawaii system, because by doing so, we promote this idea of a one-state system and we move forward as such. But then, that's for the future to decide and we'll see how well this new Board, with its new members, comprised of a couple of representatives from each of the regional boards can handle this challenge.

"There are a few more concerns that I have, Mr. Speaker, but what I'd like to do is request that I insert written comments in the Journal. Thank you.

"As we move forward, I would like to mention that I, for one, recognize the challenge for this, for us, is really a challenge for the Neighbor Island Representatives and the Representatives in the rural areas of Oahu. But as a public health educator, and one that prior to being elected to this body was really concerned about the healthcare of the State and continues to be concerned, I for one, am willing to put concerns aside and work forward to make sure that we ensure the continuation of a robust healthcare system for our citizens throughout the State. Thank you, Mr. Speaker."

Representative Takai's written remarks are as follows:

"Mr. Speaker, I am in strong opposition of this measure.

"The intent of this landmark legislation is to move the community hospital system forward into a structure that will provide the communities served with a more active role in the operations of their local hospitals balanced with oversight by a strong, central, umbrella corporation. This bill should be construed with that balance in mind: the corporation board has the ultimate responsibility and authority as the sole legal entity and State agency while the regional boards have local decision-making power to implement corporate policy in a manner that furthers the needs of the local communities.

"Real local community involvement is necessary to ensure that the community hospitals meet the needs of the people served: our residents and visitors. The Regional Board concept is an evolution of the public health facility Management Advisory Committees, which have been an effective voice in presenting viewpoints to the local hospitals and the corporation, according to the testimony. The success of the 10-year old Corporation and its hospitals in providing quality care and expanding services to meet the needs of the local communities was well documented in the testimony. Although most testimony supports the conclusion that the majority of the regions didn't feel the need to move to the next step of Regional Boards with delegated decision-making authority, there was disagreement on this point. There was strong testimony, primarily from the Maui region, that a change in structure was absolutely mandatory for the survival of their hospitals due to physician disenchantment. In fact, Maui was pushing for the creation of new corporations for each region that would have been separate legal entities.

"I support the public policy behind community involvement in the government owned community hospital system. However, I am voting NO to SB1792 because there are several problems with the bill, as written. In addition, I strongly object to the way it was pushed through the Legislature with last minute changes to the language and toying with the make-up of the Conference Committee members up to the last hour of conference. Finally, this bill is simply premature and too important to rush through the session, without first bringing all the stakeholders together to carefully work out the detailed language that will have such a significant impact on our safety-net healthcare system. This is further exacerbated by the fact no transition time allowed in the bill, with immediate appointment of Regional Boards and early termination of existing Board member terms, with little time for the Corporation to set up a reasonable timeline and processes to increase the chance of successful implementation of this major reengineering effort.

"Some of the specific problems with the bill include the following:

1. The powers section includes a clause giving precedence to regional contracts over conflicting systemwide contracts under

- certain situations. (Section 23, page 56 to 57; 323F-7(c)(3) (B)). My concern is how this clause may be interpreted. The intent is not to place in jeopardy the ability of the Corporation to conduct multi-regional contracting, which is essential to efficient operation and is one of the benefits of a multi-facility system. The intent of the clause is that it is applicable only if the corporation enters into a contract on behalf of a single region and that region does not agree with the contract and enters into its own conflicting contract that conforms to corporate policies. In that case, the regional contract shall prevail. The ability of the corporation to continue its systemwide or multi-region contracting and ventures is not impeded by this clause, if construed according to this intent.
2. The bill is full of language inserted last minute by Maui bond counsel, which would be more appropriately included in the bond covenants, not the statutes. While there was agreement at the Conference Committee to put the bond language into a separate bill applicable to a specific Maui bond issuance, only one section was deleted and the language remains in several other places. The provisions giving power to the Regional Boards are intended to reassure underwriters and purchasers of the bonds that the agreements signed by the regional boards are enforceable. As stated throughout the bill, these powers must be exercised in conformity with corporate policies and procedures in order to not adversely affect the other regions. (See, for example, Section 23, paragraphs 8, 17, 19, 26; Section 30 (a).).
 3. Section 35 of the bill states that certain employees will retain their rights as employees of the executive branch. HHSC has its own separate civil service jurisdiction from the Executive Branch and HHSC is considered "the employer" under applicable statutes. Therefore, this section must be construed as meaning that the referenced civil service employees of HHSC will not lose their status as employees of HHSC. Since the Regional Boards are not separate State agencies, the employment provisions must be construed as not changing the employer to the Executive Branch; they remain employees of HHSC.
 4. The Regional Boards are allowed to "acquire" property in their own names yet they are not legal entities. The intent of the bill throughout is clear in stating that the regions shall have custodial control of the property; they are not empowered with ownership because they are not separate legal entities. Therefore, the two sections that allow the regions to "acquire" property must be construed as allowing them to make the purchase or enter into the agreement to obtain the property, as set forth in the powers section, but it does not render the acquiring region the 200 title owner of the property. HHSC is the owner of property acquired before and after passage of the bill, as the only legal entity in the system at the time of passage of this bill. (See Section 23, paragraphs 10 and 18).
 5. The Corporation Board composition provides that two physicians shall be appointed by the Corporation Board. The language states that the physicians shall come from the different regions. Region I (Oahu) is left out of the rotation and the language requires appointment of both physicians from the same region (instead of having physicians from different regions serving at the same time). (Section 19). This last minute language disenfranchises the Oahu region physicians. The physicians should come from different regions to spread the representation and work.
 6. The composition of the Corporation Board raises other areas of concern. 10 of the 15 members come from nominees of the Legislature. I agree with some of the comments raised by my colleagues that this process places the Legislature in the realm of implementation of law, rather than authoring law. I do not know the consequences of this feature to HHSC as yet, but raise this as a concern. In order to more fully implement the purpose of this bill which is to enhance local community involvement, the Regional Board members and other people in the local communities should be involved in nomination of the majority of the Board members, not just legislators who may have other agendas.
 7. A similar issue is the quick termination of the existing Board members, some of whom have dozens of years of experience working with the community hospitals in various capacities. At a time when stability and knowledgeable governance is required in order to implement the new structure, this bill prematurely dismisses the Board of Directors. The quick transition coupled with the fact most Board members will be nominees of the House and Senate leadership is not in the best interests of the organization.
 8. The Procurement Code exemption is granted to the Regional Boards, but not the Corporate Board. This does not make sense and will require different procedures, causing confusion and unnecessary extra work. Rather than encouraging systemwide buying, which is a standard cost cutting measure for hospital systems, this encourages the regions to buy on their own so they do not have to wade thru all the procedures of the Code.
 9. The fiscal provisions allow the regions to develop and submit their own budgets through the system board, determine their own rates, handle their own cash flow, spend the money consistent with Corporate wide policies, and keep their excess revenues for the betterment of their regional facilities. In future biennium budget years, the facilities will negotiate with the corporate office for the services the Corporation will provide and the methodology for allocating those costs among the hospitals. With an operating budget of over \$400,000,000 of State appropriations split among the 5 regions, the regions have the fiduciary duty to operate in a prudent manner and within corporation policies and procedures. We do not know the impact on the hospital system of these provisions, but we do know that cash flow is a serious problem for HHSC, which is expected to not keep reserves from year to year but is expected to be able to meet its large payroll and vendor payment obligations. The inability of the corporation to move cash around in order to keep up with obligations may prove to be a mistake. The fiscal provisions will need to be studied carefully and the regions and corporation financial management reviewed in order to determine if the system established in this bill is practical and sets up the appropriate checks and balances needed for handling State special funds and providing State services.
- "In summary, the bill allows the regional boards to operate the local hospitals with some autonomy within the policies established by the HHSC system board. Construction of the specific provisions must be construed with this balance in mind. Problems in this hastily passed bill will need to be addressed in coming Sessions."
- Representative Tokioka rose to speak in support of the measure, stating:
- "Thank you, Mr. Speaker. In support. After the fun that we had last night at our staff party or staff gathering, I put together four pages to address this, but I'm just going to summarize on a couple of things. Much has been said about the Maui delegation and the community hospital from Maui and everything to do with that. But I think this particular bill with its amendments addresses positive benefits for the entire system and very little to do with singularly the position that Maui is going to benefit from this, because I think all four regions will benefit from this.
- "I know the Chairman of Health had some concerns that he mentioned here on the Floor about his involvement in this. And if anyone has sat on the Health Committee for the hours that we did, there was never a question on my mind on the Chairman of Health's integrity. He has shepherded this bill from the beginning, and spent many, many hours educating us, especially myself, as a freshman, on

what was happening with the healthcare system, and I thank him for that.

"In our Finance Committee meeting, the CEO from Hawaii Health Care Systems came and talked about procurement. This bill addresses that. I think the changes that this bill and the amendments that are added along with it, are going to be a positive thing for the system. And like many things that we do here and we pass, we don't know what the exact outcome is going to be, but I think with working with all of the communities and with all of the Board members, and the Board members that have worked there have done an excellent job. We need to continue to focus on supporting them and moving this forward. Thank you, Mr. Speaker. I will insert the rest of my comments, and I thank you all for your time."

Representative Tokioka's written remarks are as follows:

"Mr. Speaker, I am in strong support of this bill. SB 1792 CD2 has been widely debated this Session. This version of the bill, however, truly addresses the concerns raised by the opponents and represents a fair compromise that will bring the desperately needed changes to the Hawaii Healthcare System Corporation.

"First, there were concerns raised that the transition from the Corporate Board to the Regional Boards may be too rapid. However, this proposed change was originally suggested 13 years ago yet there has been no progress toward the goal of regional control.

"Mr. Speaker, the original 1994 Governor's Task Force that created HHSC stated:

- (1) "The Hawaii Health Systems Corporation should administer the state facilities in a decentralized fashion with the facilities to be grouped into regions..."
- (2) "Each region should have an operating board of directors with regional boards being initially appointed by the Governor with the advice and consent of the legislature..."
- (3) "Finally, with respect to implementation, it is important to note that merely granting this proposed new corporation greater autonomy is insufficient - - new systems, trained personnel, training for existing personnel, and internal restructuring are also needed to ensure that we are not simply replacing one inappropriate bureaucracy with another."

"Mr. Speaker, 13 years later, we have not evolved into what the taskforce recommended. The concerns raised about the transition occurring too quickly are, in my mind, unwarranted. The time is NOW to incorporate the 1994 Governor's Task Force recommendations which are overdue and which this measure addresses. Moreover, Mr. Speaker, there may be members of the current Board who could be appointed to the Regional Boards to help ensure a seamless transition.

"A second concern that was raised about this bill dealt with preserving certain efficiencies of a Statewide healthcare system. While this bill empowers the regional boards, it continues to preserve the efficiencies that are embedded within HHSC. For example, centralized corporate services will be shared and used appropriately. In fact, the bill itself states, "The purpose of this Act is to advance the State's commitment to provide quality health care for the people of Hawaii by moving forward on the original task force recommendation of community-based governance and establishing regional system boards for all regions... The Hawaii health system corporation will continue to provide system wide functions and governance with enhanced representation of regional system board members." This bill will allow physicians and their communities to share clinical information between regions and facilities to analyze a system wide approach to the delivery of healthcare across regions without duplicating services.

"In addition, Mr. Speaker, this bill addresses one of the major concerns raised by the CEO of HHSC, that is the issue of procurement. The CEO asserts that procurement has been a hindrance to the ability of the board to act effectively. By enacting this bill into legislation, the Regional Boards will be able to contract for certain services without utilizing the procurement system thereby expediting the time to respond effectively.

"A final concern that was raised about this bill pertained to the Board composition and that Board members must understand the role of the corporate umbrella so that Regions should not compete with one another for limited funding. Mr. Speaker, membership of the board is critical and this measure addresses that very point. This bill will provide for the training of Board membership in the transition to the new structure in the areas of: (1) clinical aspects of healthcare; (2) healthcare financing; and (3) legal and compliance issues of healthcare.

"The opportunity is tremendous to create a new paradigm and have a fresh start where Board members, medical staff and hospital administration can receive education together to develop a common vision and mission, to evolve HHSC into an organization that can tackle the problems of healthcare in an innovated way. Through this transition, the newly reconstituted board could choose to undertake a new strategic plan prior to being bogged down by daily operations.

"And finally Mr. Speaker, and this time finally means finally. I'd like to thank all of the current Board members, the MAC members, all of the nurses, doctors and staff members at Hawaii Health Care Systems for all of their hard work in maintaining and advancing our public health care facilities for the last decade. Through thick and thin they were there for the people and they deserve our heartfelt appreciation."

The Chair then stated:

"Members of the House, for those who would like to insert comments, this is the proper time now for or against because three of our colleagues will be leaving by 2:15 and I wanted to give them the opportunity to cast their votes, if that is okay with the members of this Chamber."

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

"Thank you, Mr. Speaker. I would like to submit comments to the Journal, Mr. Speaker, and in support, but with very grave reservations. And the comments are the position paper of HHSC East Hawaii, West Hawaii, Oahu, and Kauai regions. Thank you."

Representative Thielen's written remarks are as follows:

"I am in support, but with grave reservations.

"During the next week, S.B. 1792, C.D. 1 will be discussed extensively among the full House and Senate memberships. Subsequently, a final floor vote will be taken. Unfortunately, the C.D. 1 version passed Friday night with late-night changes, included new and previously not discussed provisions that were added at the last minute. This version creates an unbalanced system for the non-Maui regions with restricted system Board of Directors continuity. This morphed bill, as passed by the Senate-House Conference Committee, will fragment and potentially destroy the system that all of the regions have worked so hard to protect and preserve, thus, putting our Rural Hospitals and Long-Term Care services at Risk!

"The HHSC East Hawaii region (Hilo Medical Center, Hale Ho'ola Hamakua, and Ka'u Hospital), West Hawaii region (Kona Community Hospital and Kohala Hospital), Oahu region (Leahi Hospital and Maluhia), and Kauai region (West Kauai Medical Center and Samuel Mahelona Memorial Hospital) strongly believe that S.B. 1792 is a BAD bill and must not be passed.

"We believe that this bill is premature. More community input is needed to determine the real impact on our facilities, particularly those located in the rural areas of the Neighbor Islands. Healthcare for our communities is too important to jeopardize by a potentially premature bill.

"We believe that the practice of how we contract for services and goods should be the same across the system, to ensure that all of our facilities will be able to effectively respond to the needs of our patients and physicians.

"We believe more time is necessary to ensure effective oversight of both our region and the system – mainly the successful formation of the Regional Boards due to required, normal recruitment and nomination process. The complexity and responsibility of hospital business deserves a sound transition and an effective alliance among the Regional Boards, in addition to the System Board.

"We believe that our regions deserve a fair voice in the Corporation Board by having an equal amount of representatives regardless of whether we provide more acute or long-term care.

"We believe only in a fair and unbiased bill that provides maximum and equal benefits to all regions, not only Maui; our concerns are real. The recent Maui sponsored bill, which attempts to address a number of political concerns on Maui, should not be imposed on the other four regions.

"We believe in a balanced safety-net system that remains intact, in order to be able to continue responding effectively and efficiently to the healthcare needs of our island communities."

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

"Mr. Speaker, very reluctantly I will have my remarks submitted in the Journal in opposition to this measure, but basically I fear the Balkanization, the fragmentation of this system. I represent an area with Leahi Hospital in it, and I just foresee problems with different regions lobbying us differently. I feel for the financial strength of the system and I feel that united they have a chance, divided they will fall."

Representative Marumoto's written remarks are as follows:

"Please allow me to express arguments against this measure.

"The good news about this bill is that it allows for greater local control – we call it homerule in this building. Good in theory. We will see greater autonomy in 5 different regions in the State.

"The trouble with this feature, autonomy, is that we stand to lose some of the benefits of central administration such as better fiscal control, increased ability to float bonds, better purchasing power, a coordinated procurement program, and a concerted lobbying effort.

"For instance, we are passing a measure allowing the HHSC to issue revenue bonds. I don't see how a regional district can "afford" such a bond if the entire system currently loses money and requires subsidies every year. Would a region have any more financial clout?

"In my district lies Leahi Hospital, a small long-term care hospital in the HHSC System. Also found on Oahu is Maluhia, another long-term care facility. These Oahu institutions will now be competing against four other regional facilities in the State for resources – operating money, capital improvements. Will Leahi, will Oahu, or will Kauai, or will Kona receive its fair share in the future?

"I suppose some of you can argue that allocations have not been fair in the past and that this bill would improve things, and that may be the case, but on the whole, I do not share this optimism for the future. I fear the fragmentation. The five regional districts will

divide the health system, polarize and politicize health care in Hawaii.

"Another serious problem we have seen with this measure is an unprecedented number of charges and rumors of illegal activities, character assassination, and other unsavory charges worthy of a "sausage factory". I have never seen such a toxic atmosphere surrounding a bill. It is most unfortunate, Mr. Speaker, and if there any truth to these rumors, I ask that concerned individuals call for an investigation if they believe that wrongdoing truly exists.

"We are mandating a rapid change in the top administration and State board of HHSC. We are severing the head from the body with this bill. Is this legislative micromanagement? I would have favored a more gradual turnover. I do see a need for new management, because the relationship between the leadership and the Legislature is no longer productive and not good for the System.

"I do not believe there was any wrongdoing. I think that all parties have served to the best of their abilities, and I thank the HHSC leadership for doing their best. I thank them because we will not see them here in the Capitol in future sessions.

"Ironically, if there is new management, Mr. Speaker, I no longer see a need for splitting up the System. I may be wrong, I hope I'm wrong, but as I now see it – united the HHSC stands, divided it falls."

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

"In support. I'll try to be brief. The Big Island group, as we're meeting with a group of physicians from Hilo for over a year. In support. For over a year and those physician groups have also been meeting with Maui physicians to make sure that everybody was moving in the same direction. I've also been in contact with people on the MAC in Kona. It's interesting to me that the physicians in Kona was so dissatisfied with the operation of Kona Hospital that collectively they forced the manager of that hospital out. That kind of thing happening with very little involvement, so they had to take things into their own hands. You take Dr. Lattimer in Kona, he's the only urologist there. He fills the newspapers up with negative comments about Kona Hospital. I had a doctor at Queen's tell me that he would never send a patient to Kona Hospital.

"And those of us that have lived through this over the last ten years know that we have to do something, and I think that we have worked very deliberately with the doctors in Kona and in Hilo, and as a matter of fact, a few weeks ago, a Big Island group always has breakfast on Thursday morning, we invited two members of the Maui Senate delegation, two members from the House, we had a long dialogue to make sure that we were on the same page. So I think we know exactly where we're going and I urge your support."

Representative McKelvey rose in support of the measure, asked that the remarks of Representatives Mizuno and Tokioka be entered in the Journal as his own, and the Chair "so ordered."

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:

"Thank you, Mr. Speaker. In opposition and I do have some comments and I did want to share my perspective on this. Mr. Speaker, I was going to vote with reservations and I decided to keep my vote a no vote and the reason being is that this has been, out of the five Sessions that I've been here, this has been the only bill that I've actually had so many accusations and rumors floating around the Capitol on. It really ends up clouding what this bill's policy is. It almost seems as if we're moving forward on this bill, and instead of being a Legislative Branch, we've kind of been like the Judiciary Branch on this, and we're changing the system to reflect not being

happy with the leadership of HHSC and that could be true. They may have done stuff that have upset people, but I'm not necessarily sure that you take it out and you put it in a bill; that you address this in a bill in a way that you affect the entire State system, hospital system.

"I would also like to say that I think it's ironic that we would provide a procurement exemption for the Regional Boards in the regions, but not for the system as a whole, and that doesn't sit well with me. As leaders, Mr. Speaker, you and I, it's not easy leading. It's not easy running things. And people will get upset and there will be misinterpretations and misunderstandings, Mr. Speaker. I haven't had the privilege of being a part in the different types of meetings with doctors and all those kinds of things, but I do think that this is premature and for the sake of wanting to move forward and help with the healing, I'm glad that this bill is actually moving forward. And maybe they can deal with it. But I'm just really disappointed that while we are making the policy for the whole State hospital system, that there were so many rumors and accusations along the way."

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

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

"Thank you, Mr. Speaker. I'm rising in opposition. I just simply am concerned about breaking it up into the regions. And my greatest concern is that Kahuku Hospital as the new kid on the block could be mortally wounded by this. Thank you, Mr. Speaker."

Representative Ward rose to respond, stating:

"One point rebuttal and solution. Mr. Driscoll was mentioned as being in support of this. The body should know that for four months he fought this tooth and nail and only within the last few hours has changed his mind. The solution I believe, there's rumor that there's going to be an override of vetoes, override of the veto session, why don't we let tempers cool, come back in a few weeks ..."

The Chair then stated:

"Representative Ward, you are out of order at this point."

Representative Ward continued, stating:

"That was only a suggestion."

At this time, Representative Carroll called for the previous question.

The motion was put to vote by the Chair and carried, and S.B. No. 1792, SD 3, HD 3, CD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION," passed Final Reading by a vote of 40 ayes to 10 noes, with Representatives Belatti, Berg, Finnegan, Luke, Marumoto, Meyer, Morita, Takai, Takumi and Ward voting no, and with Representative Bertram being excused.

At 2:16 o'clock p.m., the Chair noted that S.B. No. 1792, SD 3, HD 3, CD 2 passed Final Reading.

S.B. No. 1931, SD 2, HD 3, CD 2:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, S.B. No. 1931, SD 2, HD 3, CD 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 47 ayes and, with Representatives Bertram, Green, Herkes and Tokioka being excused.

At 2:17 o'clock p.m., the Chair noted that S.B. No. 1931, SD 2, HD 3, CD 2, passed Final Reading.

H.B. No. 310, HD 2, SD 2, CD 2:

Representative Caldwell moved that H.B. No. 310, HD 2, SD 2, CD 2, pass Final Reading, seconded by Representative B. Oshiro.

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 bill establishes the Hawaii broadband taskforce that will work to remove barriers to broadband access, identify opportunities for increased broadband deployment and adoption, and enable the creation and deployment of new advanced communication technologies in the State. You and the Senate President will appoint the 15 member taskforce, which will receive support from the Office of the Auditor.

"The taskforce is required to issue 2 reports; an initial report 20 days prior to the convening of the 2008 Legislature, and a final report and plan 20 days prior to the convening of the 2009 Legislature. We are providing \$50,000 to support and staff this important undertaking.

"While municipalities across the country such as Philadelphia, Boston, and San Francisco, have implemented municipal wireless systems, the State of Hawaii lacks the access to these types of low cost, high capacity digital transport services that have become increasingly available in other communities across the country that are concerned with the accessibility of advanced affordable services. In order for the State to remain competitive on a national and global scale the State needs to take action to support investment in, stimulate the adoption of, and remove barriers to the development and availability of a world-class and universally accessible broadband networks.

"Mr. Speaker, technology may oftentimes be the key to success in today's economy. For people who have access to the Internet, a world of information and opportunity is opened at the click of a mouse. However, the cost of broadband service often prohibits certain sections of our population from accessing such an important tool. It is hoped that the taskforce will come up with a solution to the cost barriers to broadband Internet access for all residents of the State. In this digital age good, high-speed access to the Internet should be available to all and not just to those who are able to afford such a luxury.

"As Hawaii gained national prominence by enactment of near universal healthcare through the Prepaid Health Care Act in 1978, so too, should Hawaii be the leader in providing Internet access to all its people regardless of income, social status, or community. Universal Internet access would make the information super-highway open to all and allow unlimited access to global information. It may also enable more people to access business opportunities from their homes, whether they be in Waiālae, Wahiawa, Waianae, or Waimea.

"For these reasons, I ask for Members' wholehearted support."

At 2:17 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 2:18 o'clock p.m.

The motion was put to vote by the Chair and carried, and H.B. No. 310, HD 2, SD 2, CD 2, entitled: "A BILL FOR AN ACT RELATING TO TECHNOLOGY," passed Final Reading by a vote of 48 ayes, with Representatives Bertram, Green and Herkes being excused.

At 2:18 o'clock p.m., the Chair noted that H.B. No. 310, HD 2, SD 2, CD 2, passed Final Reading.

H.B. No. 1270, HD 2, SD 2, CD 2:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, H.B. No. 1270, HD 2, SD 2, CD 2, entitled: "A BILL FOR AN ACT RELATING TO STATE PLANNING," passed Final Reading by a vote of 48 ayes and, with Representatives Bertram, Green and Herkes being excused.

At 2:19 o'clock p.m., the Chair noted that H.B. 1270, HD 2, SD 2, CD 2, passed Final Reading.

S.B. No. 1803, SD 1, HD 1, CD 2:

Representative Caldwell moved that S.B. No. 1803, SD 1, HD 1, CD 2, pass Final Reading, seconded by Representative B. Oshiro.

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

Representative McKelvey's written remarks are as follows:

"Affordable health insurance is one of the State's most pressing concerns. Many of Hawaii's 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. 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.

"S.B. 1803, C.D. 2 is intended to permit insurers to offer a different plan to employer groups of one (sole proprietors, one person corporations and partnerships) compared to what they offer to employer groups of two or more, upon a determination by the Insurance Commissioner that the insurer can adequately deliver services to enrollees of additional groups given its obligations to existing employer groups. This is intended to provide the Division of Insurance the authority and duty to allow broader combinations of insurance benefits. This measure will also provide consumers with greater choices in their health insurance provider. Expanding the available insurance coverage options will increase competition to the consumers' benefit."

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:

"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 S.B. 1803 C.D. 2 to expand access to health insurance by allowing broader coverage for less cost. S.B. 1803 C.D. 2 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 health care 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 Herkes rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Herkes' written remarks are as follows:

"Affordable health insurance is one of the State's most pressing concerns. According to the Hawaii Uninsured Project, about 120,000 Hawaii residents, ten percent of the State's population, is without health insurance.

Significant portions of Hawaii's medically uninsured are individuals who are part-time or self-employed workers. There are about 2,300 part-time workers and about 11,950 self-employed workers who are uninsured. Those classes of workers are part of the gap group that is not covered under Hawaii's Prepaid Health Care Act. The Prepaid Health Care Act requires employers to provide health insurance to full-time employees, and does not require coverage for self-employed workers.

"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, as a violation of anti-tying statutes described in Haw. Rev. Stat. Section 431:13-103(a)(4)(B). The Insurance Commissioner's position will necessarily increase costs that will be passed on to consumers through increased premiums.

"S.B. 1803 C.D. 2 is intended to provide the Division of Insurance the authority and duty to allow broader combinations of insurance benefits. This measure will also provide consumers with greater choices in their health insurance provider. Expanding the available insurance coverage options will increase competition to the consumer's benefit.

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

Representative Souki's written remarks are as follows:

"It is the purpose and intent of S.B. 1803, C.D. 2 to expand access to health insurance by allowing broader coverage for less cost. S.B. 1803, C.D. 2 targets coverage to self-employed workers and businesses with one or few employees. S.B. 1803 provides greater flexibility for small insurers to provide comprehensive coverage to small businesses at a lesser cost.

"One of the reasons for this legislation is that in the past year the current Administration has chosen to interpret Hawaii law in a different way than it has ever been interpreted, to prohibit combining drug and medical coverage, or from combining medical, dental and drug, or any other combination of health related coverages into one insurance policy by small insurers. Numerous Hawaii laws already permit combining various types of health coverages under one policy, and this should be encouraged, not discouraged, to help provide the broadest health coverage possible for Hawaii's residents.

"This Administration has chosen to consider these combined benefits as a violation of State anti-tying laws, even though the U.S. Supreme Court has made clear that a company with less than 30% market share has no coercive power in the marketplace and cannot violate federal anti-tying laws. *Jefferson Parish Hospital v. Hyde*, U.S. 466 U.S. 2 (1984). Consistent with the federal standard, 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."

The motion was put to vote by the Chair and carried, and S.B. No. 1803, SD 1, HD 1, CD 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH INSURANCE," passed Final Reading by a vote of 45 ayes to 2 noes with Representatives Ching and Meyer voting no, and with Representatives Bertram, Evans, Finnegan and Green being excused.

At 2:20 o'clock p.m., the Chair noted that S.B. No. 1803, SD 1, HD 1, CD 2, passed Final Reading.

H.B. No. 964, HD 1, SD 2, CD 2:

Representative Caldwell moved that H.B. No. 964, HD 1, SD 2, CD 2, pass Final Reading, seconded by Representative B. Oshiro.

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:

"Thank you, Mr. Speaker. Mr. Speaker, I rise in support of House Bill 964. Mr. Speaker, House Bill 964 addresses one of the major health and safety challenges that Hawaii's construction industry faces is drug usage. There is more exposure to crystal meth and other drugs, and consequently, substance abuse has become a problem that is leaving the workforce impaired and resulting in higher worker's compensation claims and production quality issues. With the rise of drug use affecting the quality of employees, we are concerned about Hawaii's ability to meet the needs of a growing construction industry. Currently, the number of drug tests is increasing, but as our economy grows and employers rush to fill positions, it is important and necessary that all companies implement a drug-screening program.

"Mr. Speaker, this bill would simply enable the industry to utilize the very latest and most cost-effective advancement in the science and technology of onsite drug detection which is oral fluid screening. This method of drug testing is widely used on the mainland, and this testing method would greatly assist in our fight to rid substance abuse where it might exist within our industry.

"There is nothing we value more than safety on the job. Safety affects not just the physical wellbeing for all concerned but the time, cost and profitability for the construction industry and ultimately the consumers of the industry.

"Mr. Speaker, twenty years ago, the Hawaii Carpenters were the first trade union in Hawaii to institute a drug testing policy for its members. This could not have been done without the support and cooperation of unionized contractors. At the time, they were aware of the costs, both human and monetary however because of drug testing, the industry has taken steps in protecting innocent lives and have improved in the quality of their work.

"Unfortunately Mr. Speaker, in today's drugs, starting with crystal meth, crystal meth is more insidious than ever before. We know the effects of drug abuse across our communities in the crimes and accidents that endanger our innocent children, families and fellow workers.

"Therefore Mr. Speaker, passing House Bill 964 would be a tremendous leap forward in fighting substance abuse and related injuries in Hawaii's construction industry. Given the dangers inherent in our workplace, to which this legislation is intended to address. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and H.B. No. 964, HD 1, SD 2, CD 2, entitled: "A BILL FOR AN ACT RELATING TO SUBSTANCE ABUSE," passed Final Reading by a vote of 46 ayes to 1 no, with Representative McKelvey voting no, and with Representatives Bertram, Evans, Finnegan and Green being excused.

At 2:21 o'clock p.m., the Chair noted that H.B. No. 964, HD 1, SD 2, CD 2, passed Final Reading.

H.B. No. 928, HD 1, SD 2, CD 2:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, H.B. No. 928, HD 1, SD 2, CD

2, entitled: "A BILL FOR AN ACT RELATING TO SOCIAL SERVICES," passed Final Reading by a vote of 47 ayes, with Representatives Bertram, Evans, Finnegan and Green being excused.

At 2:21 o'clock p.m., the Chair noted that H.B. No. 928, HD 1, SD 2, CD 2, passed Final Reading.

H.B. No. 1004, HD 2, SD 1, CD 2:

Representative Caldwell moved that H.B. No. 1004, HD 2, SD 1, CD 2, pass Final Reading, seconded by Representative B. Oshiro.

Representative Meyer rose in support of 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:

"I am in favor of this legislation. The purpose is to help the Department of Commerce and Consumer Affairs in the areas of regulatory reform by restructuring their division and giving them the resources necessary to do their important jobs.

"This bill also covers the critical area of our State's future energy policy. It will be the purview of the Consumer Advocate's Office to keep up with current regulatory conditions, as well as researching and analyzing important energy data. Because of that major responsibility, the office needs the resources to enable them to do this job well.

This bill will allow the Office to cut through the bureaucratic obstacles and get to the core of the issues at hand. It will also allow the Office to re-structure so that qualified individuals are recruited and retained to fulfill the sometimes arduous requirements of their jobs. Thank you."

The motion was put to vote by the Chair and carried, and H.B. No. 1004, HD 2, SD 1, CD 2, entitled: "A BILL FOR AN ACT RELATING TO CONSUMER ADVOCACY," passed Final Reading by a vote of 47 ayes, with Representatives Bertram, Evans, Finnegan and Green being excused.

At 2:23 o'clock p.m., the Chair noted that H.B. No. 1004, HD 2, SD 1, CD 2, passed Final Reading.

S.B. No. 148, SD 2, HD 1, CD 2:

Representative Caldwell moved that S.B. No. 148, SD 2, HD 1, CD 2, pass Final Reading, seconded by Representative B. Oshiro.

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

"Yes, Mr. Speaker. I'm in support, but have some reservations just really briefly. Instead of a tax refund in the mail, we've decided to meet a congressional requirement with an income tax credit. I just personally feel that while I'm relieved that we are helping those that make \$30,000 or less, I wish we would have also recognized that the middle class are also struggling and also recognize that this is kind of like a cruel tax credit, because people have to wait a year, until they do their taxes again to get it."

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 also. I'm concerned that about 40% of the taxpayers in the State are getting nothing back where they made a very large contribution in taxes and I think the Constitution really meant for them to get something. Thank you."

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

"Mr. Speaker, I have some comments which I would like to have inserted in the Journal. They are in favor and it has to do whether the tax credit should go to all taxpayers."

Representative Marumoto's written remarks are as follows:

"I am voting with reservations on the Constitutional Refund/Tax Credit, S.B. 148, S.D. 2, H.D. 1, C.D. 1. Mr. Speaker, I am in support of this measure to meet the constitutional obligation to provide tax relief, but I have some constitutional concerns.

"The Hawaii Constitution requires the Legislature to provide a tax credit or tax refund whenever the State general fund balance at the close of each of two successive fiscal year exceeds 5% of the general fund revenues for each of two fiscal year. These conditions have been met, and this bill is an attempt to grant that tax relief.

"However, this bill does not provide a refund or credit to all taxpayers. Those who make over a certain amount of money will be excluded from this constitutional mandated tax relief.

"For instance, taxpayers who file jointly and make over \$60,000 will not get tax relief or those who file singly and/or who are married but file separately and make over \$30,000 will not get relief. The Constitution mandates that we give tax relief to the people of Hawaii and now we are excluding certain individuals because they make a certain amount of money. Ironically, it is these individuals who pay most of the taxes that result in the surplus that we now enjoy. Although the federal courts generally give wide latitude to states in setting up their system of taxation, the fact that Hawaii will now give a rebate to some taxpayer, but not all taxpayers, may open the state to liability under the U.S. Constitution's Equal Protection Clause.

"Even if the federal courts do not construe the Equal Protection Clause of the U.S. Constitution as requiring a rebate for all taxpayer, the State Courts, in construing both the rebate requirement of the State Constitution and the Equal Protection clause of the State Constitution, may construe these provisions more strictly. Therefore even if the State is not liable under the federal constitutional analysis, the State may be held liable under the State Constitution if it fails to provide the same refund, particularly to similarly situated taxpayers. The State courts are more likely to base their rulings on an interpretation of the State Constitution because the federal courts will not review State courts' analyses of the State Constitution.

"Although the 1978 Constitutional Convention left it up to the Legislature to determine the refund "according to law", as a former member of the '78 Con Con and as a member of the Taxation and Finance Committee, my understanding of that provision was that the Convention should leave only the amount of the refund up to the Legislature to be determined according to State finances and the condition of the economy at the time. I do not believe that the Convention ever considered a graduated scale for the refund, and the single amount granted to each and every taxpayers seventeen times since adoption of this constitutional provision lends credence to my argument.

"While I cannot oppose this effort to grant tax relief to the hardworking people of Hawaii, I contend that every taxpayer is entitled to relief under this provision. Mahalo nui loa."

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

"Mr. Speaker, I rise in support. This bill is too little, too late. It's better than nothing. But I think the *Star-Bulletin* editorial summarized it very well two days ago when the headline read: Tax Legislation Would Not End Hawaii's Misery Policies. I'll just share a couple of quotes: State budget surplus provided an opportunity to give taxpayers the special relief that they needed. Hawaii's tax policy

is the meanest toward the working poor. The legislators again thumbed their nose, thumbed their noses, we have more than one nose obviously, at a proposal for the earned income tax credit. Governor Linda Lingle had proposed, and this is my segue into my spiel, Mr. Speaker, that the Governor had proposed more than \$300 million that would affect all taxpayers. And thank God for the founding fathers who put this mandated rebate after two consecutive surpluses because without them, skinflint legislators would never give the money back unless the forefathers had the wisdom to mandate it. So I'm thankful to them.

"It was already mentioned why this was too late. I just mentioned that the rebate that comes through the tax system is not the check in the mail, which the Governor had proposed. This one is going to take until the next year starts and then the tax from the next year, which means for those who are expecting that when we beat our chest and say we gave you money back, they have to wait until 2009 before they get it.

"Mr. Speaker, I hope in the next Session we can focus more on delivering the structural flaw, not just saying, I feel your pain, but changing it. This body has the power and the votes, Mr. Speaker. And I speak as a loyal Minority. The loyal opposition. Change the system. Break down this wall between the poor and the tax structure. Mr. Speaker, you can do it. We can do it. It's just a matter of the political will. So this one falls short. It gives a little bit, but it leaves a lot to be desired. Thank you, Mr. Speaker."

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

"Mr. Speaker, I rise in support. Very briefly, I just wanted to counter some of the, I think, misstatements that the Constitution requires that the tax credit or tax refund go to all taxpayers. This section of the Constitution specifically says the Legislature in the next regular Session shall provide for a tax refund or a tax credit to the taxpayers of the State of Hawaii as provided by law. So because it says as provided by law and does not say that it goes through all or every taxpayer, it's very clear from the language of the Constitution that it is up to the Legislature how they want to do it. And if we in our best judgment and most prudent exercise of our discretion find that this is the best way to do it, then that is constitutional. Thank you very much."

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

Mr. Speaker, I rise in support. Mr. Speaker, this measure is the perfect example of the ability of the Legislature to expend funds in a fiscally responsible manner. The fact that this credit has been given in consecutive years is even more amazing. It has been both an honor and a pleasure to learn from Chair of the Finance Committee how to accomplish its feat. More importantly, Mr. Speaker, this measure represents more than just extra money for hard working families and neighbors. It is the fruit of a responsible and balanced budget. Mr. Speaker, I'd just like to insert my additional written comments," and the Chair "so ordered."

Representative Manahan's written remarks are as follows:

"Mr. Speaker, this measure is a perfect example of the ability of the Legislature to expend funds in a fiscally responsible manner. The fact that this credit has been given in consecutive years is even more amazing. It has been both an honor and a pleasure to learn from the Chair of the Finance Committee how to accomplish this feat. More importantly, Mr. Speaker, this measure represents more than just extra money for our hardworking families and neighbors; it is the fruit of a responsible, balanced, and parsimonious budget.

"We have provided for our future, we have done our duty to maintain and improve our infrastructure, and we are fortunate enough in these lean times to be able to provide something for our constituents. This budget instills confidence in the government, and

provides me with the feeling that we can genuinely pass out good legislation, and that our Members will diligently be able to financially represent the will of the people."

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

"Thank you, Mr. Speaker. In strong support. As we talked about the prior bill regarding the food tax credit, this bill also focuses on the middle income, as well as the low-income families. We wanted to focus on the average working family of Hawaii, whether it be the person working at the hotel, working two jobs maybe, or the person working at Longs Drugs. This bill will provide tax relief for those working families of Hawaii.

"And in rebuttal to the issue of time, the Administration's bill was to give the tax credit before or after December '07, at the end of this year. If I'm not mistaken, you still get to start filing your taxes at the beginning of the year, hence, based on the receiving a check versus when they can claim the credit, in reality, it wouldn't have been a year; probably. Just a month or two at the most. Thank you."

Representative Marumoto rose to respond, stating:

"Thank you, Mr. Speaker. Again, in support of this measure. Mr. Speaker, I do believe in progressive taxation, taxing richer people more and poorer people less. But a legal beagle, a very smart one, pointed out that this particular provision may be in contravention with the equal protection clause of our State Constitution. So I just wanted to point out that possible problem. And we have given a tax refund or tax credit to the people of the State for the past 17 years, to each taxpayer, so, I just wanted to know, since we are departing from this practice, whether it is all on the up and up. Thank you very much."

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

"Mr. Speaker, I rise in strong support. Just a couple of points. The first one is to touch upon the point made by the Majority Floor Leader. This is a break from tradition, a break from the orthodoxy of the past, whereby we might have passed our measure simply to address the constitutional provision as it is written and provide \$1 to every taxpayer. We took a different approach, as the Vice Chair of Water, Land and Hawaiian Affairs mentioned. We took it to focus upon the middle- and low-income families of the state. I believe it is constitutionally correct and will sustain the constitutional scrutiny.

"The second point, Mr. Speaker, is that this measure here is in addition to what we did last year. Let's not forget that we did increase the standard deduction to 40% of the federal deduction. We also expanded the tax brackets for the personal income taxpayer by 20%, Mr. Speaker. Thank you."

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

"Mr. Speaker, just brief comments in support regarding the constitutional issue. The Majority Floor Leader did read from the Constitution and makes it clear that it is open and flexible. If you look at the legislative history, Mr. Speaker, for this measure when it was passed in 1978, you have delegates who repeat, repeat that they wanted to leave flexibility so that the Legislatures in the future with no end in sight, can come back and decide how to deal with the surplus after two years. And I'd like to insert for the record some of the legislative history to the record, if that's okay with you, Mr. Speaker.

"And there is no suspect class, Mr. Speaker, in this case as was somehow implied. Thank you very much."

Representative Caldwell's written remarks are as follows:

"Mr. Speaker, may I submit the following relevant direct quotes from the September 6, 1978 floor discussion of the 1978 Constitutional Convention:

Delegate Nozaki: Mr. Chairman, I rise to speak in favor of the amendment. I speak in favor of this amendment which comes down on the side of the hard-pressed taxpayers of our State. The intent of the amendment is clear-cut and simple; it says, in effect, whenever government collects too much from the taxpayers, at least a portion of the excess collection would be returned to the taxpayers....

Delegate Burgess: I would also like to speak in favor of the amendment. It compels the legislature to take some action in the event that our spending limitations succeed the way we hope they will, and we do indeed end up with a surplus. It does require the legislature to provide for a tax refund or a tax credit, but it's not so inflexible and rigid as to specify the amount of that tax refund or tax credit. It leaves a wide range of flexibility to the State to make whatever disposition of that surplus is most appropriate in view of the circumstances as they may exist at the time. It, I think, properly does what a constitutional provision should do—that is, to direct but not to be so rigid that it takes away flexibility. So I would support it."

Representative Lee rose in support of the measure, asked that the remarks of Representative B. Oshiro 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 Lee's written remarks are as follows:

"I rise in support of the measure, which creates a modest \$50 million tax relief package giving a one time rebate and a permanent food credit to lower and middle income residents.

"The constitutionally mandated rebate will apply to about 60% of our residents and be given on a graduated basis. Legislators have heard from constituents and from polls such as the "People's Pulse", that instead of a rebate, many would prefer to see us invest in our education system, both higher and lower, and in our health care system. That is exactly what we did."

Representative Ward rose, stating:

"Mr. Speaker, just to equivocate with equivocation ..."

The Chair then stated:

"Mr. Ward, would you like to insert written comments into the Journal?"

Representative Ward: "I was going to insert verbal comments."

Speaker Say: "No, no verbal comments. This is your third time and you're out of order."

Representative Ward: "So no speaking?"

Speaker Say: "No speaking. Just inserts."

Representative Ward: "I believe I only spoke once, actually."

Speaker Say: "I believe twice. Madame Clerk, can you recall? See, I'm already thinking that you did twice. That's only once. So I stand corrected."

Representative Ward: "Mr. Speaker, which is my point. Perception is reality. The perception of the law is, all. The perception is all taxpayers will get a rebate. What I've heard in the equivocation that is, well it depends on what 'is' is, and I think that's probably technically able to be squirmed out of. But when the Constitution, the forefathers, the framers of that said taxpayer will

get a rebate, I don't think that they meant some and select. And like Representative Marumoto said, I think it's very well taken that we have progressive tax.

"But on this one, I'm still dumbfounded how we can identify as a body with the poor, but still say that just like Alabama, we'll just tax you to death. Mr. Speaker, I'm dumbfounded by that. We are the forty-ninth hardest taxing on our poorest people. I think we got to get out of that bottom forty-nine, Mr. Speaker. And, again, I appeal to you and the Majority, let's get out of this taxing the poor. We speak to them, we have compassion towards them, but let's get the structure of the tax system for them, rather than against them. Just saying I feel your pain and doing nothing about it doesn't make any sense, Mr. Speaker. Thank you for the ability to speak two times."

The motion was put to vote by the Chair and carried, and S.B. No. 148, SD 2, HD 1, CD 2, entitled: "A BILL FOR AN ACT RELATING TO INCOME TAX CREDIT," passed Final Reading by a vote of 47 ayes, with Representatives Bertram, Evans, Finnegan and Green being excused.

At 2:35 o'clock p.m., the Chair noted that S.B. No. 148, SD 2, HD 1, CD 2, passed Final Reading.

CONFERENCE COMMITTEE REPORTS

Conf. Com. Rep. No. 205 and S.C.R. No. 48, SD 1, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.C.R. No. 48, SD 1, HD 2, CD 1, be adopted, seconded by Representative B. Oshiro.

At 2:36 o'clock p.m., Representative Magaoy requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:37 o'clock p.m.

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

"Mr. Speaker, please record a no vote for me on this measure. I just don't think that this body should be carrying out the interest of certain people just trying to do their job. Thank you."

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

"Mr. Speaker, I'd like to record a no vote, as well. The subjects that we address in the S.C.R. are probably more properly determined in a court of law where the two interested parties are already fighting it out, so, I think we probably best leave it alone. Mahalo."

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

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

"Mr. Speaker, I also rise in opposition. I think that this measure is a legislative abuse of our power. It started off inquiring, asking for an Auditor's report, then it moved to Hawaii Disability Rights Center Report, back to the Auditors, and now it's placing responsibility on the Attorney General to look into the Hawaii Disability Rights Center. I don't think that we should be using our power in this matter. Thank you, Mr. Speaker."

Representative Souki moved that Conf. Com. Rep. No. 205 and S.C.R. 48, SD 1, HD 2, CD 1, be laid on the table, seconded by Representative Takai.

At 2:39 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 3:01 o'clock p.m.

At this time the Chair called for a roll call vote and the motion that Conf. Com. Rep. No. 205 and S.C.R. No. 48, SD 1, HD 2, CD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE ATTORNEY GENERAL TO PROVIDE AN ANALYSIS OF THE NATURE AND SCOPE OF OPERATIONS AND SERVICES THE HAWAII DISABILITY RIGHTS CENTER IS REQUIRED TO PROVIDE, AND THE PRACTICES AND PROCEDURES IT IS AUTHORIZED TO EMPLOY, PURSUANT TO STATE AND FEDERAL LAW, RULES, REGULATIONS, AND EXECUTIVE ORDERS," be laid on the table, was put to vote by the Chair and carried on the following show of Ayes and Noes:

Ayes, 24: Belatti, Berg, Brower, Carroll, Chang, Ching, Hanohano, Herkes, Luke, McKelvey, Meyer, Morita, Nishimoto, B. Oshiro, Pine, Rhoads, Shimabukuro, Souki, Takai, Takamine, Takumi, Thielen, Wakai, and Yamane.

Noes, 20: Awana, Caldwell, Chong, Har, Ito, Karamatsu, Lee, Magaoy, Manahan, Marumoto, Mizuno, M. Oshiro, Sagum, Say, Sonson, Tokioka, Tsuji, Ward, Waters and Yamashita

Excused, 7: Bertram, Cabanilla, Evans, Finnegan, Green, Nakasone and Saiki.

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, Evans, Finnegan, Green, Nakasone and Saiki were excused.)

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. 870, HD 1, SD 1
 HB No. 1155, HD 1, SD 1
 HB No. 1253, HD 1, SD 1
 HB No. 1256, HD 1, SD 1
 HB No. 1291, HD 1, SD 2
 HB No. 1334, HD 1, SD 1
 HB No. 1338, HD 2, SD 1
 HB No. 1399, SD 1
 HB No. 1493, HD 2, SD 1
 HB No. 1570, SD 1
 HB No. 1721, HD 1, SD 2
 HB No. 1902, SD 1
 HB No. 1931, SD 1

At 3:09 o'clock p.m., Representative Thielen requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:10 o'clock p.m.

H.B. No. 211, 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. 211, H.D. 1, on the following showing of Ayes and Noes:

Ayes, 3 (Green, Mizuno 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. 211, H.D. 1 and H.B. No. 211, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES TO THE GENERAL PUBLIC," passed Final Reading by a vote of 45 ayes, with Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone being excused.

H.B. No. 249, 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. 249, H.D. 1, on the following showing of Ayes and Noes:

Ayes, 4 (Ito, Yamane, Chong and Thielen). Noes, none. Excused, none.

Representative Caldwell moved that H.B. No. 249, HD 1, SD 2, 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 rising to speak against this measure. This is the hunting tourism, not hunting tourists bill. And my concern is that Hawaii should be known as a place where people love to come to enjoy the beauty and the environment of our islands and its people. I don't like to see us being known as a destination spot for people that want to shoot animals. Thank you."

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

"Thank you, Mr. Speaker. I also rise in opposition. The fact that visitors don't need to have education regarding hunting or regarding anything having to do with Hawaii's history or having any responsibility to Hawaii is onerous to me. I rise in opposition. Thank you."

The motion was put to vote by the Chair and carried, and the House agreed to the amendments proposed by the Senate to H.B. No. 249, H.D. 1 and H.B. No. 249, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HUNTING TOURISM," passed Final Reading by a vote of 42 ayes to 3 noes, with Representatives Berg, Brower and Thielen voting no, and with Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone being excused.

H.B. No. 260, 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. 260, on the following showing of Ayes and Noes:

Ayes, 3 (Ito, Chong and Thielen). 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. 260 and H.B. No. 260, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO APPRAISALS OF RESOURCE VALUE LANDS," passed Final

Reading by a vote of 45 ayes, with Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone being excused.

H.B. No. 277, 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. 277, H.D. 1, on the following showing of Ayes and Noes:

Ayes, 3 (Souki, Lee and Meyer). 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. 277, H.D. 1 and H.B. No. 277, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO FEES FOR WINDSHIELD PLACARDS FOR PERSONS WITH DISABILITIES," passed Final Reading by a vote of 45 ayes, with Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone being excused.

H.B. No. 497, 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. 497, H.D. 2, on the following showing of Ayes and Noes:

Ayes, 3 (Souki, Lee and Meyer). Noes, none. Excused, none.

Representative Caldwell moved that H.B. No. 497, HD 2, SD 2, pass Final Reading, seconded by Representative B. Oshiro.

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

Representative Lee's written remarks are as follows:

"Mr. Speaker, I am in support of this measure. Mr. Speaker, bicycles are not only for recreation and exercise, but have become for many the mode of transportation to and from work. With the growing number of vehicles on our roads and the increase in the obesity of our citizens, we should encourage the use of healthy alternatives.

"This bill, Mr. Speaker, earmarks 2% eligible federally funds, and in addition, other State Highway Fund moneys for bicycle paths, installation of signage and safety devices along bicycle lanes and bicycle routes and directs the Department of Transportation to have a public involvement process. Again, this is 2% of the federally eligible moneys, not 2% of all federal moneys.

"This is a good bill and I encourage my colleagues to vote in support of this measure. Thank you."

The motion was put to vote by the Chair and carried, and the House agreed to the amendments proposed by the Senate to H.B. No. 497, H.D. 2 and H.B. No. 497, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Final Reading by a vote of 45 ayes, with Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone being excused.

H.B. No. 507, 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. 507, H.D. 2, on the following showing of Ayes and Noes:

Ayes, 3 (Ito, Chong and Thielen). Noes, none. Excused, 1 (Magaoy).

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. 507, H.D. 2 and H.B. No. 507, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO BOATING," passed Final Reading by a vote of 42 ayes to 3 noes, with Representatives Ching, Meyer and Pine voting no, and with Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone being excused.

H.B. No. 870, 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. 870, H.D. 1, on the following showing of Ayes and Noes:

Ayes, 3 (Morita, Carroll and Thielen). 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. 870, H.D. 1 and H.B. No. 870, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST SEAWATER AIR CONDITIONING PROJECTS ON THE ISLAND OF OAHU," passed Final Reading by a vote of 45 ayes, with Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone being excused.

H.B. No. 1155, 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. 1155, H.D. 1, on the following showing of Ayes and Noes:

Ayes, 3 (Tsuji, Waters 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. 1155, H.D. 1 and H.B. No. 1155, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL PROPERTY DAMAGE," passed Final Reading by a vote of 45 ayes, with Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone being excused.

H.B. No. 1253, 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. 1253, H.D. 1, on the following showing of Ayes and Noes:

Ayes, 3 (Waters, B. Oshiro and Pine). 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. 1253, H.D. 1 and H.B. No. 1253, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII RULES OF EVIDENCE," passed Final Reading by a vote of 45 ayes, with Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone being excused.

H.B. No. 1256, 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. 1256, H.D. 1, on the following showing of Ayes and Noes:

Ayes, 3 (Waters, Belatti 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. 1256, H.D. 1 and H.B. No. 1256, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE PERFECTION OF APPEALS TO THE TAX APPEAL COURT," passed Final Reading by a vote of 45 ayes, with Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone being excused.

H.B. No. 1291, 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. 1291, H.D. 1, on the following showing of Ayes and Noes:

Ayes, 3 (Sonson, Nakasone and Meyer). 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. 1291, H.D. 1 and H.B. No. 1291, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Final Reading by a vote of 45 ayes, with Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone being excused.

H.B. No. 1334, 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. 1334, H.D. 1, on the following showing of Ayes and Noes:

Ayes, 3 (Herkes, Lee 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. 1334, H.D. 1 and H.B. No. 1334, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL AND VOCATIONAL LICENSING FEES," passed Final Reading by a vote of 44 ayes to 1 no, with Representative Brower voting no, and Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone being excused.

H.B. No. 1338, 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. 1338, H.D. 2, on the following showing of Ayes and Noes:

Ayes, 3 (Herkes, Tokioka 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. 1338, H.D. 2 and

H.B. No. 1338, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT MAKING EMERGENCY APPROPRIATIONS FOR THE DIVISION OF CONSUMER ADVOCACY," passed Final Reading by a vote of 45 ayes, with Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone being excused.

H.B. No. 1399, 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. 1399, on the following showing of Ayes and Noes:

Ayes, 3 (Evans, Sonson and Har). Noes, none. Excused, 1 (Finnegan).

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. 1399 and H.B. No. 1399, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INCARCERATED PERSONS," passed Final Reading by a vote of 45 ayes, with Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone being excused.

H.B. No. 1493, H.D. 2, S.D. 1:

Representative Caldwell moved that H.B. No. 1493, HD 2, SD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

Representative Lee's written remarks are as follows:

"Mr. Speaker, I am in support of this measure. Mr. Speaker, in 1967, the Hawaii State Legislature established the Crime Victim Compensation Commission to mitigate the physical, emotional and financial impact suffered by victims of violent crime. This crucially important organization needs specialized entrepreneurial staff to adequately serve Hawaii's violent crime victims. To help get this staff, and encourage applicants this measure before us will exempt all new employees from the provisions found in our civil service law of Chapter 76. It does allow for new employees collective bargaining rights found under Chapter 89.

"This bill does not exempt current employees from the civil service law, only new ones to maintain staffing levels. I urge my colleagues to support this measure. Thank you."

The motion was put to vote by the Chair and carried, and the House agreed to the amendments proposed by the Senate to H.B. No. 1493, H.D. 2 and H.B. No. 1493, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE CRIME VICTIM COMPENSATION COMMISSION," passed Final Reading by a vote of 45 ayes, with Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone being excused.

H.B. No. 1570, 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. 1570, on the following showing of Ayes and Noes:

Ayes, 3 (Sonson, M. Oshiro and Meyer). 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. 1570 and H.B. No.

1570, S.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 45 ayes, with Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone being excused.

H.B. No. 1721, 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. 1721, H.D. 1, on the following showing of Ayes and Noes:

Ayes, 3 (Green, Waters and Mizuno). Noes, none. Excused, 1 (Pine).

Representative Caldwell moved that H.B. No. 1721, HD 1, SD 2, pass Final Reading, seconded by Representative B. Oshiro.

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

"Mr. Speaker, in strong support. And for the two in the gallery, congratulations."

The Chair then stated:

"Representative Ward, aren't you being a little presumptuous? The Fifth Floor may veto it."

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

Representative Lee's written remarks are as follows:

"Mr. Speaker, we depend on our EMS personnel for emergency services statewide, and they often save lives in the field.

"On occasion, EMS staff are physically threatened by violence or terroristic threatening, resulting in injury to personnel themselves or in disruption of their ability to carry out their work. This bill adds violence, or threat of violence, against EMS personnel to the offenses of assault in the second degree and terroristic threatening in the first degree. The bill will ensure that the work of the EMS can be carried out in a timely and effective manner—protecting both patients and those who serve them."

The motion was put to vote by the Chair and carried, and the House agreed to the amendments proposed by the Senate to H.B. No. 1721, H.D. 1 and H.B. No. 1721, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO VIOLENCE AGAINST EMERGENCY MEDICAL SERVICES PERSONNEL," passed Final Reading by a vote of 45 ayes, with Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone being excused.

H.B. No. 1902, 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. 1902, on the following showing of Ayes and Noes:

Ayes, 4 (Yamashita, Morita, Lee and Meyer). Noes, none. Excused, none.

Representative Caldwell moved that H.B. No. 1902, SD 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 against this bill and I would like to explain why. The bill is for special purpose revenue bonds to assist public utilities, including Hawaiian Electric, and with the dollar figure in the bond, it appears that it couldn't be for anything other than a new power plant. I don't support Hawaiian Electric having another power plant. I think they should be using renewable resources to power our islands. Thank you."

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

"Yes, Mr. Speaker, I speak very strongly in favor of this measure. The Constitutional Convention provided for this special revenue bonds just specifically for electric companies so they can stabilize the rates and, hopefully, keep the rates down, and have a lower rate of interest. As far as building a power plant, possibly we should limit the new energy from power plant to not include Kailua. Thank you very much."

Representative Thielen rose to respond, stating:

"Thank you, Mr. Speaker. In rebuttal to that. Mr. Speaker, when the Hawaiian Electric continues to use fossil fuel and when our law permits them to pass through the cost, the increase cost to fossil fuel, which is constantly going up, to pass that through to the consumer, to make the consumer pay it, Hawaiian Electric is not bringing our rates down. When Hawaiian Electric taps our natural resources which are readily available for a clean, reliable source of energy, then the rates will come down. Thank you."

The motion was put to vote by the Chair and carried, and the House agreed to the amendments proposed by the Senate to H.B. No. 1902 and H.B. No. 1902, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST UTILITIES SERVING THE GENERAL PUBLIC," passed Final Reading by a vote of 44 ayes to 1 no, with Representative Thielen voting no, and Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone being excused.

H.B. No. 1931, 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. 1931, on the following showing of Ayes and Noes:

Ayes, 2 (Yamashita and Hanohano). 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. 1931 and H.B. No. 1931, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR PROJECTS ON THE ISLAND OF HAWAII," passed Final Reading by a vote of 45 ayes, with Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone being excused.

At 3:24 o'clock p.m., the Chair noted that the following bills passed Final Reading:

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. 870, HD 1, SD 1
 HB No. 1155, HD 1, SD 1
 HB No. 1253, HD 1, SD 1

HB No. 1256, HD 1, SD 1
 HB No. 1291, HD 1, SD 2
 HB No. 1334, HD 1, SD 1
 HB No. 1338, HD 2, SD 1
 HB No. 1399, SD 1
 HB No. 1493, HD 2, SD 1
 HB No. 1570, SD 1
 HB No. 1721, HD 1, SD 2
 HB No. 1902, SD 1
 HB No. 1931, SD 1

SUPPLEMENTAL CALENDAR #1

At this time, the Chair announced:

"Members of the House, we have a supplemental calendar to extend our session. Do all of you have your Supplemental Calendar #1?"

"Members of the House, please note that House Resolution No. 126 was re-referred solely to the Committee on Higher Education per Committee Referral Sheet No. 60 that was placed on your desk today. The Committee on Energy & Environmental Protection waived its referral to this measure and therefore for the Members of this House, it is appropriate for the House to consider action for adoption."

SUSPENSION OF RULES

Representative Caldwell moved to suspend the rules of the House to reconsider action previously taken on H.R. No. 126, seconded by Representative B. Oshiro and carried. (Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone were excused.)

RECONSIDERATION OF ACTION TAKEN

Representative Caldwell moved to reconsider action taken pursuant to the recommendations contained in Stand. Com. Rep. No. 1644 in referring H.R. No. 126 to the Committee on Energy & Environmental Protection, seconded by Representative B. Oshiro and carried. (Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone were excused.)

ADOPTIONS

Representative Caldwell then moved that H.R. No. 126 be adopted, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I'd like to speak in favor of the Resolution, and in doing so, I would like to thank the Chairman of the Energy, Environmental Protection Committee, Vice Chair from Kauai and from Maui for waiving this and to the leadership of the Higher Education Committee in the House for passing this on at the first Committee referral.

"I'm really happy to see the Resolution pass, not so much for myself, but for the students who had banded together with some faculty members to establish a sustainable Saunders committee. They had wanted to make this classroom-office building seven stories high into a model of energy efficiency and sustainability. They had requested funds in the budget, which didn't make it in there, but they were hoping to have a \$1.7 million appropriated for a photovoltaic roof, retrofitting of restrooms, change and improvements in lighting, and perhaps next year they will get their case heard.

"But they established a committee called HUB, Help Us Bridge, and students were very enthusiastic about trying to change the mindset on sustainability and lifestyles. So they really went into a recycle and reuse mode. They started using the stairs, they started saving energy, they tried recycling paper and everything that they used. They were very enthusiastic and were hoping to come down here to testify in the Energy Committee, but at least this will have passed and I'm sure they'll be very happy to hear the news. Mahalo nui loa, and please vote for this Resolution. Thank you."

At 3:29 o'clock p.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 3:31 o'clock p.m.

The motion was put to vote by the Chair and carried, and H.R. No. 126, entitled: "HOUSE RESOLUTION REQUESTING ACKNOWLEDGEMENT AND SUPPORT FOR THE "SUSTAINABLE SAUNDERS" PROJECT AT THE UNIVERSITY OF HAWAII – MANOA THAT SEEKS TO DEVELOP SAUNDERS HALL AS A MODEL FOR ENERGY EFFICIENCY AND SUSTAINABILITY," was adopted, with Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone being excused.

SENATE COMMUNICATION

The Chair recognized the Clerk, who announced:

"We have received Senate Resolution 153, informing the House and the Governor that the Senate is ready to adjourn Sine Die."

INTRODUCTION OF RESOLUTION

The following resolutions (H.R. Nos. 298 through 299) were announced by the Clerk and the following action taken:

H.R. No. 298, entitled: "HOUSE RESOLUTION AUTHORIZING AND EMPOWERING THE SPEAKER TO PERFORM AND CARRY OUT ANY OFFICIAL LEGISLATIVE BUSINESS DURING THE INTERIM BETWEEN THE 2007 AND 2008 REGULAR SESSIONS," was jointly offered by Representatives Caldwell and Finnegan.

On motion by Representative Caldwell, seconded by Representative Thielen and carried, H.R. No. 298 was adopted, with Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone being excused.

H.R. No. 299, entitled: "HOUSE RESOLUTION INFORMING THE SENATE AND THE GOVERNOR THAT THE HOUSE OF REPRESENTATIVES IS READY TO ADJOURN SINE DIE," was jointly offered by Representatives Say and Karamatsu.

On motion by Representative Caldwell, seconded by Representative Thielen and carried, H.R. No. 299 was adopted, with Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone being excused.

ANNOUNCEMENTS

Representative Ward: "Mr. Speaker, I rise as a freshman to thank the Majority, the Minority, and on behalf of all 13 of us, and I didn't ask them if I could speak for them, but it's been a great reorientation, here on the Floor, where democracy, I think more than ever, has really shown. So, thank you very much, and for those who thought maybe I spoke too much too often or disagreed, my apologies, my

forgiveness, and we will see again and meet again on this place, the market place of ideas next Session. Thank you, Mr. Speaker."

Representative Pine: "Yes, Mr. Speaker. Thank you for allowing me to speak on behalf of the Republican Caucus. I first want to thank Boyd Akase and Malia Gray and the rest of the Minority Research staff and all of our staffs of the Republican Caucus and I ask that their names be entered in thanks into the Journal.

"Mr. Speaker, Groucho Marx once said, 'Only one in a thousand men is a leader of men. The other nine hundred and ninety-nine all are women.' So the women of the Republican Caucus want to thank our one man that has allowed us to lead with grace and he has been such a joy to all of us. And his knowledge, from before my time, has helped us to make great decisions.

"Throughout the Session, Mr. Speaker, we have been divided on many issues. We've had press conferences back and forth, separate press conferences, but something really special happened this Session. We started and ended with press conferences together, Republicans and Democrats. We started this Session trying to save the Legislature with ethics reform. Unfortunately, we did fall a little short. But there's always next year. Sadly, we rejected, well, the other house, rejected the Lingle nominations, but she'll come back again next year, and, hopefully, those nominations will go through.

"So we've had our ups and downs, and maybe one of our low points this Session was in trying to divide our State hospitals, we almost divided ourselves. We almost divided ourselves by passing rumors instead of good public policy. And most outstandingly and in the end, the person that was hurt the most showed the most grace.

"So at the end of the Legislature, instead of saving the Legislature from itself, or we can do it next year, we decided to end together by trying to save the world through global warming.

"And so what have we learned this Session? We learned that while we are very different, we can, and we should work together. And, most importantly, we should not pass legislation trying to hurt someone else. When leading, we should always drown the voices of false rumors and allow good public policy to prevail. So thank you, Mr. Speaker, for leading us with such honor and I thank the Majority for respecting us in the end in trying to save the world."

Representative Pine submitted the following names of the House Minority Research permanent staff which are in addition to the Session staff subsequently listed:

Candace Kelsey, Shannon Hough, James Delavan, and Danielle Douglass.

Representative Souki: "Yes, Mr. Speaker. Mr. Speaker, as a former Speaker, I wish to congratulate you on running a well-run, and disciplined house; open. But, more so, with the personal tragedies that you had, and in spite of all that, you let it go beyond and still looked out for the welfare of the House and not your own personal welfare and feelings. And for that, Mr. Speaker, a job well done."

Representative Caldwell: "Mr. Speaker, on those notes, it is somewhat bittersweet to end the Session because you've all worked so hard together. First, it's difficult to say goodbye to an excellent Session staff. And in that regard, I'd like to enter the names of all our Session staff in the House Journal for posterity, to let the people of this State know the names of those who committed and worked so hard to make a difference for everyone in our State.

"Second, Mr. Speaker, I think we've all discovered and reaffirmed that public service is a noble undertaking and we can be very proud of what we did, both our Majority and our Minority Caucuses. And we remain committed to the theme that we started out with of making Hawaii more affordable for all our residents. We sent the Governor a budget that is fiscally responsible and focuses on the area of housing,

healthcare, and education. Many hundreds of millions of dollars in those areas.

"And we provided a meaningful tax relief, Mr. Speaker, for those who are hanging on by their fingernails, the lower sixty percent. We gave the people a tax credit, a food tax credit of \$31 million; an excise tax forgiveness on gas of somewhere between \$32 million and \$48 million; and rebate of \$25 million. Compounded with the relief we provided last year that has carried over to this year, there is about \$150 million of relief to various sectors of our community.

"And we did it, Mr. Speaker, not with a 'pie in the sky', give the money away, the Hail Mary pass with a hope and a prayer. We worked very hard, Mr. Speaker, through the Finance Committee and Ways and Means to make sure that in a slowing economy in the out years, we don't have to cut and take back what we're funding this year.

"And here are some of the other highlights, Mr. Speaker. We provided meaningful pedestrian safety measures to protect our *kupuna* and many others on the streets. We provided meaningful rate regulation for health insurance through the guidance and hard work of the Chair of Health. We funded Kukui Gardens to make sure that those units remain affordable. We addressed the issue of medical reimbursements through the DSH, or disproportionate share of hospital allowances.

"We worked hard to make sure another Kaloko Dam breach does not occur again through our dam safety bill. We passed greenhouse gas legislation, Mr. Speaker. We dealt with the issue of copper theft through the leadership of the Chair of Judiciary. We passed true petroleum monitoring transparency by funding with \$1.2 million so that when that excise tax forgiveness is provided on gas, we can see whether it's really passed on to the consumer.

"We addressed the issue of innovation that the Governor took on, and through her focusing a bright light on the issue, we were able to even move more innovation legislation through than previously through the guidance of the Economic Development Committee Chair. We funded the West Oahu Campus, Mr. Speaker, after many years of debating this. We funded Kahuku Hospital. These are just some of the highlights, Mr. Speaker, we can all be proud of.

"In closing, Mr. Speaker, our Caucus is a large caucus, 43 strong, with a broad range of ages, from our Vice Speaker who is the youngest, to our Speaker Emeritus who acts like he's the youngest. We're diverse ethnically, and we approach solving problems from many different angles that reflect the communities that we come from. And we don't always agree, and we can be fractious, Mr. Speaker, both within our caucuses and in public. But, you know, Mr. Speaker, that's very much like our own Party and it only makes us stronger in the end.

"Finally, Mr. Speaker, we had 11 freshmen in our Caucus and two on the Minority side, and those freshmen are rapidly becoming mature legislators, except for the Representative from Hawaii Kai, who is somewhat mature already from previous experience. But what is really incredible, Mr. Speaker, is we had seven Chairs of Committees with just two years of experience, who stepped up to the plate and to the challenge that you gave them, and served admirably to the people of the State of Hawaii. And they did so by bringing a fresh approach to the issues facing their Committees. We also had five chairs who were serving as Chairs of Committees that they never served before as Chairs on.

"In closing, Mr. Speaker, I want to thank you on behalf of all of us, both Majority and Minority Members for the guidance, support and leadership that you provided, sometimes through very trying times. And you did it always with grace, with compassion, with love for this body, for this House and for this Chamber.

"Mr. Speaker, on Opening Day, you said and I quote, 'Don't be afraid to think big, to think beyond the immediate. Don't be afraid to

take risks. Your constituents hope you will.' Mr. Speaker, I believe that every Member of this House followed your lead in that way. Thank you very much, Mr. Speaker."

At the request of Representative Caldwell, the following is a list of all the Session staff of the House of Representatives:

Representative Awana: Clyde Hudson, Henry K.T. Makanani, Anthony J. Moon, Edmond E. Suka

Representative Belatti: Marc M. Garren, Lloyd K. Young III

Representative Berg: Elizabeth A. Labby, Ian Y. Lind, Any Popovich, Monique M. Wheeler

Representative Bertram: Margaret L. Logotaeao, Leon R. Rouse, Serena S. Tafao

Representative Brower: Richard P. Halverson, Justin H. Woodson

Representative Cabanilla: Daniel P. De Gracia II, Su Kim, Philmund W. Lee, Christopher C. Manabat

Representative Caldwell: Amanda E. Pearson, Elena K. Yamane

Representative Carroll: Casey C. Carothers, Cassandra A. Kamai, Debra L. Salboro

Representative Chang: Barbara D. Anderson, Bernardine F.L. Jay, Francine S. Kaneshige

Representative Ching: Colette R. Devou, Ashley G. Ehrenreich, Beverly M.U. Ho, Jocelyn M.Y. Ho, Raymond Lee

Representative Chong: Lody A. Allen, Lindsey M. Nakashima, Janine A. Tully

Representative Evans: Jon T. Alcos, William Y. Kikuchi, Micah E. Young

Representative Finnegan: Steven Antonio, Andrea K. Dang, Hallah E. Nilsen, Michelle Schneider

Representative Green: Aulani A. Malabey, Allen G. McCune, Alexandra M. Rumusod, Felea'i S. Tau

Representative Hanohano: Mary L. Baker, Kaliko Chun, Anuhea P. Clark

Representative Har: John L. Henderson, Daniel M.K. Pahia, Leland Samuel M. Ribac

Representative Herkes: Sharon K.L. Blanchard, Bali Fergusson, Noah H. Gibson, Paul T. Holtrop, Brian Y. Yamane

Representative Ito: Linda S. Inamine, Nora R. Kobashigawa, Cassandra L. Muragin, George J. Okuda

Representative Karamatsu: Brandon T. Lee, Jennifer N. Nakanishi

Representative Lee: Mark E. Ferguson, Joseph K. Manke, Lloyd I. Nakahara

Representative Luke: Janice R. Farrant, David J. Judd, Clarita K. Kamakura, Liam Levine

Representative Magaoay: Deirdra U.V. Alo, Judy L.H. Fomin, Jonathan W. Ramil

Representative Manahan: Gene A. Albano, Sharon Grace P. Sagayadoro, En H. Young

Representative Marumoto: Michael D. Foley, Stephanie Ishikawa, Gaye M. Miyasaki, Maureen K. Muraoka

Representative McKelvey: Alexis A. Fredrick, Mary A.B. Lawrence Gallagher, Michael Machado

Representative Meyer: Leslie S. Chow, James H. Henshaw

Representative Mizuno: Edgar L. Fernandez, Ashley Ann N. Malabey, Alice S. Nakama

Representative Morita: Suniti S. Bal, Michael L. Markrich, Jay S. Scharf

Representative Nakasone: Erik D. Chun, James S. Kumagai, Matthew M. Sanemitsu

Representative Nishimoto: Eric L. La'a, Ivy S. Takahashi, Brandon T. Takeshita, Candace A. Van Buren

Representative B. Oshiro: Kenneth G. Best, Melita L.T. Lani, Peter Toves

Representative M. Oshiro: Jordann M. Ares, Rozina Briskovic, Tiffany R. Bumanglag, Annabel L. Donald, Leslie R. Goo, Sallie M. Hamada, Ronya T. Honda, Haunani K. Kahiapo, Tracey L. Kubota, Dawn M. Nakagawa, Jacob K. Nakasone, Alana K.M. Taniguchi, Robin L. Valentine-Kindred, Danny J. Vasconcellos, Jr., Blake S. Yoshiura

Representative Pine: Anne H. Atkinson, Mariano Doctolero, Lilia F. Lambinico, Lisa A.L. Shorba

Representative Rhoads: John A. K. Serikawa, Patrick A. Stanley

Representative Sagum: Amy T. Maeda, Joyce H. Ohta, Florence H. Wakuya

Representative Saiki: Cecilia A. Fong, Liane Y. Ikemoto, Jared Y. Tomei

Representative Shimabukuro: Michael A. Dahilig, Michael T. Gill, Wallace J. Inglis, Gerald M. Kita, Dana P. Newman, Jessie A. Torres

Representative Sonson: Felicitas G. Batungbacal, Patrick T.K.P. Branco, Shohei Nishimoto

Representative Souki: Peggy J. Collier, Moses A. Lum Hoy, Vernon M. Souki

Representative Takai: Marnelli Joy Basilio, Cheryl A. Derby, Ku'ualoha-Kyra A.K.K. Kanekoa, Sandra Kim, Chrysalis D. Reyna

Representative Takamine: Deborah R. Adams, Travis A.B. Nakayama

Representative Takumi: Aisha K. Arion, Herbert N. Fujikawa, Margot E. Seeto, Michelle M. Taira

Representative Thielen: Sonja H. Caymaz, Carol A. Philips

Representative Tokioka: Raymond Adams, Sharon L. Agnew, Chanel L. Williams

Representative Tsuji: Walter B. Igawa-Silva, Ken T. Nakamoto, Sanford L. Sasaki

Representative Wakai: Kenneth Chan, Mark T. Ida, Kendra K. Inoue, Ryan T. Oishi, Joan S. Ushijima

Representative Ward: Christopher A. Baron, Pamela A. Kam, Jeremy D. Low, Caila J. Murphy, Sandra L. Roth

Representative Waters: Jason W. Bradshaw, June J.S. Gries, Gavin P. McCall, James M. Miura, James J. Nelson, John C. Vandercook, Jason M.A. Walter

Representative Yamane: Danielle M.M. Bass, Michelle A. Lovata, Camille S. Paldi, Cathy T. Yasuda

Representative Yamashita: Tannya K. Kanei, Lisa N.S. Konkola, Ian K. Ross

Majority Research: Eric J. Bernal, Jonnilyn K. Brown, Sharilyn D. Ho, Edward Y. Toyozaki, William Y. Toyozaki

Minority Research: Stephanie A. Beran, Anthony J. Davis, John K. Gibo, Robert C. Hogue, Stephanie A. Luke, Jame K. Schaedel, Paul L. Vierling

Clerk's Office: Arlene C. Abiang, Richard N.Y. Ah Lee Sam III, Alton S. Antonio, Luke B. Aritaga, Angel U. Fujihara, Francine K. Hirata, Ryan K. Kagimoto, Teoni W. Obrey, Bernadette A. Panoncial, Jenni M. Panoncial, Summer T. Shido, Haylee L. Sinton-Hewitt, Kelli K. Sterling, Jill M. Takamatsu, Kent D. Takamoto, Chelsea K. Tanimura, Eric K Toyama, Tat Ming Woo, Scott K. Yamane, Diane A. Yukumoto

Printshop: Mitchell H. Akamine, Carold Cabebe, Kay K. DeMello, Kenneth M. Gibo, Bradley K. Haida, Roy H. Higa, Rosalind A. Ho, Kathryn L. Hong, Lorrin K. Kaalekahi, Jr., Summer K. Kaleo, Jean Kinoshita, Yoshi A. Kiyabu, Douglas K. Kuahulu, Elaine R. Miyamoto, Michel R. Osurman, Har Ping Pang, Mildred Y. Phillips, Estelita Pumares, Eleanor M. Riney, Alice A. Sato, Amy Y.M. Say, Linda T. Shishido, Shirley May Sing, Curtis F. Yoshida, Wesley T. Yoshitake

Sergeant-At-Arms: Douglas Y. Arakaki, Kalani V. Asuncion, Francis J. Baysa, Eleneke J. Benevides, Yolanda M. Bryant, Matthew D. Daog, Warren M. Higashi, Kate S. Hirayasu, Kenneth K. Lee, Stanley S. Leong, Matthew I.N. Oamilda, Kevin I. Omori, Paul W. Reid, Jon M. Shitabata, Alfonso B. Singson, Jeffrey K. Spencer, Colleen B.J. Takenouchi, Richard H. Tamashiro, Wendy S. Tamashiro, Raymond H. Yamane

Custodians: Dorothy S. Alvarado, Dolores E. Baysa

At this time, the Chair addressed the Members, stating:

"Let me begin by saying, thank you. It has been trying times. The passage of my mother in February. The passage of my father in April. But they have given me the strength to carry out the duties of this position. We have all come to the end of the 2007 Legislative Session and I truly believe that we can look back and be proud of the work we have accomplished for the people of the State of Hawaii.

"We had a solid Session. We have passed a balanced budget that invests in public health, Josh, John, Maile, Karl, the Health Committee Chair and Vice Chair and their Committee members, and the Human Services and Housing Committee Chair and Vice Chair. And it is for the greater good of the people of the State of Hawaii.

"People have said that this House is also fiscally conservative. I share with you in the last nights of Conference and negotiations, a House provision in trying to revise the Council on Revenues projections gave way to a 5.5 percent projection. The House of Representatives was looking at a 4 percent and 6 percent projection in anticipation of a downturn in fiscal year '07. I am hopeful. I am optimistic that the projections will achieve this goal of 6 percent. But if not, for every percentage point that we lose on the Council's projection, it equates to about \$47 million. And we have been responsible in recognizing that future economic performance and tax revenues will not reach the levels previously projected.

"Today, for the juniors and sophomores of this House, you were very privileged to have three to four years of double digit growth, whereby, the Legislature, along with the Administration, came up in last year of '06, with a \$743 million surplus. I'm proud of the way this body has invested that particular surplus. I am not going to dwell on the ten great issues and programs that we have adopted, but I want more to share with all of you that this is your institution that you represent; to keep it open and honest and also transparent so that the general public can have a better understanding of the legislative process.

"The perception out there is this: This is a square building where it's almost like an animal house where things get chaotic. But I'm very, very proud of the performance of all 50 Members of this Chamber. Your contributions, your insights, your debate, and discussions in Committee and on the Floor of the House have contributed to a greater understanding of what this institution is all about.

"I must say this to Chair Waters and Vice Chair Blake Oshiro and your Committee on Judiciary, you all have shown political courage by holding hearings on controversial measures, such as death with dignity, civil unions, and tort reform. Although the measures did not pass this House, we gave the proponents and the opponents the opportunity to present their views in an open, public forum as it should be, as done in a democracy. We may not always agree to the process of setting priorities in making decisions, but despite our differences, we have worked well together.

"I am proud that we've been civil with each other in our debates, in our Committees, and on the Floor. And we have chosen to take care of the people's business in a responsible and high-minded manner. For that, I thank you all, Members of the both the Majority and the Minority parties.

"For the freshmen, this afternoon, even though today is the last day of the Session, we all have much more work to do in the interim. The planning for next year starts tomorrow. Like I shared with President Hanabusa when she came over to say that they had adjourned Sine Die, we will be meeting next week to start planning the appointments of the joint House and Senate Investigative Committee.

"In the upcoming weeks, I share this with all of you. I'll be 'talking story' with you to determine who will be on the taskforce to address ethics and standards of conduct in State government. And for all of you, I wish you the very best as far as being active in your respective program areas as you go through the interim.

"Personally, I know that all of you will be working hard and I have no doubt about it. And I know in 2008 we will be addressing more of the critical issues, those of our constituency, and those of our future generations which will have to be addressed.

"In closing, I'm very proud to be a part of this class. Your dedication to serving your community is the heart and soul of the House of Representatives. Thank you again, for a great Session. Aloha.

"May I share this. Your applause should be for all of you. And I would like to say this: At least my mom and dad are watching me from Heaven. Thank you."

Representative Luke: "Thank you, Mr. Speaker. Don't look so frightened. I'm not going to make a speech, Rep. Caldwell. Actually, I just wanted to announce the birth of a grandchild for one of our colleagues, and the grandchild's name is Karley Kapuamaikalani Takumi Arion and she is the fifth grandchild of our Representative Roy Takumi, and the second granddaughter. I guess he was always vertically challenged and he wanted his own basketball team. Now he can have one. Born on Sunday, April 29,

she weighed six pounds and seven ounces, so, if we could just applaud our grandfather for the fifth time."

Representative Sonson: "Thank you very much, Mr. Speaker. I would like to thank Glenn Booth and his staff with Capitol TV for their excellent work this Session covering both the Committee hearings and sessions. They do a great service to our community and is a way for our families, our constituencies to actually participate in the process. When I went home on Tuesday night, my daughter told me that she agreed with me and my point regarding Pufi, her little pet. So it's working. Everyone's watching us on Capitol TV. So thank you very much for your great service."

Representative Caldwell: "Mr. Speaker, may I make one last request before we move to adjourn Sine Die. Upon Sine Die, on behalf of both the Majority Caucus and Minority Caucus, I would like, if you would agree, to allow the Representative from Puna and the Representative from Nanakuli along with the rest of the Hawaiian Caucus to lead us in *Hawaii Aloha*."

Speaker Say: "Yes, I would recommend that we invite just the freshman class to lead us in *Hawaii Aloha*. Representative Belatti, Representative Mizuno, Representative Sagum, Representative McKelvey, Representative Manahan, Representative Tokioka, Representative Hanohano, Representative Awana, Representative Rhoads, Representative Brower."

Representative Caldwell: "Mr. Speaker, before we actually sing *Hawaii Aloha*, which should be beautiful, I think we should move to adjourn Sine Die and then we can sing."

Speaker Say: "They can stand up here with me. I have the authority, so come on up, freshmen. Representative Caldwell, would you like to make the proper motion before we start *Hawaii Aloha*?"

ADJOURNMENT

Representative Caldwell moved that the House of Representatives of the Twenty-Fourth Legislature of the State of Hawaii, Regular Session of 2007, adjourn Sine Die, seconded by Representative Thielen.

The motion was put to vote by the Chair and carried, and at 3:55 o'clock p.m., the Speaker rapped his gavel and declared the House of Representatives of the Twenty-Fourth Legislature of the State of Hawaii, Regular Session of 2007, adjourned Sine Die. (Representatives Bertram, Cabanilla, Evans, Finnegan, Green and Nakasone were excused.)

HOUSE COMMUNICATIONS

House Communication dated May 3, 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:

H.B. No. 19, HD 2, SD 2, CD 1
 H.B. No. 24, HD 1, SD 2, CD 1
 H.B. No. 55, HD 1, SD 2, CD 1
 H.B. No. 90, HD 2, SD 2, CD 1
 H.B. No. 104, HD 2, SD 2, CD 1
 H.B. No. 212, HD 2, SD 2, CD 1
 H.B. No. 226, HD 2, SD 2, CD 1
 H.B. No. 310, HD 2, SD 2, CD 1 [sic]
 H.B. No. 310, HD 2, SD 2, CD 2
 H.B. No. 317, HD 2, SD 2, CD 1
 H.B. No. 367, HD 1, SD 3, CD 1
 H.B. No. 399, HD 1, SD 2, CD 1
 H.B. No. 400, HD 1, SD 2, CD 1

H.B. No. 531, HD 3, SD 2, CD 1
 H.B. No. 575, HD 1, SD 2, CD 1
 H.B. No. 751, HD 1, SD 2, CD 1
 H.B. No. 767, HD 2, SD 2, CD 1
 H.B. No. 777, HD 2, SD 2, CD 1
 H.B. No. 807, HD 1, SD 2, CD 1
 H.B. No. 831, HD 2, SD 1, CD 1
 H.B. No. 833, HD 2, SD 2, CD 1
 H.B. No. 843, HD 2, SD 2, CD 1
 H.B. No. 855, HD 1, SD 1, CD 1
 H.B. No. 899, HD 1, SD 1, CD 1
 H.B. No. 964, HD 1, SD 2, CD 2
 H.B. No. 1003, HD 3, SD 2, CD 1
 H.B. No. 1004, HD 2, SD 1, CD 2
 H.B. No. 1008, HD 2, SD 2, CD 1
 H.B. No. 1014, HD 2, SD 1, CD 1
 H.B. No. 1083, HD 2, SD 2, CD 1
 H.B. No. 1171, HD 1, SD 1, CD 1
 H.B. No. 1211, HD 2, SD 2, CD 1
 H.B. No. 1220, HD 1, SD 2, CD 1
 H.B. No. 1221, HD 2, SD 2, CD 1
 H.B. No. 1270, HD 2, SD 2, CD 2
 H.B. No. 1345, HD 2, SD 3, CD 1
 H.B. No. 1352, HD 1, SD 2, CD 1
 H.B. No. 1368, SD 1, CD 1
 H.B. No. 1435, HD 1, SD 2, CD 1
 H.B. No. 1477, HD 2, SD 2, CD 1
 H.B. No. 1529, HD 2, SD 2, CD 1
 H.B. No. 1567, SD 1, CD 1
 H.B. No. 1568, SD 1, CD 1
 H.B. No. 1569, SD 1, CD 1
 H.B. No. 1572, SD 1, CD 1
 H.B. No. 1631, HD 2, SD 2, CD 1
 H.B. No. 1659, HD 2, SD 1, CD 1
 H.B. No. 1670, HD 2, SD 2, CD 1
 H.B. No. 1719, HD 1, SD 1, CD 1
 H.B. No. 1757, HD 1, SD 3, CD 2
 H.B. No. 1764, HD 1, SD 1, CD 1
 H.B. No. 1866, HD 3, SD 2, CD 1
 S.B. No. 148, SD 2, HD 1, CD 2
 S.B. No. 600, HD 2, CD 1
 S.B. No. 603, SD 2, HD 2, CD 1
 S.B. No. 613, SD 2, HD 2, CD 1
 S.B. No. 686, SD 1, HD 1, CD 1
 S.B. No. 688, SD 2, HD 1, CD 1
 S.B. No. 709, SD 2, HD 1, CD 1
 S.B. No. 810, SD 2, HD 1, CD 1
 S.B. No. 885, SD 2, HD 3, CD 1
 S.B. No. 907, SD 2, HD 2, CD 1
 S.B. No. 914, SD 2, HD 1, CD 1
 S.B. No. 932, SD 2, HD 2, CD 1
 S.B. No. 1115, SD 2, HD 1, CD 1
 S.B. No. 1133, SD 3, HD 1, CD 1
 S.B. No. 1170, SD 1, HD 1, CD 1
 S.B. No. 1174, SD 1, HD 1, CD 1
 S.B. No. 1365, SD 2, HD 3, CD 1
 S.B. No. 1614, SD 1, HD 1, CD 1
 S.B. No. 1718, HD 2, CD 1
 S.B. No. 1792, SD 3, HD 3, CD 2
 S.B. No. 1803, SD 1, HD 1, CD 2
 S.B. No. 1820, SD 1, HD 2, CD 1
 S.B. No. 1917, SD 3, HD 2, CD 1
 S.B. No. 1922, SD 2, HD 1, CD 1
 S.B. No. 1931, SD 2, HD 3, CD 2

House Communication dated May 3, 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 this day, agreed to the amendments and passed the following House Bills on Final Reading:

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. 870, HD 1, SD 1
 HB No. 1155, HD 1, SD 1
 HB No. 1253, HD 1, SD 1
 HB No. 1256, HD 1, SD 1
 HB No. 1291, HD 1, SD 2
 HB No. 1334, HD 1, SD 1
 HB No. 1338, HD 2, SD 1
 HB No. 1399, SD 1
 HB No. 1493, HD 2, SD 1
 HB No. 1570, SD 1
 HB No. 1721, HD 1, SD 2
 HB No. 1902, SD 1
 HB No. 1931, SD 1

House Communications dated May 3, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable Governor Linda Lingle; and Ms. Myra Shozuya, Revisor of Statutes, Legislative Reference Bureau; transmitting a copy a document certifying that on May 3, 2007, pursuant to Sections 16 and 17 of Article III of the Hawaii State Constitution, the Hawaii State Senate and the Hawaii House of Representatives, reconsidered H.B. No. 10, SD 1, heretofore vetoed as set forth in a Governor's Message dated April 27, 2007, and approved said bill by an affirmative vote of two-thirds of the members to which each chamber is entitled. A copy of H.B. No. 10, SD 1, designated as Act 60 was also enclosed.

House Communications dated May 3, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable Governor Linda Lingle; and Ms. Myra Shozuya, Revisor of Statutes, Legislative Reference Bureau; transmitting a copy a document certifying that on May 3, 2007, pursuant to Sections 16 and 17 of Article III of the Hawaii State Constitution, the Hawaii State Senate and the Hawaii House of Representatives, reconsidered H.B. No. 861, HD 1, SD 1, heretofore vetoed as set forth in a Governor's Message dated May 1, 2007, and approved said bill by an affirmative vote of two-thirds of the members to which each chamber is entitled. A copy of H.B. No. 861, HD 1, SD 1, designated as Act 61 was also enclosed.

House Communications dated May 3, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable Governor Linda Lingle; and Ms. Myra Shozuya, Revisor of Statutes, Legislative Reference Bureau; transmitting a copy a document certifying that on May 3, 2007, pursuant to Sections 16 and 17 of Article III of the Hawaii State Constitution, the Hawaii State Senate and the Hawaii House of Representatives, reconsidered H.B. No. 863, HD 1, heretofore vetoed as set forth in a Governor's Message dated April 24, 2007, and approved said bill by an affirmative vote of two-thirds of the members to which each chamber is entitled. A copy of H.B. No. 863, HD 1, designated as Act 62 was also enclosed.

House Communications dated May 3, 2007, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable Governor Linda Lingle; and Ms. Myra Shozuya, Revisor of Statutes, Legislative Reference Bureau; transmitting a copy a document certifying that on May 3, 2007, pursuant to Sections 16 and 17 of Article III of the Hawaii State Constitution, the Hawaii State Senate and the Hawaii House of Representatives, reconsidered H.B. No. 1672, heretofore vetoed as set forth in a Governor's Message dated April 16, 2007, and approved said bill by an affirmative vote of two-thirds of the members to which each chamber is entitled. A copy of H.B. No. 1672, designated as Act 63 was also enclosed.

OTHER COMMUNICATIONS

Senate Communication dated May 4, 2007, from Carol Taniguchi, Clerk of the Senate, to the Honorable Governor Linda Lingle; transmitting a copy a document certifying that on May 1, 2007, pursuant to Sections 16 and 17 of Article III of the Hawaii State Constitution, the Hawaii State Senate and the Hawaii House of Representatives, reconsidered S.B. No. 14, SD 1, HD 1, heretofore vetoed as set forth in a Governor's Message dated April 18, 2007, and approved said bill by an affirmative vote of two-thirds of the members to which each chamber is entitled. A copy of S.B. No. 14, SD 1, HD 1, designated as Act 56 was also enclosed.

Senate Communication dated May 4, 2007, from Carol Taniguchi, Clerk of the Senate, to the Honorable Governor Linda Lingle; transmitting a copy a document certifying that on May 1, 2007, pursuant to Sections 16 and 17 of Article III of the Hawaii State Constitution, the Hawaii State Senate and the Hawaii House of Representatives, reconsidered S.B. No. 1063, SD 1, HD 1, heretofore vetoed as set forth in a Governor's Message dated April 25, 2007, and approved said bill by an affirmative vote of two-thirds of the members to which each chamber is entitled. A copy of S.B. No. 1063, SD 1, HD 1, designated as Act 57 was also enclosed.

Senate Communication dated May 4, 2007, from Carol Taniguchi, Clerk of the Senate, to the Honorable Governor Linda Lingle; transmitting a copy a document certifying that on May 1, 2007, pursuant to Sections 16 and 17 of Article III of the Hawaii State Constitution, the Hawaii State Senate and the Hawaii House of Representatives, reconsidered S.B. No. 1642, SD 1, HD 1, heretofore vetoed as set forth in a Governor's Message dated April 24, 2007, and approved said bill by an affirmative vote of two-thirds of the members to which each chamber is entitled. A copy of S.B. No. 1642, SD 1, HD 1, designated as Act 58 was also enclosed.

Senate Communication dated May 4, 2007, from Carol Taniguchi, Clerk of the Senate, to the Honorable Governor Linda Lingle; transmitting a copy a document certifying that on May 1, 2007, pursuant to Sections 16 and 17 of Article III of the Hawaii State Constitution, the Hawaii State Senate and the Hawaii House of Representatives, reconsidered S.B. No. 1816, SD 1, HD 1, heretofore vetoed as set forth in a Governor's Message dated April 26, 2007, and approved said bill by an affirmative vote of two-thirds of the members to which each chamber is entitled. A copy of S.B. No. 1816, SD 1, HD 1, designated as Act 59 was also enclosed.

SENATE COMMUNICATIONS RECEIVED AFTER THE ADJOURNMENT OF THE 2007 LEGISLATURE SINE DIE

Sen. Com. No. 893, transmitting H.C.R No. 54, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO ESTABLISH AN INTERIM TASK FORCE TO REVIEW THE STATE MAXIMUM ALLOWABLE COST PROGRAM'S REIMBURSEMENT POLICY AND ITS IMPACT ON SMALL, INDEPENDENT, COMMUNITY PHARMACIES," which was adopted by the Senate on May 3, 2007.

Sen. Com. No. 894, transmitting H.C.R No. 140, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO COLLECT DATA AND REPORT STATISTICS RELATED TO CASES OF ABUSE OF VULNERABLE ADULTS," which was adopted by the Senate on May 3, 2007.

Sen. Com. No. 895, transmitting H.C.R No. 344, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE DEPARTMENT OF HUMAN SERVICES TO SUPPORT PROJECT CUDDLE AND ASSESS THE FEASIBILITY OF ADVERTISING ITS HOTLINE," which was adopted by the Senate on May 3, 2007.

Sen. Com. No. 896, transmitting H.C.R. No. 141, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE UNITED STATES CONGRESS TO SUPPORT LEGISLATION AUTHORIZING THE SECRETARY OF HEALTH AND HUMAN SERVICES TO NEGOTIATE LOWER DRUG PRICES ON BEHALF OF MEDICARE BENEFICIARIES," which was adopted by the Senate on May 3, 2007.

Sen. Com. No. 897, transmitting H.C.R. No. 217, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE PRESIDENT AND THE UNITED STATES CONGRESS TO ENACT LEGISLATION TO INCREASE, FOR SOCIAL SECURITY BENEFICIARIES, THE LEVELS OF PROVISIONAL INCOME, WHICH INCLUDE SOCIAL SECURITY BENEFITS, BY AN AMOUNT EQUAL TO THE FEDERAL COST OF LIVING ALLOWANCE GRANTED TO FEDERAL EMPLOYEES IN HAWAII," which was adopted by the Senate on May 3, 2007.

Sen. Com. No. 898, transmitting H.C.R. No. 174, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO REPORT TO THE LEGISLATURE ON CERTAIN AQUATIC SURF RESOURCES IN THE STATE INCLUDING THE COST OF FUNDING A STUDY ON THE FEASIBILITY OF CONSTRUCTING ARTIFICIAL REEFS," which was adopted by the Senate on May 3, 2007.