

TWENTY-SECOND DAY

Tuesday, February 24, 2009

The Senate of the Twenty-Fifth Legislature of the State of Hawai'i, Regular Session of 2009, convened at 11:38 a.m. with the Vice President in the Chair.

The Divine Blessing was invoked by the Honorable Sam Slom, Hawai'i State Senate, after which the Roll was called showing all Senators present with the exception of Senator Hanabusa who was excused.

The Vice President announced that he had read and approved the Journal of the Twenty-First Day.

At this time, the following introductions were made to the members of the Senate:

Senator Ige recognized and congratulated The Queen's Medical Center on its 150th anniversary, and introduced Noreen Mokuau, D.S.W., Chair of The Queen's Board of Trustees, and Arthur Ushijima, President of The Queen's Medical Center.

Senator Chun Oakland recognized and congratulated Kauaikeolani Children's Hospital and Kapi'olani Medical Center for Women and Children on its celebration of a century of care for Hawai'i's children, and introduced Martha Smith, Chief Operating Officer, and Dr. Ginny Pressler, Vice President of Hawai'i Pacific Health.

Senator Baker recognized and congratulated Kaiser Permanente Hawai'i for 50 years of service in health care, and introduced Dr. James Griffith, Associate Medical Director, Chief of Hospital Staff, and Susan Murray, Vice President, Quality Services and Hospital Administrator.

At 11:54 a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 12:01 p.m.

MESSAGE FROM THE GOVERNOR

The following message from the Governor (Gov. Msg. No. 443) was read by the Clerk and was placed on file:

Gov. Msg. No. 443, dated February 6, 2009, transmitting the Hawaii Ocean Resources Management Plan 2008 Annual Report, prepared by the Department of Business, Economic Development and Tourism, Office of Planning, Hawaii Coastal Zone Management Program, pursuant to S.C.R. No. 137 (2005).

DEPARTMENTAL COMMUNICATIONS

The following communications (Dept. Com. Nos. 62 to 63) were read by the Clerk and were placed on file:

Dept. Com. No. 62, from the State Auditor, dated February 20, 2009, transmitting a report, "Procurement Audit of the Department of Education: Part I," (Report No. 09-03).

Dept. Com. No. 63, from the State Auditor, dated February 20, 2009, transmitting a report, "Procurement Audit of the Department of Education: Part II," (Report No. 09-04).

HOUSE COMMUNICATIONS

The following communications from the House (Hse. Com. Nos. 11 to 12) were read by the Clerk and were disposed of as follows:

Hse. Com. No. 11, returning S.C.R. No. 40, which was adopted by the House of Representatives on February 23, 2009, was placed on file.

Hse. Com. No. 12, transmitting H.B. No. 1188, H.D. 1, which passed Third Reading in the House of Representatives on February 23, 2009, was placed on file.

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

The Senate reconvened at 12:03 p.m.

On motion by Senator Sakamoto, seconded by Senator Slom and carried, H.B. No. 1188, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING," passed First Reading by title and was deferred.

STANDING COMMITTEE REPORT

Senator Kim, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 441) recommending that S.B. No. 971, as amended in S.D. 1, pass Second Reading and be recommitted to the Committee on Ways and Means.

On motion by Senator Sakamoto, seconded by Senator Slom and carried, the report of the Committee was adopted and S.B. No. 971, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONFORMITY OF THE HAWAII INCOME TAX LAW TO THE INTERNAL REVENUE CODE," passed Second Reading and was recommitted to the Committee on Ways and Means.

Senator Kim, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 442) recommending that S.B. No. 1449, as amended in S.D. 1, pass Second Reading and be recommitted to the Committee on Ways and Means.

On motion by Senator Sakamoto, seconded by Senator Slom and carried, the report of the Committee was adopted and S.B. No. 1449, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX," passed Second Reading and was recommitted to the Committee on Ways and Means.

Senator Kim, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 443) recommending that S.B. No. 1461, as amended in S.D. 1, pass Second Reading and be recommitted to the Committee on Ways and Means.

On motion by Senator Sakamoto, seconded by Senator Slom and carried, the report of the Committee was adopted and S.B. No. 1461, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Second Reading and was recommitted to the Committee on Ways and Means.

ORDER OF THE DAY**REFERRAL OF
SENATE CONCURRENT RESOLUTION**

The President made the following committee assignment of a concurrent resolution that was offered on Friday, February 13, 2009:

S.C.R. No.	Referred to:
S.C.R. No. 44	Committee on Water, Land, Agriculture and Hawaiian Affairs

REFERRAL OF SENATE RESOLUTION

The President made the following committee assignment of a resolution that was offered on Friday, February 13, 2009:

S.R. No.	Referred to:
S.R. No. 26	Committee on Water, Land, Agriculture and Hawaiian Affairs

At this time, Senator Hemmings rose on a point of personal privilege and stated:

“Colleagues, I would be remiss if I did not stand on this Senate floor and follow up on the procurement audit of the Department of Education which we all received.

“The findings are quite alarming, but what is more distressing is the continued denial on the part of those involved in administering one of our most important functions—educating our young people—that something is wrong, sorely wrong, with the Department of Education. You know, we receive audits and reports on national rankings all the time and denial, denial, denial—‘There’s something wrong with the audit. There’s something wrong with the ranking organizations.’

“This is just an audit of one particular area—procurement. Part 1 of the findings includes, ‘a lack of leadership and controls has permitted a culture of indifference towards procurement. Unconcern for procurement rules has resulted in numerous instances of noncompliance.’ Part 2 of the findings: ‘The lack of emphasis has fueled inappropriate procurement practices in the Office of School Facilities. The outsourcing of program and construction management services has led to waste, abuse and improper consultant relationships.’ I might add, just to paraphrase the audit, for instance, for the whole school classroom renovation program of 2006, \$160 million was appropriated for 96 schools. The Department had four management contracts. They were outsourced at the cost of \$21 million. How much longer are we, as legislators, going to allow our children’s education to be ruined by the squandering of money by the Department of Education? The facts are undeniable, but yet many in this Legislature continue to be in denial.

“We need to have a comprehensive audit of the Department of Education. This is just the tip of the iceberg. Senator Slom and I once again offered a resolution to have the Department of Education audited so that we can come to grips with the facts, so that we can make our children’s future and give them the education they deserve much better, rather than just continue to say, ‘We don’t have a problem; give us more money and we’ll fix it,’ which was actually the testimony I heard once. Thank you, Mr. President.”

Senator Sakamoto rose on point of personal privilege and said:

“We all are not happy with things that go wrong, whether it’s the Department of Education or other parts of government, and as your Chair of Education and Housing Committee, we’ll look into each of the points brought up in these audits and try to determine what might be done and then share what steps we should take as members, as well as a community. Thank you very much.”

ADJOURNMENT

At 12:09 p.m., on motion by Senator Sakamoto, seconded by Senator Slom and carried, the Senate adjourned until 11:30 a.m., Wednesday, February 25, 2009.