

TWENTY-SECOND DAY

Tuesday, February 21, 2012

The Senate of the Twenty-Sixth Legislature of the State of Hawai'i, Regular Session of 2012, convened at 11:41 a.m. with the President in the Chair.

The Roll was called showing all Senators present with the exception of Senator Solomon who was excused.

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

At this time, Senator Shimabukuro recognized and congratulated Melvin Kauila Clark, Chair of the Board of Directors of the National Association of Community Health Centers, on his many years of service to the people of Hawai'i. Mr. Clark was accompanied by the following supporters: his mother Louise Gregson; Waianae Coast Comprehensive Health Center (WCCHC) Kupuna Council members Ace Kaleohana, Keaunauna Kalua, and Al Harrington; WCCHC Board of Directors Chair Kamahana Ferrar; Renee Rego, WCCHC Board Member; Rich Bettini, CEO, WCCHC; Dr. Ric Custodio, Director of Education, WCCHC; Dr. Vija Seghal, WCCHC; Dr. Marjorie Mau, UH Medical School; John McColmas, CEO, AlohaCare; Sheila Beckham, CEO, Waikiki Health Center; Mei Akamine, CEO, Waimanalo Health Center; Emmanuel Kintu, CEO, Kalihi Palama Health Center; Leilani Collins, staff member at Queen Liliuokalani Children's Center and cousin to Mr. Clark; and many other supporters also seated in the gallery.

At 11:46 a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 11:53 a.m.

Senator Taniguchi, on behalf of Senator Gabbard and himself, introduced a group of 22 freshmen students from Maryknoll High School who were accompanied by their teacher Mr. Jeff McGivern.

MESSAGES FROM THE GOVERNOR

The following messages from the Governor (Gov. Msg. Nos. 645 to 671) were read by the Clerk and were disposed of as follows:

Gov. Msg. No. 645, submitting for consideration and confirmation to the Civil Rights Commission, the nomination of WALLACE FUKUNAGA, term to expire June 30, 2016, was referred to the Committee on Judiciary and Labor.

Gov. Msg. No. 646, submitting for consideration and confirmation to the Civil Rights Commission, the nomination of KIM COCO IWAMOTO, term to expire June 30, 2016, was referred to the Committee on Judiciary and Labor.

Gov. Msg. No. 647, submitting for consideration and confirmation to the Public Utilities Commission, the nomination of LORRAINE AKIBA, term to expire June 30, 2018, was referred to the Committee on Commerce and Consumer Protection.

Gov. Msg. No. 648, submitting for consideration and confirmation to the Public Utilities Commission, the nomination of MICHAEL CHAMPLEY, term to expire June 30, 2016, was referred to the Committee on Commerce and Consumer Protection.

Gov. Msg. No. 649, submitting for consideration and confirmation to the Tax Review Commission, the nomination of ROY AMEMIYA JR., term to expire June 30, 2012, was referred to the Committee on Ways and Means.

Gov. Msg. No. 650, submitting for consideration and confirmation to the Tax Review Commission, the nomination of PETER HO, term to expire June 30, 2012, was referred to the Committee on Ways and Means.

Gov. Msg. No. 651, submitting for consideration and confirmation to the Tax Review Commission, the nomination of RANDALL IWASE, term to expire June 30, 2012, was referred to the Committee on Ways and Means.

Gov. Msg. No. 652, submitting for consideration and confirmation to the Tax Review Commission, the nomination of MITCHELL IMANAKA, term to expire June 30, 2012, was referred to the Committee on Ways and Means.

Gov. Msg. No. 653, submitting for consideration and confirmation to the Board of Acupuncture, the nomination of JAMES CORCORAN, term to expire June 30, 2015, was referred to the Committee on Commerce and Consumer Protection.

Gov. Msg. No. 654, submitting for consideration and confirmation to the Board of Acupuncture, the nomination of MIKE HASHIMOTO, term to expire June 30, 2016, was referred to the Committee on Commerce and Consumer Protection.

Gov. Msg. No. 655, submitting for consideration and confirmation to the Board of Acupuncture, the nomination of JAYNE TSUCHIYAMA, term to expire June 30, 2013, was referred to the Committee on Commerce and Consumer Protection.

Gov. Msg. No. 656, submitting for consideration and confirmation to the State Board of Barbering and Cosmetology, the nomination of LANCE MARUGAME, term to expire June 30, 2016, was referred to the Committee on Commerce and Consumer Protection.

Gov. Msg. No. 657, submitting for consideration and confirmation to the State Board of Barbering and Cosmetology, the nomination of CHAD NELSON, term to expire June 30, 2016, was referred to the Committee on Commerce and Consumer Protection.

Gov. Msg. No. 658, submitting for consideration and confirmation to the State Board of Barbering and Cosmetology, the nomination of CHRISTOBAL QUINTANA, term to expire June 30, 2016, was referred to the Committee on Commerce and Consumer Protection.

Gov. Msg. No. 659, submitting for consideration and confirmation to the Correctional Industries Advisory Committee, the nomination of DAVID MATSUURA, term to expire June 30, 2016, was referred to the Committee on Public Safety, Government Operations, and Military Affairs.

Gov. Msg. No. 660, submitting for consideration and confirmation to the Correctional Industries Advisory Committee, the nomination of THOMAS SING, term to expire June 30, 2016, was referred to the Committee on Public Safety, Government Operations, and Military Affairs.

Gov. Msg. No. 661, submitting for consideration and confirmation to the Correctional Industries Advisory Committee, the nomination of ANDREI SOTO, term to expire June 30, 2015, was referred to the Committee on Public Safety, Government Operations, and Military Affairs.

Gov. Msg. No. 662, submitting for consideration and confirmation to the Correctional Industries Advisory Committee, the nomination of JAMES WATARU, term to

expire June 30, 2015, was referred to the Committee on Public Safety, Government Operations, and Military Affairs.

Gov. Msg. No. 663, submitting for consideration and confirmation to the Disability and Communication Access Board, the nomination of ED CHEVY, term to expire June 30, 2015, was referred to the Committee on Health.

Gov. Msg. No. 664, submitting for consideration and confirmation to the Disability and Communication Access Board, the nomination of DOROTHY FIFE, term to expire June 30, 2015, was referred to the Committee on Health.

Gov. Msg. No. 665, submitting for consideration and confirmation to the Disability and Communication Access Board, the nomination of ROBIN INABA, term to expire June 30, 2015, was referred to the Committee on Health.

Gov. Msg. No. 666, submitting for consideration and confirmation to the Disability and Communication Access Board, the nomination of ANN CHINEN ITO, term to expire June 30, 2014, was referred to the Committee on Health.

Gov. Msg. No. 667, submitting for consideration and confirmation to the Disability and Communication Access Board, the nomination of LANCE KANESHIRO, term to expire June 30, 2015, was referred to the Committee on Health.

Gov. Msg. No. 668, submitting for consideration and confirmation to the Disability and Communication Access Board, the nomination of TAMAR LANI, term to expire June 30, 2015, was referred to the Committee on Health.

Gov. Msg. No. 669, submitting for consideration and confirmation to the Disability and Communication Access Board, the nomination of GLENN NAKAMURA, term to expire June 30, 2014, was referred to the Committee on Health.

Gov. Msg. No. 670, submitting for consideration and confirmation to the Disability and Communication Access Board, the nomination of MICHAEL OKAMOTO, term to expire June 30, 2014, was referred to the Committee on Health.

Gov. Msg. No. 671, submitting for consideration and confirmation to the Disability and Communication Access Board, the nomination of LAWRENCE SCADDEN, term to expire June 30, 2014, was referred to the Committee on Health.

HOUSE COMMUNICATION

The following communication from the House (Hse. Com. No. 17) was read by the Clerk and was disposed of as follows:

Hse. Com. No. 17, transmitting H.B. No. 1764, H.D. 1, which passed Third Reading in the House of Representatives on February 17, 2012, was placed on file.

On motion by Senator Espero, seconded by Senator Slom and carried, H.B. No. 1764, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE RESIDENCY OF APPOINTIVE OFFICERS," passed First Reading by title and was deferred.

ADVISE AND CONSENT

Stand. Com. Rep. No. 2413 (Gov. Msg. No. 585):

Senator Ige moved that Stand. Com. Rep. No. 2413 be received and placed on file, seconded by Senator Kidani and carried.

Senator Ige then moved that the Senate advise and consent to the nomination of AUDREY ABE to the Board of Taxation Review, 1st Taxation District (O'ahu), term to expire June 30, 2015, seconded by Senator Kidani.

The motion was put by the Chair and carried on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Kahale, Solomon).

Stand. Com. Rep. No. 2414 (Gov. Msg. No. 586):

Senator Ige moved that Stand. Com. Rep. No. 2414 be received and placed on file, seconded by Senator Kidani and carried.

Senator Ige then moved that the Senate advise and consent to the nomination of CURTIS SAIKI to the Board of Taxation Review, 1st Taxation District (O'ahu), term to expire June 30, 2013, seconded by Senator Kidani.

The motion was put by the Chair and carried on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Kahale, Solomon).

Stand. Com. Rep. No. 2415 (Gov. Msg. No. 587):

Senator Ige moved that Stand. Com. Rep. No. 2415 be received and placed on file, seconded by Senator Kidani and carried.

Senator Ige then moved that the Senate advise and consent to the nomination of RANDAL TANIGUCHI to the Board of Taxation Review, 2nd Taxation District (Maui), term to expire June 30, 2015, seconded by Senator Kidani.

The motion was put by the Chair and carried on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Kahale, Solomon).

Stand. Com. Rep. No. 2416 (Gov. Msg. No. 588):

Senator Ige moved that Stand. Com. Rep. No. 2416 be received and placed on file, seconded by Senator Kidani and carried.

Senator Ige then moved that the Senate advise and consent to the nomination of ALBERT SPENCER to the Board of Taxation Review, 4th Taxation District (Kaua'i), term to expire June 30, 2015, seconded by Senator Kidani.

The motion was put by the Chair and carried on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Kahale, Solomon).

At this time, Senator Ige made the following introductions:

"Mr. President, the confirmations we just completed were to the Board of Taxation Review, and the board does play a very important role in terms of getting income for the state. As we know, there are many tax challenges, and the reason the board convenes is really to review decisions made by the department. It's an honor and privilege for me to be able to introduce Audrey Abe. She was appointed to the Board of Taxation Review for the 1st Taxation District. With her is her business partner Alena Chen. Thank you very much, Mr. President."

Senator Kouchi recognized Albert Spencer of the Board of Taxation Review for the 4th Taxation District, who was unable to attend, and offered an additional welcome to Audrey Abe who was originally from Kaua'i.

ORDER OF THE DAY

THIRD READING

S.B. No. 2818:

On motion by Senator Green, seconded by Senator Chun Oakland and carried, S.B. No. 2818, entitled: "A BILL FOR AN ACT RELATING TO DISPOSITION OF DEAD HUMAN

BODIES,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Kahale, Solomon).

S.B. No. 2012, S.D. 1:

Senator Ige moved that S.B. No. 2012, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Kidani.

Senator Kidani rose to speak in support of the measure as follows:

“Mr. President, honorable colleagues: your Committee on Ways and Means is pleased to bring this landmark legislation that has the potential to accelerate our State’s economic recovery by creating as many as 4,000 to 6,000 direct and indirect jobs. Senate Bill 2012, S.D. 1—the Invest in Hawai‘i Act of 2012—does this by authorizing \$500 million in general obligation bonds to finance hundreds of repair and deferred maintenance projects in virtually every community on all of our islands which will also insure the existence of well-maintained state facilities and infrastructure. These funds can also be used to develop sustainable and renewable energy resources to improve upon efficient energy consumption. Investing in energy and information technology initiatives throughout hospitals and office buildings would have significant impact and ultimately lead to cost savings, alleviating the drain on general funds, and reduction of the State’s carbon footprint.

“We note that this is only Day 22 of our 60-day session and that we have been able to act quickly for a number of important reasons: First, the need is crystal clear. Many of our citizens who want to work have been unable to find jobs for far too long. It’s time to do something about that. Second, literally hundreds of repair and deferred maintenance projects statewide have gone unfunded for too long, to the point that conditions in our schools, our libraries, our university campuses, our state hospitals, our public housing projects, and other facilities have become a health and safety issue. It’s time to do something about that. Third, we have bipartisan support in the Legislature, support from the administration, and strong support from both the private sector business community and trade worker organizations that cry out for meaningful action. They all know that dollars in workers’ pockets means that our economy can get rolling again, to the benefit of all. It is our hope that we will find this same support from our colleagues from across the hall.

“Senate Bill 2012, S.D. 1 allocates dollars as follows:

- \$150M for our public schools in virtually all of our neighborhoods across the state
- \$3M for repair and maintenance work in our public libraries
- \$60M for repair and maintenance projects of the Department of Accounting and General Services
- \$127M for capital renewal and deferred maintenance projects at UH Mānoa, UH Hilo, including UH Mānoa athletics and all community college campuses
- \$30M for the Department of Health,
- \$40M for the Hawai‘i Health Systems Corporation
- another \$40M for the Department of Human Services in public housing
- \$20M for the Department of Land and Natural Resources
- \$15M for the Department of Public Safety

- And finally, \$5M each for the Departments of Agriculture, Defense, and the State Judiciary

“Mr. President, I should note that the projects to be funded come from priorities established by the departments themselves.

“To get these projects underway as quickly as possible, part six of this bill provides a temporary, expedited process of the state’s procurement code. These changes were included with the full consultation agreement of the state procurement officer. The ceiling for small purchase procurements increases from \$250,000 to \$1,000,000. And bids for these small purchases will continue to be via the Hawaii Electronic Procurement System, to assure all quotes are available to all general and subcontractors who are registered in the system. This continues to guarantee transparency by making all quotes public at the end of the bid period. Although this bill temporarily exempts all county permit, license, and certificate requirements, it still requires that *all* capital improvement projects shall meet *all* federal and state permits, license, and certificate requirements and other applicable county code requirements.

“Mr. President, as Vice Chair of your Committee on Ways and Means, it is a privilege to be able to bring Senate Bill 2012, S.D. 1 to the floor in such short order. The energy during our hearings, the positive suggestions for amendments and clarifications, and the comments we received daily from workers around the State who see hope in our efforts have all been an uplifting affirmation of why we serve. I would also like to acknowledge the clear direction and concerted leadership of your office, Mr. President, and that of Chair Ige. Through the process of developing this legislation—from our informational briefings with the administration before session began, through the introduction of this landmark bill and our hearing process—guidance and good council from both of you have been critical in our ability to reach this point so early in the session. This is our chance to move the state forward. I urge my colleagues to approve the Invest in Hawai‘i Act of 2012 and send it on to the House, with the hopes that our colleagues in the House will understand the urgency to also act quickly. Thank you, Mr. President.”

Senator Baker rose to speak in support of the measure as follows:

“I rise in support of SB 2012, our bipartisan Invest in Hawai‘i Act of 2012. This bill is important because it will match willing workers with desperately needed public works projects on all islands. With interest rates historically low, there is no better time than now for the State to make a significant investment in our aging infrastructure. The Department of Business, Economic Development and Tourism projects that this measure alone could create or sustain more than 5,000 jobs – putting food on the table and restoring dignity to idle workers while getting shovel-ready projects out the door. This bill will provide a streamlined procurement process to facilitate the start of construction, helping small businesses to compete and stimulating our economy.

“According to DBEDT, public sector construction in 2010 comprised 34.8 percent of all construction contracts, but in 2011, public contracts dropped to less than half of the previous year or only 16.2 percent of all construction contracts. Let me speak a bit about my county of Maui. Over 50 percent of Maui’s unionized carpenters are on the bench, and yet there is plenty of work to do on Maui – there’s just no funding for it. SB 2012 provides that funding. Indeed, this measure provides much needed funds for infrastructure improvements for our schools, UH Maui College and all the UH system, DOH including our hospitals like Maui Memorial Medical Center and Kula, as well as much-needed DLNR projects throughout our state. It’s a win-win. Our government buildings need repair; our construction workers need and want jobs. Those paychecks will

circulate in our community, helping small business survive while decreasing other types of government expenditures – transfer payments like unemployment compensation, food stamps, and public assistance.

“The R & M backlog in our schools is simply staggering. Every year, I volunteer to be part of the school inspection teams for schools in the 5th Senatorial district. We find areas that need to be addressed and repaired; we note them down, we log them, we get them on a priority list. Then we meet with the school principals, complex CIP coordinator, and DAGS Maui staff who manages the R & M projects for the DOE on our island to see the amount of funds that have been allocated and how many of their priorities will be met or if the priorities need to be adjusted. That prioritization meeting didn’t happen last fall as it should have. No new money was available for projects – the project requests already on the books and in the system are being pushed out several years. Even health and safety matters have to stand in line.

“This bill with its \$500 million appropriation will go a long way to fixing that situation. It will help ensure that long overdue repairs are undertaken and student learning environments improved. Mr. President and colleagues, this measure will be a godsend for the schools in Maui County and around the state, as well as for other critical infrastructure projects that have been languishing. Mahalo to Ways and Means for moving it expeditiously. I call on our House colleagues to do likewise and send it to the Governor’s desk for early enactment. Mahalo.”

Senator Green rose to speak in support of the measure and said:

“Thank you, Mr. President. I’d like to echo some of the sentiments that the previous speaker eloquently expressed. I’d like to enter them in as my own, but on behalf of the Big Island caucus, in support of this bill.

“The Chairwoman of the Consumer Protection Committee noted that as many as 50 percent of the carpenters were on the bench in Maui county. There was a point at which there were 90 percent of the carpenters that were unemployed or unable to do any work on the Big Island because the backlogs were there but the money was not. I’m honored to see that the Ways and Means Committee is looking at all the neighbor islands in a fair way.

“There are a lot of projects that we have felt needed attention. It’s not just the schools, although they need critical support and help; the hospitals also need significant upgrades. In Kona, for instance, the emergency department there sees 100 percent more patients than they are historically equipped for, based on the structure. They still see those patients, but they just don’t have the space to see them efficiently—and it does have consequences. Of course, we have road work that’s always necessary on the neighbor islands. They often don’t come and express their opinions, but I know my colleagues, were they able to also chime in today, would really demonstrate their appreciation to the entire body. All of the O’ahu legislators and Maui and Kaua’i legislators that have seen fit to put some of the priorities in on behalf of the Big Island are appreciated. So, once again, thank you for this commitment to the entire state, Mr. President.”

Senator Ige rose to speak in support of the measure as follows:

“I did agree with all of the previous comments, but I wanted to make a couple of points concerning the fiscal smarts about making this investment at this time. As many have stated before me, the state faces a repair and maintenance backlog well in excess of \$1 billion; this clearly allows us to make strategic investments in the core infrastructure of state government.

“The second point is that many bids for construction work are coming in significantly under budget. I had requested an assessment from the University of Hawai’i, and in reviewing the first 7 months of the current fiscal year, the bids have come in at 18 percent below what was budgeted and estimated this year. So, clearly we would get good value for the funds spent in this economy.

“The third point is, again, the state is currently able to finance these investments in state facilities at historically low interest rates. Last year, the biggest bond sale in the history of the state came in at the lowest interest rate in the history of the state. Now is the time to make these investments in our facilities. More importantly, because of demand for the purchase of government bonds, the state was able to sell the bonds at a premium, which helped with our budget as well.

“And finally, although the economy seems to have stabilized, we do know that the construction industry is hurting. In testimony before the Ways and Means Committee, 50 percent of the carpenters throughout the state—not only on Maui—are unemployed at this point and time. And although these funds go to many different trades, clearly it would help those in the construction and carpenters work as well.

“The timing couldn’t be better; it makes financial sense to invest in our state facilities now. Through the enactment of this measure, the state can make needed improvements at reduced prices, both in terms of project prices and historically low interest rates. Further, this measure presents an opportunity to make improvements that will increase state renewable energy resources and information technology capabilities. These initiatives would reduce growth in future demand for general funds, as well as allow the state to be more efficient on a going forward basis.

“This measure also accelerates the implementation of projects under \$1 million; this will enable state agencies to execute projects in a more time efficient manner. Projects initiated by this measure will provide thousands of direct and indirect jobs for our unemployed and underemployed residents. So, I encourage all our members to vote in support of this measure. Thank you.”

Senator Ryan rose to speak in support of the measure as follows:

“I’d like to thank my colleagues for supporting this bill. Recently in the WAM Committee, we heard testimony from a carpenter who shared the negative impacts on all laborers who are unemployed. My husband is a union carpenter. We have, in the past, experienced going without medical insurance for our children. So, his testimony put the face to what kind of laws we are making. Thank you so much for passing this measure, and let’s put our people back to work. Mahalo.”

Senator Slom rose to speak in support of the measure with reservations as follows:

“On behalf of the Senate Minority, let me just say that we are very thankful that we were able to push this bill over with my 24 colleagues. Secondly, I want to thank the Vice Chair of the Ways and Means Committee for her yeoman work, and for her transparency, and for her inclusiveness. I think at every step of the way, we have been informed as to changes that needed to be made; there were considerations for additions and so forth. And while I recognize it’s still a work in progress and we have a way to go, I’m very pleased to give my support.

“However, I want to add some cautionary remarks, some of which I made before the Ways and Means Committee, and that is, first and foremost: this is not a panacea. This bill alone is not going to solve all or even the majority of our economic problems and the difficulties. And as someone who knows a

little bit about small business, let me tell you that we appreciate any efforts to improve small business, but we have to go a longer way. And we can't, at the same time, be having a bill like this and also talk about raising taxes here, raising taxes there, raising fees, raising mandates—doing all of those things as well to harm the small businesses.

“And as for putting people back to work, I really hope that we hit the 5,000 mark or higher, but I want my colleagues also to know that this is not just about alleviating the unemployment or underemployment of unionized workers. Ninety-eight percent of all of the businesses in the state are small businesses, and they're hurting too. Many businesses have shut down. Many employees have been let go. Many owners are hanging on by their fingernails at this point. So, our Legislature has to do more than just one bill, and more than just this particular bill.

“I also recognize, however, the need for repairs and maintenance to our schools, to our hospitals, to our government infrastructure. That is a primary responsibility, and it really is terrible how we've allowed our buildings to decline. I, like the good Senator from Maui, have served on annual inspection committees in the schools, and it's heartbreaking to see not only the work that has not been done, but also to be putting it off year after year. So, that's one of the primary positives about this measure, that hopefully we will get all of these things done. And again, I salute the Vice Chair, the good Senator from Mililani, who made sure that this was not a political measure where only some districts would benefit, but in fact districts statewide and priorities would be recognized.

“I do have a concern, however, about the shovel-ready projects. We have gone down this road before, Mr. President, and we were told that projects were shovel-ready, and we found out that different people have different definitions of what 'shovel-ready' really is. So hopefully this time, we can do a better job; we certainly have no shortage of projects that need to be done.

“Also, I think that it is important to realize that we don't allow our citizens to fall into the trap that we are over-promising, that we can do too many things with one bill. And the bill of course is not done yet. We hope that our colleagues over in the House will give it a speedy approval without any, or very many, major changes to it. But that is such the legislative process.

“The other thing that I wanted to mention was the fact that when we're talking about making these projects an investment, I always cringe when I hear about government investment because government investment is compulsory and it's using taxpayer money. And let there be no mistake: While I agree with the Chair of the Ways and Means Committee that if you're going to have bonds issued, this is the time to do it; the interest rates are good. I think our budget and finance director has done an outstanding job and continues to do so, but let's not forget that we are talking about added debt. And let's not forget the words of the budget director when he gave testimony before Ways and Means. He said in part, more plainly, for \$500 million in additional GO bond appropriations, the annual debt service for each year through year 4 annually will be an additional \$26,250,000, which assumes interest-only payments. For years 5 through 20 of this bond issue, annual debt service will be approximately \$47 million a year, which will include principal and interest. So let's not make any mistake about it: We have to pay back this investment we're making.

“So with those caveats, I join my colleagues, and I'm saying let's get on with the work and improve our infrastructure. Thank you, Mr. President.”

Senator Kouchi rose to speak in strong support of the measure as follows:

“First, the Vice Chair of the Ways and Means Committee covered so much of what I wanted to say, so I'd like to have her remarks inserted into the Journal as if they were my own [The Chair so ordered, by reference only.]. I'd simply say that well, we have a bill to pay, and like any homeowner, you decide which bill you want to pay. Do you want to pay your bill today and maintain your house so that it will last for your lifetime? Or do you defer those payments, say we can't afford it, that we're not going to invest in our future, and wind up handing the next generation a bill that would have to replace everything that is here today. I think that deferring investing in the home would be passing a more horrendous bill to the next generation, and likewise, this expenditure today is a wise investment on behalf of our children here in Hawai'i. As the Vice Chair said, this will also improve our schools; and what value can we place upon improving our students' learning environment? We want to create an environment that students can excel in and they are able to help build a better Hawai'i—that's what we all are working for here today.

“For the past few years, we've asked our employees to do much, much more with much less. We've asked them to take less pay, and so if we're able to reinvest in our facilities and at least give them a positive working environment, at least there's some reinforcement or acknowledgement of the job that they've been doing and an appreciation for the effort and the sacrifice that has been made on behalf of them. I was trying to say that this was a 'perfect storm' and was told by my office that that is a negative term, so luckily they're smarter than me and they said that this is a 'harmonic convergence' of events that allow us to proceed with this bill.

“In addition to low interest rates, we currently have a strong competitive bidding process because of the amount of people who aren't working—as testified to before the Ways and Means committee, because of the lack of economic activity worldwide—and we have competitive pricing in building materials which did not previously exist. And I think that when you look at all of those items in addition to the cost savings we'll get from the energy efficiency and renewable investment, we'll have an ability to find ways to pay the bond. And I always give my little Kaua'i example, in closing: \$5.2 million to renovate the old Lihu'e Courthouse, which is currently vacant, will allow people from state agencies who are currently renting on Kaua'i to move into this state-owned facility. We pay \$800,000 a year in leases—even if we move just half of these offices into state-owned buildings, within 14 years we would pay back that bill and we would get greater payback. Opportunities like this exist statewide, and I think with that kind of opportunity, it would be foolish for us not to go forward. Thank you.”

Senator Galuteria rose to speak in strong support of the measure as follows:

“Mahalo, Mr. President. Colleagues, may I begin by extending an appropriate mahalo to the Chair and Vice Chair of the Senate Ways and Means Committee who worked tirelessly to bring form and function to Senate Bill 2012, the Invest in Hawai'i Act of 2012. The Senate is presenting an aggressive, bipartisan, capital improvement package aimed at creating jobs by investing and stimulating our local economy from all corners of the state, as illustrated by the good Senators from each and every county. As explained by the Vice Chair of WAM, projects under consideration will focus on R&M needs addressing aging infrastructure, and to extend the useful life of existing state-owned assets and facilities. It will also address health and safety codes. In addition, Mr. President, some of the projects are contained in Governor Abercrombie's \$300 million request for construction projects, if they meet the criteria. In addition, we are always proud of legislation that unites all members of the Senate. I appreciate the Minority Leader's

bipartisan support as he clearly vets this initiative and we continue to have dialogue going forward.

“Now, we’ve had a lot of discussion in this town, and between the Minority and the Majority, about how to emerge from the recent recessionary period. The fact of the matter is, the most significant driver is getting jobs on the ground. The problems didn’t emerge overnight; we’ve debated what we need to do, but too often efforts at a comprehensive plan, as we’re speaking here today, often fall apart due to petty politics and a failure to communicate. What’s been so encouraging about this initiative is a shift in these patterns. As indicated by our Ways and Means Chair, with Hawai‘i experiencing the lowest rates on record and significant savings made from the state’s most recent bond authorization and issuance, now is the time to invest in our state. With this proactive approach at stimulating our economy, the Senate purposefully supports Hawai‘i’s small businesses, where most new jobs begin. The Senate is committed to supporting the entrepreneurial and creative spirit of Hawai‘i’s people; investing in citizens will amount to contributions, colleagues, to our state that far outweigh the investment.

“With this jolt in the economy, we continue to work in tandem with the executive branch in creating jobs in a sustainable economy while improving the social safety net; and by addressing areas in the backlog of projects, we invest in the state’s information technology infrastructure in order to increase productivity, making government more efficient and to better serve the public.

“We’ve got to get this done this year, both in the Senate and in the House. Now is the time to rise and make real the promises of such dynamic legislation. So colleagues, in closing, let us pass the Invest in Hawai‘i Act of 2012, SB 2012, today with commitment and enthusiasm. The bill will go to the House next for consideration, and I would urge our colleagues in the House to join us with enthusiasm and commitment. Mahalo, colleagues. Mahalo, Mr. President.”

The motion was put by the Chair and carried, S.B. No. 2012, S.D. 1, entitled: “A BILL FOR AN ACT RELATING TO PUBLIC FUNDS,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Kahale, Solomon).

S.B. No. 2508, S.D. 2:

On motion by Senator Hee, seconded by Senator Shimabukuro and carried, S.B. No. 2508, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO CAMPAIGN REPORTING LAWS,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Solomon).

Stand. Com. Rep. No. 2417 (S.B. No. 2771, S.D. 1):

Senator Ige moved that Stand. Com. Rep. No. 2417 be adopted and S.B. No. 2771, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Kidani.

Senator Slom rose to speak in support of the measure with reservations as follows:

“There’s no doubt about the costs outlaid by various state departments, and fortunately they’re well below what the city spent for APEC. I just raise concerns that I had raised before about this conference overall and about its impact on local businesses.

“I think here again was a clear example of over-promising what the benefits were going to be, and yet we’ve seen that a lot of businesses, particularly small businesses, actually suffered through the APEC conference. And, in fact, there is or will be a

lawsuit by a number of these businesses against the state for losses that they experienced because of a closing of major arteries, of the inability of people to get to their businesses, and so forth. And I think with all the hoopla and all the great statements about what APEC has done and will do for the State of Hawai‘i, I think that we should take these considerations into mind the next time we plan some kind of global forum. Thank you.”

Senator Hee rose to speak in support of the measure as follows:

“I think the Judiciary Committee members will recall that the request by the attorney general’s office on behalf of law enforcement did not make it through the final days, despite the Judiciary Committee’s reservations that this was an opportunity for them to upgrade their equipment, as well as get 38 cases of water per security officer, despite the fact that the security officer hadn’t drank a bottle of water that particular day. I think this demonstrates that a lot of these conferences provide opportunities for people who otherwise would not be able to scam the government for funding for which it really didn’t need. I can recall the Lieutenant Governor saying, ‘Don’t worry about it; you got my guarantee the federal government is going to reimburse.’ You don’t need to guarantee the reimbursement; Judiciary didn’t do it. So, while I support this bill, let us heed what history has taught us with APEC, and that is: The opportunities for law enforcement and others to feather their nests at the expense of the taxpayers is really something that should be scrutinized much more than represented by government. Thank you.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 2417 was adopted and S.B. No. 2771, S.D. 1, entitled: “A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR REIMBURSEMENT OF COSTS RELATED TO THE ASIA-PACIFIC ECONOMIC COOPERATION MEETINGS,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Solomon).

Stand. Com. Rep. No. 2418 (S.B. No. 2808):

Senator Ige moved that Stand. Com. Rep. No. 2418 be adopted and S.B. No. 2808, having been read throughout, pass Third Reading, seconded by Senator Kidani.

Senator Slom rose to speak in support of the measure with reservations as follows:

“You know, I’ve been critical in the past of the fact that we use the term ‘emergency appropriation’ all the time, every year; everything is an emergency appropriation. To me, it shows a lack of budgeting. It also shows a lack of changing the direction of government, and because human services are now approaching the same level of government spending as Department of Education in our state, I think we need to be even more concerned about how the money is spent.

“One question that I did have, and possibly someone can answer it for me: I know that the Governor was to submit a report prior to the legislative session detailing these expenditures and programs, but I did not see a copy of it. It may be my oversight, but I just wanted to make sure that, in fact, that report had been received by the Legislature. Thank you, Mr. President.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 2418 was adopted and S.B. No. 2808, entitled: “A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF HUMAN

SERVICES FOR HEALTH CARE PAYMENTS,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Solomon).

At this time, the Chair made the following announcement:

“Referrals and re-referrals are made in accordance with the Supplemental Order of the Day that may be distributed to your offices later this afternoon.”

ADJOURNMENT

At 12:30 p.m., on motion by Senator Espero, seconded by Senator Slom and carried, the Senate adjourned until 11:30 a.m., Wednesday, February 22, 2012.