

## FIFTEENTH DAY

## Friday, February 8, 2013

The Senate of the Twenty-Seventh Legislature of the State of Hawai'i, Regular Session of 2013, convened at 11:47 a.m. with the President in the Chair.

The Roll was called showing all Senators present.

The President announced that she had read and approved the Journal of the Fourteenth Day.

## HOUSE COMMUNICATIONS

The following communications from the House (Hse. Com. Nos. 11 to 13) were read by the Clerk and were disposed of as follows:

Hse. Com. No. 11, transmitting H.B. No. 18, which passed Third Reading in the House of Representatives on February 7, 2013, was placed on file.

On motion by Senator Espero, seconded by Senator Slom and carried, H.B. No. 18, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM ELECTRONIC LEGAL MATERIAL ACT," passed First Reading by title and was deferred.

Hse. Com. No. 12, transmitting H.C.R. No. 41, which was adopted by the House of Representatives on February 7, 2013, was placed on file.

By unanimous consent, action on H.C.R. No. 41, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE UNITED STATES CONGRESS TO RENAME THE KILAUEA POINT LIGHTHOUSE LOCATED ON THE ISLAND OF KAUAI, HAWAII, IN HONOR OF THE LATE SENATOR DANIEL K. INOUE," was deferred until Monday, February 11, 2013.

Hse. Com. No. 13, transmitting H.C.R. No. 42, which was adopted by the House of Representatives on February 7, 2013, was placed on file.

By unanimous consent, action on H.C.R. No. 42, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF TRANSPORTATION TO DESIGNATE, WHEN APPROPRIATE, ROUTE 200 ON THE ISLAND OF HAWAII AS THE DANIEL K. INOUE LEGACY HIGHWAY," was deferred until Monday, February 11, 2013.

## JUDICIARY COMMUNICATION

The following communication from the Judiciary (Jud. Com. No. 3) was read by the Clerk and was placed on file:

Jud. Com. No. 3 dated February 5, 2013, transmitting the following reports: The Judiciary's 2012 Annual Report; Final Report of the Judiciary Strategic Planning Committee, "Hawaii Judiciary 20/20: Our Vision;" and The State of the Judiciary Address.

## STANDING COMMITTEE REPORTS

Senators Tokuda and Hee, for the Committee on Education and the Committee on Judiciary and Labor, presented a joint report (Stand. Com. Rep. No. 132) recommending that S.B. No. 1084 pass Second Reading and be referred to the Committee on Ways and Means.

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

"Thank you, Madam Chair. I'd like to rise in support but express some reservations about Senate Bills 1084, 1093, and 1095.

"I support early childhood education. I applaud the Administration and this Legislature for moving this effort forward, and especially the efforts of the chair and the Senate committee who have worked so hard on the matter. And I also respect the many groups who dedicated much time to this effort. However, I feel compelled to express two concerns as we move this discussion forward this session.

"First, I want to make sure that we do not make changes in our existing early childhood education network that will make it more difficult for the small businesses that operate these schools. Our state's blessed with many wonderful and long-time private early childhood educators, and in fact, my two daughters went to the same early learning school that my younger brother went to. None of us want to see these important partners in this effort negatively impacted, and I know that the ongoing discussion in this Legislature will take this into consideration.

"The second concern I wanted to express is that our Department of Education is tackling a Herculean job of raising our K-12 student achievement. At the same time they're implementing and creating new systemic changes affecting teachers and principals; addressing concerns with the bus and food services; operating, repairing, and maintaining 256 schools on 7 islands. So, in short, they are changing tires on an express bus at full speed. And I know all of us want the DOE to succeed in these efforts, and we've been mindful about diverting their attention to allow them to keep their focus on these tasks.

"And so I just wanted to support these efforts, but express the reservations to encourage discussion as we go forward to be able to find the best location for an early childhood education program, so that we can have good partnerships with the private sectors and not divert well-deserving K-12 student attention.

"Madam Chair, in addition to the reservations about Senate Bills 1084, 1093, and 1095, I'd also ask my vote to include reservations about Senate Bills 1194 and 1202. Thank you."

On motion by Senator Espero, seconded by Senator Slom and carried, the joint report of the Committees was adopted and S.B. No. 1084, entitled: "A BILL FOR AN ACT PROPOSING AN AMENDMENT TO ARTICLE X, SECTION 1, OF THE HAWAII STATE CONSTITUTION TO PERMIT THE APPROPRIATION OF PUBLIC FUNDS FOR PRIVATE EARLY CHILDHOOD EDUCATION PROGRAMS," passed Second Reading with Senator Thielen voting "Aye with Reservations" and was referred to the Committee on Ways and Means.

Senator Tokuda, for the majority of the Committee on Education, presented a report (Stand. Com. Rep. No. 133) recommending that S.B. No. 1095, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

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

"Thank you, Madam Chair. I'd like to rise in support but express some reservations about Senate Bills 1084, 1093, and 1095.

"I support early childhood education. I applaud the Administration and this Legislature for moving this effort

forward, and especially the efforts of the chair and the Senate committee who have worked so hard on the matter. And I also respect the many groups who dedicated much time to this effort. However, I feel compelled to express two concerns as we move this discussion forward this session.

"First, I want to make sure that we do not make changes in our existing early childhood education network that will make it more difficult for the small businesses that operate these schools. Our state's blessed with many wonderful and long-time private early childhood educators, and in fact, my two daughters went to the same early learning school that my younger brother went to. None of us want to see these important partners in this effort negatively impacted, and I know that the ongoing discussion in this Legislature will take this into consideration.

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"And so I just wanted to support these efforts, but express the reservations to encourage discussion as we go forward to be able to find the best location for an early childhood education program, so that we can have good partnerships with the private sectors and not divert well-deserving K-12 student attention.

"Madam Chair, in addition to the reservations about Senate Bills 1084, 1093, and 1095, I'd also ask my vote to include reservations about Senate Bills 1194 and 1202. Thank you."

On motion by Senator Espero, seconded by Senator Slom and carried, the report of the majority of the Committee was adopted and S.B. No. 1095, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EARLY CHILDHOOD EDUCATION," passed Second Reading with Senator Thielen voting "Aye with Reservations" and was referred to the Committee on Ways and Means.

Senator Baker, for the Committee on Commerce and Consumer Protection, presented a report (Stand. Com. Rep. No. 134) recommending that S.B. No. 214, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Espero, seconded by Senator Slom and carried, the report of the Committee was adopted and S.B. No. 214, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MORTGAGES," passed Second Reading and was referred to the Committee on Ways and Means.

Senator Baker, for the Committee on Commerce and Consumer Protection, presented a report (Stand. Com. Rep. No. 135) recommending that S.B. No. 1070, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Espero, seconded by Senator Slom and carried, the report of the Committee was adopted and S.B. No. 1070, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MORTGAGE SERVICERS," passed Second Reading and was referred to the Committee on Ways and Means.

Senator Baker, for the majority of the Committee on Commerce and Consumer Protection, presented a report (Stand.

Com. Rep. No. 136) recommending that S.B. No. 1069, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Espero, seconded by Senator Slom and carried, the report of the majority of the Committee was adopted and S.B. No. 1069, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MORTGAGE LOAN ORIGINATION," passed Second Reading and was referred to the Committee on Ways and Means.

Senator Baker, for the Committee on Commerce and Consumer Protection, presented a report (Stand. Com. Rep. No. 137) recommending that S.B. No. 968, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Judiciary and Labor.

On motion by Senator Espero, seconded by Senator Slom and carried, the report of the Committee was adopted and S.B. No. 968, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SERVICE BY PUBLICATION," passed Second Reading and was referred to the Committee on Judiciary and Labor.

Senators Galuteria and Baker, for the Committee on Tourism and Hawaiian Affairs and the Committee on Commerce and Consumer Protection, presented a joint report (Stand. Com. Rep. No. 138) recommending that S.B. No. 1360 pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Espero, seconded by Senator Slom and carried, the joint report of the Committees was adopted and S.B. No. 1360, entitled: "A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX," passed Second Reading and was referred to the Committee on Ways and Means.

Senator Galuteria, for the Committee on Tourism and Hawaiian Affairs, presented a report (Stand. Com. Rep. No. 139) recommending that S.B. No. 488 pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Espero, seconded by Senator Slom and carried, the report of the Committee was adopted and S.B. No. 488, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII TOURISM AUTHORITY," passed Second Reading and was referred to the Committee on Ways and Means.

Senators Green and Baker, for the Committee on Health and the Committee on Commerce and Consumer Protection, presented a joint report (Stand. Com. Rep. No. 140) recommending that S.B. No. 1124 pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Espero, seconded by Senator Slom and carried, the joint report of the Committees was adopted and S.B. No. 1124, entitled: "A BILL FOR AN ACT RELATING TO THE DIETITIAN LICENSURE SPECIAL FUND," passed Second Reading and was referred to the Committee on Ways and Means.

Senators Green and Baker, for the Committee on Health and the Committee on Commerce and Consumer Protection, presented a joint report (Stand. Com. Rep. No. 141) recommending that S.B. No. 668, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Espero, seconded by Senator Slom and carried, the joint report of the Committees was adopted and S.B. No. 668, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Second Reading and was referred to the Committee on Ways and Means.

Senators Baker and Galuteria, for the Committee on Commerce and Consumer Protection and the Committee on

Tourism and Hawaiian Affairs, presented a joint report (Stand. Com. Rep. No. 142) recommending that S.B. No. 500, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Espero, seconded by Senator Slom and carried, the joint report of the Committees was adopted and S.B. No. 500, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSIENT ACCOMMODATIONS," passed Second Reading and was referred to the Committee on Ways and Means.

Senator Chun Oakland, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 143) recommending that S.B. No. 58, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Espero, seconded by Senator Slom and carried, the report of the Committee was adopted and S.B. No. 58, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LANGUAGE ACCESS," passed Second Reading and was referred to the Committee on Ways and Means.

Senator Chun Oakland, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 144) recommending that S.B. No. 148, as amended in S.D. 1, be recommitted to the Committee on Human Services.

On motion by Senator Espero, seconded by Senator Slom and carried, the report of the Committee was adopted and S.B. No. 148, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES," was recommitted to the Committee on Human Services.

Senator Chun Oakland, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 145) recommending that S.B. No. 1099, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Espero, seconded by Senator Slom and carried, the report of the Committee was adopted and S.B. No. 1099, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ELIMINATING THE ASSET LIMIT ELIGIBILITY REQUIREMENT FOR THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM," passed Second Reading and was referred to the Committee on Ways and Means.

Senator Chun Oakland, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 146) recommending that S.B. No. 1101, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Espero, seconded by Senator Slom and carried, the report of the Committee was adopted and S.B. No. 1101, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ESTABLISHMENT OF THE INTERIM ASSISTANCE REIMBURSEMENT SPECIAL FUND," passed Second Reading and was referred to the Committee on Ways and Means.

Senators Tokuda and Chun Oakland, for the majority of the Committee on Education and the majority of the Committee on Human Services, presented a joint report (Stand. Com. Rep. No. 147) recommending that S.B. No. 1093, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

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

"Thank you, Madam Chair. I'd like to rise in support but express some reservations about Senate Bills 1084, 1093, and 1095.

"I support early childhood education. I applaud the Administration and this Legislature for moving this effort forward, and especially the efforts of the chair and the Senate committee who have worked so hard on the matter. And I also respect the many groups who dedicated much time to this effort. However, I feel compelled to express two concerns as we move this discussion forward this session.

"First, I want to make sure that we do not make changes in our existing early childhood education network that will make it more difficult for the small businesses that operate these schools. Our state's blessed with many wonderful and long-time private early childhood educators, and in fact, my two daughters went to the same early learning school that my younger brother went to. None of us want to see these important partners in this effort negatively impacted, and I know that the ongoing discussion in this Legislature will take this into consideration.

"The second concern I wanted to express is that our Department of Education is tackling a Herculean job of raising our K-12 student achievement. At the same time they're implementing and creating new systemic changes affecting teachers and principals; addressing concerns with the bus and food services; operating, repairing, and maintaining 256 schools on 7 islands. So, in short, they are changing tires on an express bus at full speed. And I know all of us want the DOE to succeed in these efforts, and we've been mindful about diverting their attention to allow them to keep their focus on these tasks.

"And so I just wanted to support these efforts, but express the reservations to encourage discussion as we go forward to be able to find the best location for an early childhood education program, so that we can have good partnerships with the private sectors and not divert well-deserving K-12 student attention.

"Madam Chair, in addition to the reservations about Senate Bills 1084, 1093, and 1095, I'd also ask my vote to include reservations about Senate Bills 1194 and 1202. Thank you."

On motion by Senator Espero, seconded by Senator Slom and carried, the joint report of the majority of the Committees was adopted and S.B. No. 1093, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL READINESS," passed Second Reading with Senator Thielen voting "Aye with Reservations" and was referred to the Committee on Ways and Means.

Senator Tokuda, for the Committee on Education, presented a report (Stand. Com. Rep. No. 148) recommending that S.B. No. 49, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Espero, seconded by Senator Slom and carried, the report of the Committee was adopted and S.B. No. 49, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Second Reading and was referred to the Committee on Ways and Means.

Senator Chun Oakland, for the Committee on Human Services, presented a report (Stand. Com. Rep. No. 149) recommending that S.B. No. 1237, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Espero, seconded by Senator Slom and carried, the report of the Committee was adopted and S.B. No. 1237, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LONG-TERM CARE FACILITIES," passed

Second Reading and was referred to the Committee on Ways and Means.

Senator Galuteria, for the majority of the Committee on Tourism and Hawaiian Affairs, presented a report (Stand. Com. Rep. No. 150) recommending that S.B. No. 1194, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

Senator Thielen requested her vote be cast "Aye with Reservations," and the Chair so ordered.

On motion by Senator Espero, seconded by Senator Slom and carried, the report of the majority of the Committee was adopted and S.B. No. 1194, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSIENT ACCOMMODATIONS TAX," passed Second Reading with Senator Thielen voting "Aye with Reservations" and was referred to the Committee on Ways and Means.

Senator Galuteria, for the majority of the Committee on Tourism and Hawaiian Affairs, presented a report (Stand. Com. Rep. No. 151) recommending that S.B. No. 1202 pass Second Reading and be referred to the Committee on Ways and Means.

Senator Thielen requested her vote be cast "Aye with Reservations," and the Chair so ordered.

On motion by Senator Espero, seconded by Senator Slom and carried, the report of the majority of the Committee was adopted and S.B. No. 1202, entitled: "A BILL FOR AN ACT RELATING TO TRANSIENT ACCOMMODATIONS TAX," passed Second Reading with Senator Thielen voting "Aye with Reservations" and was referred to the Committee on Ways and Means.

Senators Solomon and Gabbard, for the Committee on Water and Land and the Committee on Energy and Environment, presented a joint report (Stand. Com. Rep. No. 152) recommending that S.B. No. 319 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Espero, seconded by Senator Slom and carried, the joint report of the Committees was adopted and S.B. No. 319, entitled: "A BILL FOR AN ACT RELATING TO THRILL CRAFT," passed Second Reading and was placed on the calendar for Third Reading on Monday, February 11, 2013.

Senators Solomon and Gabbard, for the Committee on Water and Land and the Committee on Energy and Environment, presented a joint report (Stand. Com. Rep. No. 153) recommending that S.B. No. 454, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Espero, seconded by Senator Slom and carried, the joint report of the Committees was adopted and S.B. No. 454, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO WATER CONSERVATION," passed Second Reading and was placed on the calendar for Third Reading on Monday, February 11, 2013.

Senator Hee rose and said:

"Madam President, just so that I understand, this is Second Reading?"

The Chair responded that Senator Hee was correct.

Senator Hee continued:

"Okay, I have some concerns; I'll wait until Final Reading. Thank you."

## ORDER OF THE DAY

### THIRD READING

S.B. No. 306, S.D. 1:

On motion by Senator Chun Oakland, seconded by Senator Green and carried, S.B. No. 306, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAID," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 839:

On motion by Senator Espero, seconded by Senator Baker and carried, S.B. No. 839, entitled: "A BILL FOR AN ACT RELATING TO POLICE DEPARTMENT REPORTS TO THE LEGISLATURE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 26, H.D. 1:

On motion by Senator Ige, seconded by Senator Kidani and carried, H.B. No. 26, H.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS TO PROVIDE FOR THE EXPENSES OF THE LEGISLATURE, THE AUDITOR, THE LEGISLATIVE REFERENCE BUREAU, THE OMBUDSMAN, AND THE ETHICS COMMISSION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

At this time, Senator Slom rose to speak on a point of personal privilege as follows:

"First of all, let me say to our guests from Maui, Mr. Tyler and Mr. Fleetwood: It's really good to see people that come here that actually stay for a session rather than just a photo op, and I appreciate that.

"This is our 15th legislative day out of 60; one quarter of the way. Our public is still clamoring for an improvement in their standard of living and our business climate. So far, all we've talked about are more tax increases, more fee increases, more regulations. We haven't done anything to improve the opportunity to attract more business, to create more jobs. In fact, we haven't even talked about that; we've talked about more government.

"We've got to adjust our focus. We've got to listen to the people that know how to create jobs who have told us the things that we have to do. We have to stop being number 49 or 50 in the country in terms of economic vitality and entrepreneurship. We have to develop a healthy and hospitable business climate because that's going to be beneficial for all of us. Thank you, Madam President."

### RE-REFERRAL OF SENATE BILLS

The Chair re-referred the following Senate bills that were introduced:

S.B. No.:	Re-referred to:
S.B. No. 137, S.D. 1	Committee on Health, then to the Committee on Ways and Means
S.B. No. 138, S.D. 1	Committee on Health, then to the Committee on Ways and Means
S.B. No. 148, S.D. 1	Committee on Human Services, then to the Committee on Ways and Means

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**ADJOURNMENT**

At 11:55 a.m., on motion by Senator Espero, seconded by Senator Slom and carried, the Senate adjourned until 11:30 a.m., Monday, February 11, 2013.