DAVID Y. IGE GOVERNOR

JOHN WHALEN CHAIR

GARETT KAMEMOTO INTERIM EXECUTIVE DIRECTOR



HAWAII COMMUNITY DEVELOPMENT AUTHORITY

547 Queen Street, Honolulu, Hawaii 96817 Web site: http://dbedt.hawaii.gov/hcda/ Telephone: Fax: (808) 594-0300 (808) 587-0299

STATEMENT OF GARETT KAMEMOTO, INTERIM EXECUTIVE DIRECTOR HAWAII COMMUNITY DEVELOPMENT AUTHORITY

Before the HOUSE COMMITTEE ON FINANCE

Monday, June 29, 2020 2:00 P.M. State Capitol, Conference Room 329

in consideration of

SB 2844, SD2, HD1 MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR EMPLOYEES

Chair Luke, Vice Chair Cullen, and members of the committee.

The Hawaii Community Development Authority (HCDA) supports SB 2844, SD2, HD1.

Passage of this measure will fund the settlement: Carolyn Ward Aki v. City and County of Honolulu, et al. a \$55,000 settlement, in which the plaintiff tripped on an Ohe Street sidewalk where a tree root lifted a portion. The plaintiff suffered injury, was hospitalized and had rehabilitative care. At the time, HCDA was the landowner, but has since transferred ownership to the City and County of Honolulu. The Court Annex Arbitration Program arbitrator found the State of Hawaii and HCDA collectively liable. The parties then reached a settlement. The requested settlement was approved by the HCDA Kakaako Board.

The settlement would be more cost effective than proceeding with further litigation.

Thank you for the opportunity to testify on SB 2844, SD2, HD1.



WRITTEN TESTIMONY OF THE DEPARTMENT OF THE ATTORNEY GENERAL THIRTIETH LEGISLATURE, 2020

ON THE FOLLOWING MEASURE:

S.B. NO. 2844, S.D. 2, H.D. 1, MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES.

BEFORE THE: HOUSE COMMITTEE ON FINANCE



DATE: Monday, June 29, 2020

TIME: 2:00 p.m.

LOCATION: State Capitol, Room 329

TESTIFIER(S): WRITTEN TESTIMONY ONLY. (For more information, contact Caron Inagaki, Deputy Attorney General, at 586-1494)

Chair Luke and Members of the Committee:

The Department of the Attorney General supports this bill.

The purpose of this bill is to seek appropriations to satisfy claims against the State, its officers, or its employees, including claims for legislative relief, judgments against the State, settlements, and miscellaneous claims.

The bill contains twenty-eight (28) claims that total \$1,980,205.70. Sixteen (16) claims are general fund appropriation requests that total \$162,080.26 and twelve (12) claims are appropriation requests from departmental funds that total \$1,818,125.44. Attachment A provides a brief description of each claim in the bill.

Since the bill was last amended, one (1) new claim has been resolved for an additional \$40,000.00. This claim is an appropriation request from a departmental fund. Attachment B provides a brief description of the new claim.

We are also seeking to add the <u>Miller-Potter v. State of Hawaii, et al.</u>, Civil No. 16-1-0385K, claim for \$75,000.00 that was approved for payment by Act 99, Session Laws of Hawaii (SLH) 2019 but the Hawaii state public charter school did not have the funds to pay the claim. This would make Senate Bill No. 3180, which seeks an emergency appropriation to the state public charter school commission to pay this claim, unnecessary.

Testimony of the Department of the Attorney General Thirtieth Legislature, 2020 Page 2 of 12

Including the new claim and the <u>Miller-Potter</u> claim, the appropriation requests total \$2,095,205.70 allocated among thirty (30) claims. Of this total \$237,080.26 are general fund appropriation requests, and \$1,858,125.44 are appropriation requests from departmental funds.

The Department has had a longstanding policy of advising agencies as to how to avoid claims such as those in this bill. The Department also has complied with section 37-77.5, Hawaii Revised Statutes, which requires the Attorney General to develop and implement a procedure for advising our client agencies on how to avoid future claims.

We also request that the bill be amended to make the effective date retroactive to June 30, 2020, so that payments can be made out of the fiscal year 2019-2020 yearend moneys. On page 13, line 7, the bill would be amended as follows:

SECTION 15. This Act, <u>upon its approval</u>, shall take effect upon its approval <u>retroactive to June 30, 2020</u>.

As noted above, we additionally request that the <u>Miller-Potter</u> claim that is the subject of Senate Bill No. 3180 be incorporated into this bill as follows and that the funds be appropriated out of the general revenues of the State of Hawaii to the department of the Attorney general for purposes of satisfying this claim.

HAWAII PUBLIC CHARTER SCHOOL:

Miller-Potter v. State of Hawaii, et al.	\$ 75,000.00
Civil No. 16-1-0385K, Third Circuit	Settlement

This claim was approved in last year's appropriations bill, Act 99, SLH 2019, but the moneys were to be expended from the fiscal year 2018-2019 budget by the Hawaii state public charter school. The charter school in question, Waimea Middle Public Conversion Charter School, did not have any funds that were not already designated for the operation of the charter school and the education of the public charter school students. The charter school was not able to pay this settlement without negatively impacting the financial operations of the school. Alternative to seeking the emergency appropriation in Senate Bill No. 3180 for \$75,000, we are requesting that this claim be added to Senate Bill No. 2844 and an appropriation in this amount be authorized out of Testimony of the Department of the Attorney General Thirtieth Legislature, 2020 Page 3 of 12

the general fund to the department of the attorney general. A brief description of this claim has been added to Attachment B.

We respectfully request the passage of this bill with amendments to add the new claims, including the <u>Miller-Potter</u> claim, and to allow payments to be made retroactive to June 30, 2020.

Testimony of the Department of the Attorney General Thirtieth Legislature, 2020 Page 4 of 12

ATTACHMENT "A"

DEPARTMENT OF EDUCATION:

Lau, et al. v. Kenui, et al. Civil No. 17-1-0209, Third Circuit

\$ 40,000.00 Settlement

This case arises out of a two-car accident that occurred on August 2, 2015, in Hilo. Plaintiff Joseph Lau was driving his truck south on Kilauea Avenue. Defendant student driver was operating a State of Hawaii Department of Education (State DOE) vehicle east on Kahaopea Street. The DOE driving instructor was supervising the student at the time of the accident.

On the day of the accident, it had been raining heavily. The student driver reached the intersection at Kilauea Avenue and stopped at the stop line, checked both directions for approaching vehicles on Kahaopea Street, then proceeded slowly after she saw no approaching vehicles traveling on Kilauea Avenue. As the DOE vehicle slowly traveled into the intersection, the Lau truck suddenly came into view. The front of the DOE vehicle struck the front seat passenger side of the Lau truck. The DOE vehicle had a stop sign and stop bar. The Lau truck had the right-of-way on Kilauea Avenue. The DOE vehicle had to yield to the truck's right-of-way.

Plaintiffs allege that Mr. Lau and his granddaughter minor G.L.-A., who was a passenger in the truck, sustained physical and emotions injuries. Plaintiff Anneliese Lau is Mr. Lau's wife and the minor's grandmother. Both Mr. Lau and his granddaughter sustained physical injuries as the result of the accident, and received medical treatment for those injuries.

Zhang v. State of Hawaii, et al.	\$ 130,000.00
Civil No. 19-1-0824-05, First Circuit	Settlement

In June of 2017, student K.Z. participated in a summer session physical education class at Kalani High School. K.Z. has been a DOE special education ("SPED") student since kindergarten and he planned to start as a freshman at Kalani when the academic year began in August of 2017. The first PE module was swimming conducted under the supervision of a single DOE teacher. Students like K.Z. who could not swim were instructed to stay in the shallow end of the pool but there was no physical divider or demarcation in the water between the shallow and overhead depths. The non-swimmers did not have flotation devices.

Near the end of the first class and while the instructor's attention was distracted away from the pool, K.Z. walked alone and unnoticed toward the deep end. When he started to struggle, K.Z. was fully underwater and looked initially like he was playing around. This delayed his classmates' call for help. In addition, the teacher's height of eye on the

Testimony of the Department of the Attorney General Thirtieth Legislature, 2020 Page 5 of 12

pool deck kept him from noticing K.Z.'s predicament at the bottom of the pool any sooner. Based on post-accident oxygen levels noted by EMS, Plaintiffs estimate that K.Z. may have been under water for 3-4 minutes. K.Z. was revived by the instructor and transported to Kapiolani where he was treated and observed for 3 days.

The case proceeded to mediation, which resulted in the settlement.

STATE PUBLIC CHARTER SCHOOL COMMISSION:

HGEA/AFSCME on Behalf of Ardith Renteria, and	\$ 71,594.18
Charter Volcano School of Arts and Sciences	Judgment

A Charter School principal was terminated. Principal was reinstated for the rest of the school year. The judgment is for back pay offset.

HAWAII COMMUNITY DEVELOPMENT AUTHORITY:

Carolyn Ward Aki v. City and County of Honolulu, et al.	\$ 55,000.00
Civil No. 17-1-1861-11 GWBC, First Circuit	Settlement

Plaintiff tripped on a sidewalk on Ohe Street in Kaka'ako where a tree root had lifted a portion of the sidewalk. Plaintiff suffered injuries to her arm and hip that required hospitalization and rehabilitative care. At the time of Plaintiff's injury, the sidewalk was owned by the Hawai'i Community Development Authority ("HCDA") but ownership has since been transferred to the City and County of Honolulu.

The case proceeded to Court Annex Arbitration Program. The Arbitrator found Defendants State of Hawaii and HCDA collectively liable and responsible. The parties then reached a settlement.

HAWAII STATE PUBLIC LIBRARY SYSTEM:

United States Environmental Protection Agency,\$ 143,990.00Region 9 – Hawaii State Public Library SystemSettlement

The Hawaii State Public Library System (HSPLS) has two Large Capacity Cesspools (LCC); one located at the Waialua Public Library and one located at the Kealakekua Public Library. The Environmental Protection Agency (EPA) promulgated Underground Injection Control (UIC) regulations pursuant to the Safe Drinking Water Act. The UIC regulations required that all existing LCCs be closed by April 5, 2005. The HSPLS LCCs were not closed in accordance with those UIC regulations and were subject to substantial penalties as a result.

Testimony of the Department of the Attorney General Thirtieth Legislature, 2020 Page 6 of 12

DEPARTMENT OF LAND AND NATURAL RESOURCES:

Ching, et al. v. Case, et al.\$ 9,514.99Civil No. 14-1-1085-04, First CircuitJudgment

This civil action was filed against the State alleging a violation of the public trust doctrine in connection with the Department of Land and Natural Resources' management of State lands leased to the United States for military training purposes at Pohakuloa on the Island of Hawaii. The Circuit Court of the First Circuit, Judge Gary W.B. Chang presiding, found that the State breached its public trust duty to conduct periodic inspections of the leased land at Pohakuloa, and ordered the State to submit a management and inspection plan for approval. The Circuit Court also awarded costs to Plaintiffs in the amount of \$9,514.99, although the award of costs was stayed pending the outcome of the State's appeal. On appeal, the Hawaii Supreme Court upheld the Circuit Court's findings (with certain modifications), including the award of costs. The total amount of the judgment for costs is \$9,514.99.

Gold Coast Neighborhood Association v.\$ 13,160.94State of Hawaii, et al., Civil No. 07-1-1122-06,JudgmentFirst Circuit

Gold Coast Neighborhood Association (GCNA) sued the State seeking a declaration that the State owns, and has a duty to repair, seawalls in front of various condominiums and co-ops along Waikiki's Gold Coast. After trial, appeal to the Intermediate Court of Appeals, and certiorari to the Hawaii Supreme Court, the Supreme Court ruled that the State owns an easement on the walls and the State shares responsibility to repair with the condominiums and co-ops. The Supreme Court held that GCNA was the prevailing party. The trial court awarded costs of \$13,160.94.

Keauhou Canoe Club v. Department of Land\$ 9,918.58and Natural Resources, et al.JudgmentCivil No. 13-1-678K, Third CircuitJudgment

This civil action was filed against the State to address whether an Environmental Assessment (EA) was required for a State harbor project at Keauhou Bay on the Island of Hawaii. The project involved renovations to vessel moorings in Keauhou Bay. After suit was filed, the State voluntarily agreed to prepare an EA for the renovation project if it proceeded, making the relief sought by the Plaintiff moot. The Circuit Court granted summary judgment in favor of the State and dismissed all of Plaintiffs' claims, but still awarded the Plaintiff's attorneys' fees, costs, and post-judgment interest. The State appealed.

Testimony of the Department of the Attorney General Thirtieth Legislature, 2020 Page 7 of 12

On appeal, the Intermediate Court of Appeals upheld the award of fees and costs, finding that the suit prompted the client agency to make the determination to prepare an EA if the project were to proceed. However, the Intermediate Court of Appeals reversed the Circuit Court's award of interest thereon. Accordingly, the total amount of the judgment on appeal is \$9,918.58.

DEPARTMENT OF PUBLIC SAFETY:

Firth, et al. v. County of Maui, et al.	\$ 350,000.00
Civil No. 18-1-0234(4), Second Circuit	Settlement

Plaintiff fell down in a holding cell at the Wailuku Courthouse while in the State Department of Public Safety's custody. His head struck the metal toilet in the holding cell, causing him to need urgent brain surgery at the Queen's Medical Center on Oahu. Plaintiff allegedly continues to suffer permanent brain damage from this incident and will require 24-hour care for the rest of his life in a facility designed for persons with cognitive deficits. Plaintiff's mother claims that she was impacted emotionally and nearly lost her job, her house, and suffered other lost income as a result of Plaintiff's injury and prolonged recovery.

Shiira v. State of Hawaii, et al.	\$ 44,946.75
Civil No. 13-1-0331, Fifth Circuit	Judgment

While detained at the Kauai Community Correctional Center in January 2011, Plaintiff, a former inmate, was not allowed by staff nurses to take the pain medication prescribed to him by his personal physician because the Department of Public Safety's policy does not allow for the use of narcotics in jail. Following a bench trial in February 2019, the Court found that the jail's conduct fell below the standard of care and found for the Plaintiff. The Court awarded \$40,000.00 in damages plus costs.

DEPARTMENT OF TRANSPORTATION, HIGHWAYS DIVISION:

Hayselden, et al. v. State of Hawaii, et al.	\$ 300,000.00
Civil No. 17-1-0204, Third Circuit	Settlement

This case arises out of a single vehicle accident that occurred on Sunday, February 24, 2013, at approximately 5:00 a.m. when it was still dark. Plaintiff Joan Mayo was driving and her co-worker Plaintiff Helene Hayselden was the front seat passenger in the vehicle. They allege that while traveling west at approximately .06 of a mile north of Mile Marker 21, on Route 19, the vehicle struck a large rock that was in their lane of travel. The rock had likely rolled down from the adjacent hillside shoulder of the highway. The Department of Transportation (DOT) owns the highway and shoulders. Both Plaintiffs sustained serious injuries in the accident and were out from work for months.

Testimony of the Department of the Attorney General Thirtieth Legislature, 2020 Page 8 of 12

The subject accident occurred before the Hawaii Supreme Court decision in O'Grady v. State. The O'Grady decision determined that the State DOT's negligent failure to have an operational level rock fall hazard monitoring, maintenance, and training program was a legal cause of the accident in that case. In O'Grady, a large boulder from the hillside adjacent to Route 11 rolled onto the O'Grady's vehicle. In the subject case, a large rock had rolled from the adjacent hillside adjacent to Route 19 and was sitting on the highway in a curve on the road when Plaintiffs vehicle struck the rock. The similarities between the O'Grady case and the subject case make it likely that the trial judge will determine that the State is liable to Plaintiffs and award damages against the State.

With the assistance of retired Hawaii Supreme Court Justice James Duffy serving as the mediator, the parties in this case were able to reach agreement on the settlement amount, subject to administrative and legislative approvals.

Vares, et al. v. State of Hawaii, et al.	\$ 650,000.00
Civil No. 16-1-0512-03, First Circuit	Settlement

On March 20, 2014, sixteen year old Nicolette Maile Vares ("Nikki"), was riding her Vespa motor scooter on the Likelike Highway on-ramp to the H-3 Freeway, ahead of her father, Plaintiff Nick Vares, who was following Nikki on his motorcycle. As they approached a curve to the right on the on-ramp, Nikki hit her brakes, lost control of her motor scooter, and crashed into a guardrail. Nikki sustained fatal blunt force injuries to the torso. Plaintiff alleged that the signs posted on the on-ramp were inadequate to warn Nikki of the impending "hairpin turn" on the on-ramp, and failed to comply with applicable traffic engineering standards. The case proceeded to mediation, which resulted in the settlement.

MISCELLANEOUS CLAIMS:

Loretta Beralas

Claimant requests reissuance of an outdated check that was recently discovered. The legislative claim was filed with the Attorney General within six years from the date on which the claim for payment matured, within the period specified by section 37-77, Hawaii Revised Statutes.

Grace Blevins

Claimant requests reissuance of an outdated check that was not cashed. The legislative claim was filed with the Attorney General within six years from the date on which the claim for payment matured, within the period specified by section 37-77, Hawaii Revised Statutes.

2.01 (General Fund)

\$

\$ 400.28 (General Fund)

Testimony of the Department of the Attorney General Thirtieth Legislature, 2020 Page 9 of 12

BVT-CAM Private Equity Global Fund II Beteilingungs GmbH

Claimant requests reissuance of an outdated checked that was never received. The legislative claim was filed with the Attorney General within six years from the date on which the claim for payment matured, within the period specified by section 37-77, Hawaii Revised Statutes.

CAM Private Equity Verwaltungs GmbH \$ 51,300.00 (General Fund)

Claimant requests reissuance of an outdated checked that was never received. The legislative claim was filed with the Attorney General within six years from the date on which the claim for payment matured, within the period specified by section 37-77, Hawaii Revised Statutes.

CAM Select I Beteiligungs GmbH

Claimant requests reissuance of an outdated checked that was never received. The legislative claim was filed with the Attorney General within six years from the date on which the claim for payment matured, within the period specified by section 37-77, Hawaii Revised Statutes.

Kathleen A. Kehlor Harper

Claimant requests reissuance of an outdated check that was lost. The legislative claim was filed with the Attorney General within six years from the date on which the claim for payment matured, within the period specified by section 37-77, Hawaii Revised Statutes.

Amanda Jamieson

Claimant requests reissuance of an outdated checked that was never received. The legislative claim was filed with the Attorney General within six years from the date on which the claim for payment matured, within the period specified by section 37-77, Hawaii Revised Statutes.

Margaret Jamieson

Claimant requests reissuance of an outdated checked that was never received. The legislative claim was filed with the Attorney General within six years from the date on which the claim for payment matured, within the period specified by section 37-77, Hawaii Revised Statutes.

23,125.00 (General Fund)

\$ 23,125.00 (General Fund)

809.11 (General Fund)

16,000.00 (General Fund)

\$

\$

\$

\$ 42,500.00 (General Fund)

Testimony of the Department of the Attorney General Thirtieth Legislature, 2020 Page 10 of 12

John and Deborah Mar

Claimant requests reissuance of an outdated checks that were misplaced or lost. The legislative claim was filed with the Attorney General within six years from the date on which the claim for payment matured, within the period specified by section 37-77, Hawaii Revised Statutes.

Nanci J. Merck

Claimant requests reissuance of an outdated check that was sent to an old address. The legislative claim was filed with the Attorney General within six years from the date on which the claim for payment matured, within the period specified by section 37-77, Hawaii Revised Statutes.

Betty Y. Ohigashi

Claimant requests reissuance of an outdated check that was sent to an old P.O. Box. The legislative claim was filed with the Attorney General within six years from the date on which the claim for payment matured, within the period specified by section 37-77, Hawaii Revised Statutes.

The Estate of Calvin C. Ontai

Claimant requests reissuance of an outdated check that was recently discovered. The legislative claim was filed with the Attorney General within six years from the date on which the claim for payment matured, within the period specified by section 37-77, Hawaii Revised Statutes.

Judith Ross

Claimant requests reissuance of an outdated check that was lost. The legislative claim was filed with the Attorney General within six years from the date on which the claim for payment matured, within the period specified by section 37-77, Hawaii Revised Statutes.

Elaine S. Tanigawa

Claimant requests reissuance of an outdated check that was recently discovered. The legislative claim was filed with the Attorney General within six years from the date on which the claim for payment matured, within the period specified by section 37-77, Hawaii Revised Statutes.

\$ 866.75 (General Fund)

\$

\$

\$

\$ 578.40 (General Fund)

1,000.00 (General Fund)

\$ 1,023.99 (General Fund)

578.40 (General Fund)

93.93 (General Fund)

Testimony of the Department of the Attorney General Thirtieth Legislature, 2020 Page 11 of 12

Barbara H. Ursal

\$ 289.20 (General Fund)

388.19 (General Fund)

\$

Claimant requests reissuance of an outdated check that was lost. The legislative claim was filed with the Attorney General within six years from the date on which the claim for payment matured, within the period specified by section 37-77, Hawaii Revised Statutes.

Christine Woods

Claimant requests reissuance of an outdated check that was sent to the wrong address. The legislative claim was filed with the Attorney General within six years from the date on which the claim for payment matured, within the period specified by section 37-77, Hawaii Revised Statutes.

ATTACHMENT "B"

DEPARTMENT OF PUBLIC SAFETY:

Lana v. State of Hawaii, et al. Civil No. 13-1-2365-08, First Circuit

A male nurse at Oahu Community Correctional Center (OCCC) allegedly sexually assaulted a female inmate in 2011. The male nurse met the inmate on intake and again a few days later when she went to the medical unit at OCCC with infected spider bites on her breasts. The female inmate claims the male nurse groomed her for sexual activity. The case proceeded to mediation which resulted in the settlement.

HAWAII PUBLIC CHARTER SCHOOL:

Miller-Potter v. State of Hawaii, et al. Civil No. 16-1-0385K, Third Circuit

Plaintiff was at a meeting on the premises of Waimea Middle Public Conversion Charter School, a Charter School maintained and operated by the State Public Charter School Commission. During the meeting, and after it had become dark outside, Plaintiff excused herself to go to the restroom. Unknown to school administrators, the hallway lights had burned out. As a result, the hallway leading to the restroom was dark. While walking to the restroom, Plaintiff tripped over a low bench that was painted brown in color, fell, and injured her face, teeth and allegedly her left knee. As result of the accident, Plaintiff sustained facial and dental injuries and scarring, right shoulder pain, and aggravation of a pre-existing left knee condition that necessitated a total knee replacement. Plaintiff did not claim lost wages, or lost future earnings. Plaintiff's settlement demand listed related medical expenses of \$212,846.86. The case proceeded to mediation resulting in the settlement of \$75,000.

\$ 75,000.00 (General Fund) Settlement

\$ 40,000.00 Settlement

DAVID Y. IGE



STACEY A. ALDRICH STATE LIBRARIAN

STATE OF HAWAII HAWAII STATE PUBLIC LIBRARY SYSTEM OFFICE OF THE STATE LIBRARIAN 44 MERCHANT STREET HONOLULU, HAWAII 96813



HOUSE COMMITTEE ON FINANCE Monday, June 29, 2020 2:00 pm State Capitol, Room 329

By Stacey A. Aldrich State Librarian

S.B. 2844, S.D.2, H.D.1 Making Appropriations for Claims Against the State, Its Officers, or Its Employees

To: Chair Sylvia Luke Vice Chair Ty J.K. Cullen Members of the House Committee on Finance

The Hawaii State Public Library System (HSPLS) supports S.B. 2844, S.D.2, H.D.1 which makes appropriations for claims against the state, its officers, or its employees.

The H.D.1 includes an amendment that allows HSPLS to settle the claim against HSPLS entitled "United Stated Environmental Protection Agency Region 9 - Hawai'i State Public Library System". The proposed settlement addresses large capacity cesspools that had not been closed as required under the Safe Drinking Water Act.

With capital improvement project funding that had been provided to HSPLS by the Legislature, HSPLS initiated the closure of the identified cesspools and anticipates commencing construction within the next several months. HSPLS has also initiated the process to review and confirm that HSPLS will be in compliance with the Safe Drinking Water Act statewide.

Thank you for the opportunity to testify on this measure and your continued support of the Hawaii State Public Library System.

TURBIN + CHU + HEIDT ATTORNEYS AT LAW

A LAW CORPORATION



Suite 2730, Mauka Tower Pacific Guardian Center 737 Bishop Street Honolulu, Hawaii 96813

Phone: (808) 528-4000 Fax: (808) 599-1984

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RE: Committee on Finance Hearing on Monday, June 29, 2020 at 2:00 p.m. SB 2844, SD2 HD1 (HSCR1198-20)

Dear Finance Committee Members,

I am submitting testimony on SB 2844, SD2 HD1 on behalf of my client, KZ, a minor, who is one of the many injured parties waiting for their settlement and judgment funds from the State of Hawaii. My client's case was against the State of Hawaii and titled *Zhang v. State of Hawaii et.al.*, with a settlement amount of \$130,000.

To give you some background, in the summer of 2017, before 9th grade, K.Z was enrolled in the summer PE program at Kalani High School, which included swim lessons. KZ did not know how to swim. While the instructor was helping another student, KZ was walking in the pool when he unwittingly walked toward the deep end and the floor dropped out from under his feet. KZ was under the water for approximately 4 minutes before another student noticed him on the bottom of the pool. KZ did not suffer a brain injury, but was painful traumatized by the experience of drowning.

We settled KZ's case in May 2019 for \$130,000, with an apology from the school for what happened to KZ, and assurances that the pool procedures have changed so no other children will suffer the same fate, or worse. KZ and his family were also informed that the settlement would be funded in June 2020. Probate court approved the minor's settlement in December 2019.

Claimants and Plaintiffs, as listed in SB2844-SD2, need their settlements and judgments funded by the State of Hawaii during this legislative session. When settling with the State, or obtaining a judgment, the injured party must wait long periods of time to receive their funds. It is not like settling with an insurance company where the funds are paid within 30 days of settlement (pursuant to the requirements of the Department of Insurance). Since the injured parties have already waited for so long, it is imperative that the State funds the settlements and judgements when expected. If the settlements and judgments are not funded during this legislative session, all of these injured parties will feel that the State of Hawaii does not care about what happened to them. Each and every settlement/judgment is extremely important to the individuals that were injured, so it is essential for the legislature to acknowledge those injured parties by funding the settlements/judgments in this legislative session.

I appreciate your consideration of KZ and his family's concerns in this matter.

Sincerely, Janice Heidt, Esq.

ACGA D_

TESTIMONY BY:

JADE T. BUTAY DIRECTOR

Deputy Directors LYNN A.S. ARAKI-REGAN DEREK J. CHOW ROSS M. HIGASHI EDWIN H. SNIFFEN



STATE OF HAWAII DEPARTMENT OF TRANSPORTATION 869 PUNCHBOWL STREET HONOLULU, HAWAII 96813-5097

June 29, 2020 2:00 P.M. State Capitol, Room 329

S.B. 2844, S.D. 2, H.D. 1 RELATING TO MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES

House Committee on Finance

The Department of Transportation **supports** SB 2844 S.D. 2, H.D. 1 as it provides the necessary appropriation to fund settlement agreements and judgments against the Department.

Thank you for the opportunity to provide testimony.





Submitted By	Organization	Testifier Position	Present at Hearing
John Choi	Individual	Support	No

Comments:

RE: Testimony in Support

Committee on Finance

Hearing on Monday, June 29, 2020 at 2:00 p.m.

SB 2844 SD2 HD1 (HSCR1198-20)

Dear Finance Committee Members,

I am submitting testimony in support SB 2844 SD2 HD1 on behalf of my client, Nick Vares, father of minor Nicolette Vares. Nicolette was killed in 2014. The lawsuit is one of the many waiting for their settlement and judgment funds from the State of Hawaii. The case is styled as *Vares v. State of Hawaii et.al.*, and settled for the amount of \$650,000.

Background on the Vares case reveals that three motorists were killed in a one year period (2013-2014) on a dangerous hairpin curve in Kaneohe. Nicolette's death in 2014 was one of the three. Nicolette's father witnessed his daughter's death on the dangerous roadway known as the Likelike Highway on ramp to the H3 to Pearl Harbor. The Hawaii Department of Transportation installed nine (9) signs on the dangerous curve. The new signs were installed in 2016, two years after three motorists were killed.

The wrongful death lawsuit was settled in 2019 for \$650,000.

Claimants and Plaintiffs listed in SB2844 SD2 require the passage of this legislation to fund their settlements and judgments during this legislative session. Funding of settlements and judgments uphold the integrity of the three branches of government grounded in our U.S. and Hawaii Constitutions. The settled parties have traveled a long road on their journey for justice. The State funding of the settlements and judgments this legislative session is imperative to recognize their sacrifice. If the settlements and judgments are not funded during this legislative session, the aggrieved parties reflected in this bill will believe that the State of Hawaii has neglected to care for its constituents. Each and every settlement/judgment is extremely important to your constituents who have suffered and lost much. The aggrieved constituents are not gaining anything, but rather are being compensated for their respected losses. For the legislature to

acknowledge those injured citizens by funding the settlements/judgments during the 2020 legislative session provides partial closure in a chapter of their lives. Full healing and final closure may take a lifetime in some cases.

Thank you for your consideration of this testimony in support of SB 2844 SD2 HD1 (HSCR1198-20).

Sincerely,

/s/ John Choi, Esq.