

FIFTY-SEVENTH DAY

Thursday, April 26, 2001

The House of Representatives of the Twenty-First Legislature of the State of Hawaii, Regular Session of 2001, convened at 6:50 o'clock p.m., with the Vice Speaker presiding.

The invocation was delivered in song by Representative Michael Puamamo Kahikina, after which the Roll was called showing all members present with the exception of Representatives Hiraki, Say, Takai and Whalen, who were excused.

By unanimous consent, reading and approval of the Journal of the House of Representatives of the Fifty-Sixth Day was deferred.

DEPARTMENTAL COMMUNICATION

The following communication (Dept. Com No. 21) was received by the Clerk and was placed on file:

Dept. Com. No. 21, from Ms. Marion M. Higa, State Auditor, transmitting copies of the Audit of the Management of State Boating Facilities by the Department of Land and Natural Resources.

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 760 through 763) were received by the Clerk and were placed on file:

Sen. Com. No. 760, informing the House that the President has appointed as conferees on the part of the Senate for the consideration of amendments proposed by the House to the following Senate Concurrent Resolution on April 26, 2001:

S.C.R. No. 156, S.D. 1, H.D. 1:

Senators Kim, Chair; Kanno, Co-Chair; English, Sakamoto and Slom

Sen. Com. No. 761, informing the House that the President has appointed as conferees on the part of the Senate for the consideration of amendments proposed by the House to the following Senate Concurrent Resolution on April 26, 2001:

S.C.R. No. 90, S.D. 1, H.D. 1:

Senators Kawamoto, Chair; Kanno, Co-Chair; Fukunaga and Hemmings

Sen. Com. No. 762, informing the House that the President has appointed as conferees on the part of the Senate for the consideration of amendments proposed by the House to the following Senate Concurrent Resolution on April 26, 2001:

S.C.R. No. 23, S.D. 1, H.D. 1:

Senators Matsuura, Chair, Menor, Co-Chair; and Hogue

Sen. Com. No. 763, informing the House that the President has appointed as conferees on the part of the Senate for the consideration of amendments proposed by the Senate to the following House Concurrent Resolution on April 26, 2001:

H.C.R. No. 129, H.D. 1, S.D. 1:

Senators Matsuura, Chair; Taniguchi, Co-Chair; Menor, Kokubun and Hogue

ORDER OF THE DAY

UNFINISHED BUSINESS

Conf. Com. Rep. No. 2 and S.B. No. 986, SD 1, HD 1, CD 1:

By unanimous consent, action was deferred until Tuesday, May 1, 2001.

STANDING COMMITTEE REPORTS

Representative Chang, for the Committee on Tourism and Culture presented a report (Stand. Com. Rep. No. 1524), recommending that S.C.R. No. 31, SD 1, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 31, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT A MANAGEMENT AND FINANCIAL AUDIT OF THE HAWAII TOURISM AUTHORITY," was adopted, with Representatives Say, Takai and Whalen being excused.

Representative Chang, for the Committee on Tourism and Culture presented a report (Stand. Com. Rep. No. 1525), recommending that S.C.R. No. 76, SD 1, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 76, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE STATE FOUNDATION ON CULTURE AND THE ARTS TO ESTABLISH A FORMAL POLICY SUPPORTING NATIVE HAWAIIAN CULTURE AND ARTS," was adopted, with Representatives Say, Takai and Whalen being excused.

Representative Kanoho, for the Committee on Water and Land Use presented a report (Stand. Com. Rep. No. 1526), recommending that S.C.R. No. 61, SD 1, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 61, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A STUDY RELATING TO THE MANAGEMENT OF THE AHUPUA'A 'O KAHANA," was adopted, with Representatives Say, Takai and Whalen being excused.

Representative Ito, for the Committee on Education presented a report (Stand. Com. Rep. No. 1527), recommending that S.C.R. No. 98, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 98, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT EDUCATION TO PROVIDE TRANSPORTATION FOR STUDENTS INVOLVED IN AFTER SCHOOL EXTRACURRICULAR ACTIVITIES," was adopted, with Representatives Say, Takai and Whalen being excused.

Representative Ito, for the Committee on Education presented a report (Stand. Com. Rep. No. 1528), recommending that S.C.R. No. 152, SD 1, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 152, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF EDUCATION TO ENSURE THAT ALL MIDDLE AND INTERMEDIATE SCHOOL STUDENTS ARE PROVIDED WITH ENRICHMENT ACTIVITIES," was adopted, with Representatives Say, Takai and Whalen being excused.

Representatives Ito and Takumi, for the Committee on Education and the Committee on Higher Education presented a joint report (Stand. Com. Rep. No. 1529), recommending that S.C.R. No. 99, SD 1, be adopted.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the joint report of the Committees was adopted and S.C.R. No. 99, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF EDUCATION AND UNIVERSITY OF HAWAII TO STUDY THE FEASIBILITY, BENEFITS, AND COSTS ASSOCIATED WITH LINKING THEIR INDIVIDUAL STUDENT INFORMATION SYSTEMS TO CREATE A LINKED K-16 DATABASE," was adopted, with Representatives Say, Takai and Whalen being excused.

CONFERENCE COMMITTEE REPORTS

Representatives Morita, Kanoho and Magaoay, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in S.B. No. 606, SD 1, HD 2, presented a joint report (Conf. Com. Rep. No. 3) recommending that S.B. No. 606, SD 1, HD 2, as amended in, CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 3 and S.B. No. 606, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RECYCLED WATER," was deferred for a period of 48 hours.

Representatives Chang and Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in S.B. No. 178, SD 2, HD 1, presented a joint report (Conf. Com. Rep. No. 4) recommending that S.B. No. 178, SD 2, HD 1, as amended in, CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 4 and S.B. No. 178, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUM PROPERTY REGIMES," was deferred for a period of 48 hours.

Representatives Kanoho and Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in S.B. No. 1162, SD 1, HD 1, presented a joint report (Conf. Com. Rep. No. 5) recommending that S.B. No. 1162, SD 1, HD 1, as amended in, CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 5 and S.B. No. 1162, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC NOTICE

REQUIREMENTS FOR PUBLIC LAND DISPOSITIONS," was deferred for a period of 48 hours.

Representatives Kanoho and Yonamine, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in S.B. No. 48, SD 1, HD 2, presented a joint report (Conf. Com. Rep. No. 6) recommending that S.B. No. 48, SD 1, HD 2, as amended in, CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 6 and S.B. No. 48, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," was deferred for a period of 48 hours.

Representatives Abinsay and Cabrerros, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in S.B. No. 221, SD 1, HD 1, presented a joint report (Conf. Com. Rep. No. 7) recommending that S.B. No. 221, SD 1, HD 1, as amended in, CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 7 and S.B. No. 221, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," was deferred for a period of 48 hours.

Representatives Arakaki and Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 646, HD 1, SD 2, presented a joint report (Conf. Com. Rep. No. 53) recommending that H.B. No. 646, HD 1, SD 2, as amended in, CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 53 and H.B. No. 646, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE SALE OF STERILE SYRINGES FOR THE PREVENTION OF DISEASE," was deferred for a period of 48 hours.

Representatives Abinsay and Cabrerros, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1556, SD 1, presented a joint report (Conf. Com. Rep. No. 54) recommending that H.B. No. 1556, SD 1, as amended in, CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 54 and H.B. No. 1556, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL LOANS," was deferred for a period of 48 hours.

Representatives Kanoho, Abinsay and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 503, HD 2, SD 2, presented a joint report (Conf. Com. Rep. No. 55) recommending that H.B. No. 503, HD 2, SD 2, as amended in, CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 55 and H.B. No. 503, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE LEASES," was deferred for a period of 48 hours.

Representatives Kahikina and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 638, HD 1,

SD 2, presented a joint report (Conf. Com. Rep. No. 56) recommending that H.B. No. 638, HD 1, SD 2, as amended in, CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 56 and H.B. No. 638, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ASSISTANCE," was deferred for a period of 48 hours.

Representatives Takumi and Magaoay, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 731, HD 1, SD 2, presented a joint report (Conf. Com. Rep. No. 57) recommending that H.B. No. 731, HD 1, SD 2, as amended in, CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 57 and H.B. No. 731, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," was deferred for a period of 48 hours.

Representatives Chang and Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 16, HD 2, SD 2, presented a joint report (Conf. Com. Rep. No. 58) recommending that H.B. No. 16, HD 2, SD 2, as amended in, CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 58 and H.B. No. 16, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO REAL ESTATE BROKERS AND SALESPERSONS," was deferred for a period of 48 hours.

Representative Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 896, HD 1, SD 1, presented a joint report (Conf. Com. Rep. No. 59) recommending that H.B. No. 896, HD 1, SD 1, as amended in, CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 59 and H.B. No. 896, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE REVISED UNIFORM COMMERCIAL CODE ARTICLE 9 – SECURED TRANSACTIONS," was deferred for a period of 48 hours.

Representatives Arakaki and Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 945, HD 1, SD 2, presented a joint report (Conf. Com. Rep. No. 60) recommending that H.B. No. 945, HD 1, SD 2, as amended in, CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 60 and H.B. No. 945, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SOCIAL WORK," was deferred for a period of 48 hours.

SUSPENSION OF RULES

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the rules of the House were suspended for the purpose of considering certain House Bills on Final Reading on the basis of a modified consent calendar. (Representatives Say, Takai and Whalen were excused.)

FINAL READING

The following bills were taken from the Clerk's desk and the following action taken:

Representative M. Oshiro moved to agree to the amendments made by the Senate to H.B. Nos. 79, HD 1 (SD 1), 282, HD 2 (SD 1), 384, HD 1 (SD 1), 543, (SD 2), 550, (SD 1), 613, (SD 2), 735, (SD 1) 996, (SD 1) 1048, HD 2, (SD 1) 1138, (SD 1) 1231, HD 1 (SD 1), and 1679, HD 1 (SD 1), seconded by Representative Fox and carried. (Representative Say, Takai and Whalen were excused.)

The Chair addressed the Clerk who announced that the record of vote forms for the aforementioned bills had been received.

At 7:04 o'clock p.m., Representative Fox asked for a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 7:05 o'clock p.m.

H.B. No. 79, H.D. 1, S.D. 1:

Representative M. Oshiro moved that the House reconsider its action taken on April 12, 2001, in disagreeing to the amendments proposed by the Senate to H.B. No. 79, HD 1, seconded by Representative Fox and carried.

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 79, HD 1, on the following showing of Ayes and Noes:

Ayes, 3 (Hiraki, Chang and Whalen). Noes, none. Excused, none.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 79, HD 1 and H.B. No. 79, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO REAL PROPERTY DISCLOSURES," passed Final Reading by a vote of 48 ayes, with Representatives Say, Takai and Whalen being excused.

H.B. No. 282, H.D. 2, S.D. 1:

Representative M. Oshiro moved that the House reconsider its action taken on April 12, 2001, in disagreeing to the amendments proposed by the Senate to H.B. No. 282, HD 2, seconded by Representative Fox and carried.

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 282, HD 2, on the following showing of Ayes and Noes:

Ayes, 2 (Takai and Yonamine). Noes, none. Excused, 1 (Stonebraker).

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 282, HD 2 and H.B. No. 282, H.D. 2, S.D. 1, entitled: "A BILL FOR AN

ACT RELATING TO THE STATE COUNCIL ON DEVELOPMENTAL DISABILITIES," passed Final Reading by a vote of 48 ayes, with Representatives Say, Takai and Whalen being excused.

H.B. No. 384, H.D. 1, S.D. 1:

Representative M. Oshiro moved that the House reconsider its action taken on April 12, 2001, in disagreeing to the amendments proposed by the Senate to H.B. No. 384, HD 1, seconded by Representative Fox and carried.

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 384, HD 1, on the following showing of Ayes and Noes:

Ayes, 3 (Hamakawa, B. Oshiro and Auwae). Noes, none. Excused, none.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 384, HD 1 and H.B. No. 384, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE PENAL CODE," passed Final Reading by a vote of 48 ayes, with Representatives Say, Takai and Whalen being excused.

H.B. No. 543, S.D. 2:

Representative M. Oshiro moved that the House reconsider its action taken on April 12, 2001, in disagreeing to the amendments proposed by the Senate to H.B. No. 543, seconded by Representative Fox and carried.

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 543, on the following showing of Ayes and Noes:

Ayes, 3: (Kahikina, Nakasone and Rath). Noes, none. Excused, none.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 543 and H.B. No. 543, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HOMELESS PROGRAMS," passed Final Reading by a vote of 48 ayes, with Representatives Say, Takai and Whalen being excused.

H.B. No. 550, S.D. 1:

Representative M. Oshiro moved that the House reconsider its action taken on April 12, 2001, in disagreeing to the amendments proposed by the Senate to H.B. No. 550, seconded by Representative Fox and carried.

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 550, on the following showing of Ayes and Noes:

Ayes, 3: (Kahikina, Nakasone and Rath). Noes, none. Excused, none.

Representative M. Oshiro moved that the House agree to the amendments proposed by the Senate to H.B. No. 550, seconded by Representative Fox.

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

"It appears to me that this would be agreeing to waive the requirements of Act 15, which require the 60-40% for developers. This particular bill references Laiopuna in Kona and West Hawaii, and Kona has some of the highest housing costs on the Island of Hawaii. I really much fear that this is going to increase the development of million dollar homes and not increase the supply of affordable housing in West Hawaii. Thank you."

The motion was put to vote by the Chair and carried, and the House agreed to the amendments proposed by the Senate to H.B. No. 550 and H.B. No. 550, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII," passed Final Reading by a vote of 48 ayes, with Representatives Say, Takai and Whalen being excused.

H.B. No. 613, S.D. 2:

Representative M. Oshiro moved that the House reconsider its action taken on April 12, 2001, in disagreeing to the amendments proposed by the Senate to H.B. No. 613, seconded by Representative Fox and carried.

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 613, on the following showing of Ayes and Noes:

Ayes, 5: (Ito, Yoshinaga, Saiki, Bukoski and Halford). Noes, none. Excused, 1 (Nakasone).

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 613 and H.B. No. 613, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO REALLOCATION OF VACANT LIBRARY POSITIONS," passed Final Reading by a vote of 48 ayes, with Representatives Say, Takai and Whalen being excused.

H.B. No. 735, S.D. 1:

Representative M. Oshiro moved that the House reconsider its action taken on April 12, 2001, in disagreeing to the amendments proposed by the Senate to H.B. No. 735, seconded by Representative Fox and carried.

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 735, on the following showing of Ayes and Noes:

Ayes, 3: (Takumi, Magaoay and Ontai). Noes, none. Excused, none.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 735 and H.B. No. 735, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII," passed Final Reading by a vote of 48 ayes, with Representatives Say, Takai and Whalen being excused.

H.B. No. 996, S.D. 1:

Representative M. Oshiro moved that the House reconsider its action taken on April 12, 2001, in disagreeing to the amendments proposed by the Senate to H.B. No. 996, seconded by Representative Fox and carried.

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 996, on the following showing of Ayes and Noes:

Ayes, 3: (Garcia, Nakasone and Djou). Noes, none. Excused, none.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 996 and H.B. No. 996, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DRUG DEMAND REDUCTION ASSESSMENTS," passed Final Reading by a vote of 48 ayes, with Representatives Say, Takai and Whalen being excused.

H.B. No. 1048, H.D. 2, S.D. 1:

Representative M. Oshiro moved that the House reconsider its action taken on April 12, 2001, in disagreeing to the amendments proposed by the Senate to H.B. No. 1048, HD 2, seconded by Representative Fox and carried.

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1048, HD 2, on the following showing of Ayes and Noes:

Ayes, 2: (Ito and Kawakami). Noes, none. Excused, 1 (Davis).

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1048, HD 2 and H.B. No. 1048, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE LIBRARIAN," passed Final Reading by a vote of 47 ayes to 1 no, with Representative Yoshinaga voting no, and Representatives Say, Takai and Whalen being excused.

H.B. No. 1138, S.D. 1:

Representative M. Oshiro moved that the House reconsider its action taken on April 12, 2001, in disagreeing to the amendments proposed by the Senate to H.B. No. 1138, seconded by Representative Fox and carried.

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1138, on the following showing of Ayes and Noes:

Ayes, 2: (Suzuki and Cabrerros). Noes, none. Excused, 1 (Djou).

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1138 and H.B. No. 1138, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SUBMISSION OF REPORTS TO THE

LEGISLATURE," passed Final Reading by a vote of 48 ayes, with Representatives Say, Takai and Whalen being excused.

H.B. No. 1231, H.D. 1, S.D. 1:

Representative M. Oshiro moved that the House reconsider its action taken on April 12, 2001, in disagreeing to the amendments proposed by the Senate to H.B. No. 1231, HD 1, seconded by Representative Fox and carried.

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1231, HD 1, on the following showing of Ayes and Noes:

Ayes, 2: (Hiraki and Whalen). Noes, none. Excused, 1 (Chang).

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1231, HD 1 and H.B. No. 1231, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," passed Final Reading by a vote of 48 ayes, with Representatives Say, Takai and Whalen being excused.

H.B. No. 1679, H.D. 1, S.D. 1:

Representative M. Oshiro moved that the House reconsider its action taken on April 12, 2001, in disagreeing to the amendments proposed by the Senate to H.B. No. 1679, HD 1, seconded by Representative Fox and carried.

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1679, HD 1, on the following showing of Ayes and Noes:

Ayes, 3: (Souki, Hamakawa and Gomes). Noes, none. Excused, none.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1679, HD 1 and H.B. No. 1679, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DILLINGHAM AIRFIELD," passed Final Reading by a vote of 48 ayes, with Representatives Say, Takai and Whalen being excused.

The Chair directed the Clerk to note that H.B. Nos. 79, HD 1, SD 1; 282, HD 2, SD 1; 384, HD 1, SD 1; 543, SD 2; 550, SD 1; 613, SD 2; 735, SD 1; 996, SD 1; 1048, HD 2, SD 1; 1138, SD 1; 1231, HD 1, SD 1; 1679, HD 1, SD 1; had passed Final Reading at 7:07 o'clock p.m.

DISPOSITION OF MATTERS PLACED ON THE CLERK'S DESK

Representative M. Oshiro moved that the House disagree to the amendments proposed by the Senate in H.C.R. No. 129, HD 1, SD 1, seconded by Representative Lee.

The motion to disagree to the amendments proposed by the Senate in the above-mentioned House Concurrent Resolution was put to vote by the Chair and carried. (Representatives Say, Takai and Whalen were excused.)

ANNOUNCEMENTS

Representative Suzuki: "Your Committee on Conference for H.C.R. No. 129, HD 1, SD 1, requests a waiver of the 24-hour advance notice requirement for the purpose of conducting a Conference Committee Meeting on Friday, April 27, 2001, at 10:21 o'clock a.m., in Conference Room 309."

Representative Ito: "Your Committee on Conference for H.B. No. 94, HD 1, SD 1, requests your permission to reconvene Conference to reconsider action previously taken to correct certain appropriations. We will be reconvening tomorrow, at 2:00 o'clock p.m., in Conference Room 329."

Representative Kahikina: "Your Committee on Conference for S.C.R. No. 23, SD 2, HD 1, requests a waiver of the 24-hour advance notice requirement for the purpose of conducting a Conference Committee Meeting on Friday, April 27, 2001, at 10:30 o'clock a.m., in Conference Room 229."

Representative Lee moved to keep the Journal open until midnight this legislative day for the purpose of receiving Conference Committee Reports, seconded by Representative Pendleton and carried. (Representative Say, Takai and Whalen were excused.)

At 7:09 o'clock p.m., the House of Representatives stood in recess for the purpose of receiving Conference Committee Reports.

CONFERENCE COMMITTEE REPORTS

In accordance with the motion made earlier, the following Conference Committee Reports (Conf. Com. Rep. Nos. 8 through 37 and 61 through 92) were received in the Clerk's Office and the following action taken:

Conf. Com. Rep. No. 8 and S.B. No. 900, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LIQUOR LICENSE APPLICATIONS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 9 and S.B. No. 865, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL-TO-WORK," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 10 and S.B. No. 1081, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 11 and S.B. No. 1213, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE ESTABLISHMENT AND CONTINUATION OF PROFESSIONAL DEVELOPMENT SCHOOLS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 12 and S.B. No. 1236, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 13 and S.B. No. 118, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CANCER," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 14 and S.B. No. 1119, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 15 and S.B. No. 1385, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE SALARY STRUCTURE OF EDUCATIONAL OFFICERS IN THE DEPARTMENT OF EDUCATION," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 16 and S.B. No. 1110, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD CARE," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 17 and S.B. No. 1390, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRADITIONAL HAWAIIAN HEALING PRACTICES," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 18 and S.B. No. 1123, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO VITAL RECORDS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 19 and S.B. No. 1455, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CHILDREN'S ADVOCACY PROGRAM," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 20 and S.B. No. 1276, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CYBERSQUATTING," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 21 and S.B. No. 1011, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GEOGRAPHIC INFORMATION SYSTEMS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 22 and S.B. No. 683, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 23 and S.B. No. 1512, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PENAL CODE," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 24 and S.B. No. 1178, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTROLLED SUBSTANCES," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 25 and S.B. No. 1102, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 26 and S.B. No. 1061, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO REAL ESTATE BROKERS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 27 and S.B. No. 1066, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 28 and S.B. No. 1071, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 29 and S.B. No. 1079, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LIMITED LIABILITY PARTNERSHIPS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 30 and S.B. No. 1349, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MUTUAL BENEFIT SOCIETIES," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 31 and S.B. No. 1550, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 32 and S.B. No. 643, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DOGS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 33 and S.B. No. 185, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FISHING," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 34 and S.B. No. 1199, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONCESSIONS ON PUBLIC PROPERTY," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 35 and S.B. No. 950, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DIAMOND HEAD," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 36 and S.B. No. 589, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DENTAL INSURANCE," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 37 and S.B. No. 796, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE AND COUNTY TORT LIABILITY," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 61 and H.B. No. 614, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII STATE PUBLIC LIBRARY SYSTEM," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 62 and H.B. No. 868, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BOARD OF EDUCATION," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 63 and H.B. No. 1111, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR AN INTERGENERATIONAL CARE CENTER AT EWA VILLAGES," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 64 and H.B. No. 77, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE WOMEN IN MILITARY SERVICE FOR AMERICA

MEMORIAL," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 65 and H.B. No. 702, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONAL HEALTH CARE," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 66 and H.B. No. 236, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SEXUAL ASSAULT," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 67 and H.B. No. 123, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SPEEDING," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 68 and H.B. No. 135, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD PASSENGER SAFETY," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 69 and H.B. No. 728, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INCREASING DEVELOPMENT FLEXIBILITY OF PUBLIC LANDS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 70 and H.B. No. 1685, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 71 and H.B. No. 624, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 72 and H.B. No. 986, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO IDENTIFICATION DOCUMENTS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 73 and H.B. No. 1004, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ORIGINAL JURISDICTION OF THE HAWAII SUPREME COURT," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 74 and H.B. No. 1115, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ADMISSIBILITY OF PAID BILLS IN COURT," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 75 and H.B. No. 1668, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO REHIRING RETIRED TEACHERS IN THE DEPARTMENT OF EDUCATION," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 76 and H.B. No. 161, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL HISTORY RECORD CHECKS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 77 and H.B. No. 1211, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FIREARMS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 78 and H.B. No. 1255, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MINORS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 79 and H.B. No. 583, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CODE OF FINANCIAL INSTITUTIONS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 80 and H.B. No. 600, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BUSINESS REGISTRATION," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 81 and H.B. No. 644, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 82 and H.B. No. 653, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SUBSTANCE ABUSE TREATMENT INSURANCE BENEFITS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 83 and H.B. No. 1243, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 84 and H.B. No. 204, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PLANNED COMMUNITY ASSOCIATIONS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 85 and H.B. No. 271, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE RENTAL INDUSTRY," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 86 and H.B. No. 594, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTINUING EDUCATION COURSES AND COURSE PROVIDERS FOR INSURANCE LICENSEES," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 87 and H.B. No. 469, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL PERSONNEL," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 88 and H.B. No. 498, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DOMESTIC VIOLENCE," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 89 and H.B. No. 526, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD SUPPORT ENFORCEMENT," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 90 and H.B. No. 645, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENDANGERING THE WELFARE OF INCOMPETENT PERSONS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 91 and H.B. No. 201, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PRIVACY OF HEALTH CARE INFORMATION ACT,"

were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 92 and H.B. No. 599, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NONPROFIT CORPORATIONS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

HOUSE COMMUNICATIONS

House Communication dated April 26, 2001, informing the Senate that the House has this day disagreed to the amendments proposed by the Senate to House Concurrent Resolution No. 129, HD 1, SD 1, and the Speaker has subsequently appointed the following conferees on the part of the House:

H.C.R. No. 129, HD 1, SD 1:

Representatives Suzuki/Magaoay, Co-Chairs; Gomes

House Communication dated April 26, 2001, informing the Senate that the Speaker has this day appointed Representatives Kahikina and Arakaki as Co-Chairs and Representative Stonebraker as a member on the part of the House as Conferees for the consideration of amendments proposed by the House to Senate Concurrent Resolution No. 23, SD 2, HD 1.

ADJOURNMENT

At 12:00 o'clock midnight, the House of Representatives adjourned until 6:30 o'clock p.m., tomorrow, Friday, April 27, 2001.

FIFTY-EIGHTH DAY

Friday, April 27, 2001

The House of Representatives of the Twenty-First Legislature of the State of Hawaii, Regular Session of 2001, convened at 7:00 o'clock p.m., with the Speaker presiding.

The invocation was delivered by Reverend Alan Urasaki of the Aiea Hongwanji, after which the Roll was called showing all members present with the exception of Representatives McDermott, Ontai, Pendleton, Rath and Yoshinaga, who were excused.

By unanimous consent, reading and approval of the Journal of the House of Representatives of the Fifty-Seventh Day was deferred.

GOVERNOR'S MESSAGES

The following messages from the Governor (Gov. Msg. Nos. 190 through 194) were received and announced by the Clerk were placed on file:

Gov. Msg. No. 190, transmitting the 2000 Report of the Business Action Center as required by Act 377, SLH, 1988.

Gov. Msg. No. 191, transmitting the Statistics of Hawaii Agriculture, 1999.

Gov. Msg. No. 192, informing the House that on April 25, 2001, the following bills were signed into law:

- H.B. No. 22, HD 2, RELATING TO TIME SHARING PLANS (Act 017)
- H.B. No. 23, HD 2, RELATING TO DECEPTIVE TRADE PRACTICES FOR TIME SHARE PLANS (Act 018)
- H.B. No. 216, HD 1, RELATING TO HARBORS (Act 019)
- H.B. No. 240, HD 1, RELATING TO CHECK CASHING (Act 020)
- H.B. No. 662, HD 2, RELATING TO CRIMINAL PENALTIES (Act 021)
- H.B. No. 761, HD 1, RELATING TO UNACCREDITED DEGREE GRANTING INSTITUTIONS (Act 022)
- H.B. No. 998, HD 2, RELATING TO LAND COURT (Act 023)
- H.B. No. 1003, HD 1, RELATING TO PENAL CODE (Act 024)
- H.B. No. 1134, HD 1, RELATING TO COLLECTION AGENCIES (Act 025)
- S.B. No. 45, SD 1, RELATING TO FARMING (Act 026)
- S.B. No. 175, SD 2, RELATING TO TIME SHARING PLANS (Act 027)
- S.B. No. 840, SD 1, RELATING TO FINANCIAL INSTITUTIONS (Act 028)
- S.B. No. 1111, SD 1, RELATING TO REIMBURSEMENT FOR NONINSTITUTIONAL PROVIDERS OF MEDICAL CARE FOR SERVICES (Act 029)
- S.B. No. 1508, SD 1, RELATING TO OFFENSES AGAINST THE PERSON (Act 030)

Gov. Msg. No. 193 informing the House that on April 26, 2001, the following bills were signed into law:

- H.B. No. 509, H.D. 1, RELATING TO MEASUREMENT STANDARDS (Act 031)
- H.B. No. 518, H.D. 1, RELATING TO TOBACCO (Act 032)
- H.B. No. 524, H.D. 1, RELATING TO COMPUTER CRIME (Act 033)
- H.B. No. 691, H.D. 1, RELATING TO PENALTIES FOR THE STATEWIDE TRAIL AND ACCESS PROGRAM (Act 034)
- H.B. No. 1173, H.D. 1, RELATING TO LODGING OR TENEMENT HOUSES, HOTELS, AND BOARDINGHOUSES (Act 035)
- S.B. No. 264, S.D. 1, RELATING TO CERTIFICATION FOR TAX EXEMPTION (Act 036)
- S.B. No. 499, S.D. 1, RELATING TO LEAVE SHARING (Act 037)
- S.B. No. 1017, RELATING TO RESIDENTIAL LEASEHOLDS (Act 038)
- S.B. No. 1047, RELATING TO THE SHORT-TERM INVESTMENT OF STATE MONEYS (Act 039)
- S.B. No. 1049, S.D. 1, RELATING TO THE REPEAL OF OUTSTANDING AUTHORIZED BUT UNISSUED SPECIAL PURPOSE REVENUE BONDS (Act 040)
- S.B. No. 1108, S.D. 2, RELATING TO FUNERAL ASSISTANCE PAYMENTS (Act 041)
- S.B. No. 1138, S.D. 1, RELATING TO THE STATEWIDE NEWBORN HEARING SCREENING PROGRAM (Act 042)
- S.B. No. 1171, RELATING TO REPORTS (Act 043)
- S.B. No. 1192, RELATING TO PAYMENT OF TAXES BY ELECTRONIC FUNDS TRANSFER (Act 044)
- S.B. No. 1195, S.D. 1, RELATING TO TAXPAYER COMMUNICATION CONFIDENTIALITY PRIVILEGES (Act 045)

Gov. Msg. No. 194, informing the House that on April 26, 2001, the following bills were signed into law:

- H.B. No. 514, H.D. 1, RELATING TO DEPUTY ATTORNEYS GENERAL (Act 046)
- H.B. No. 523, RELATING TO THE UNAUTHORIZED PRACTICE OF LAW (Act 047)
- H.B. No. 527, H.D. 1, RELATING TO INTERSTATE FAMILY SUPPORT (Act 048)
- H.B. No. 598, H.D. 1, RELATING TO CONSUMER PROTECTIONS FOR DEPOSITORY INSTITUTION SALES OF INSURANCE (Act 049)
- H.B. No. 634, RELATING TO MEDICAL ASSISTANCE RECOVERY (Act 050)
- H.B. No. 637, RELATING TO OHANA CONFERENCING (Act 051)
- H.B. No. 697, RELATING TO THE HAWAII TELECOMMUNICATIONS AND INFORMATION INDUSTRIES ACT (Act 052)
- H.B. No. 699, RELATING TO SUBSTANCE ABUSE TESTING (Act 053)
- H.B. No. 1016, RELATING TO THE MEMBERS OF THE BOARD OF EDUCATION (Act 054)
- H.B. No. 1159, RELATING TO STATUTORY REVISION: AMENDING, REENACTING, OR

REPEALING VARIOUS PROVISIONS OF THE HAWAII REVISED STATUTES AND THE SESSION LAWS OF HAWAII FOR THE PURPOSE OF CORRECTING ERRORS AND REFERENCES, CLARIFYING LANGUAGE, AND DELETING OBSOLETE OR UNNECESSARY PROVISIONS (Act 055)

H.B. No. 1411, RELATING TO SECONDARY MARKET SERVICES CORP. -- HAWAII (Act 056)

S.B. No. 205, S.D. 1, RELATING TO LICENSE PLATES (Act 057)

S.B. No. 630, S.D. 1, RELATING TO INTOXICATING LIQUORS (Act 058)

S.B. No. 1010, RELATING TO FUNCTIONAL PLANS (Act 059)

S.B. No. 1018, S.D. 1, RELATING TO THE FEE SIMPLE RESIDENTIAL REVOLVING FUND (Act 060)

S.B. No. 1039, RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM (Act 061)

S.B. No. 1073, S.D. 1, RELATING TO TRAVEL SERVICES (Act 062)

S.B. No. 1161, S.D. 1, RELATING TO THE DISPOSITION OF ABANDONED OR SEIZED PROPERTY ON PUBLIC LANDS (Act 063)

S.B. No. 1198, S.D. 1, RELATING TO THE PUBLIC SERVICE COMPANY TAX (Act 064)

S.B. No. 1406, RELATING TO HOLIDAYS (Act 065)

SENATE COMMUNICATIONS

The following communications (Sen. Com. No. 764 through 766) were received and announced by the Clerk were placed on file:

Sen. Com. No. 764, informing the House that the Senate has made the following changes to Senate Conferee assignments for the following bill:

S.B. No. 796, SD 1, HD 2, CD 1

Removes Senator Kim as a Co-Chair and adds her on as a member.

Sen. Com. No. 765, informing the House that the Senate, on April 26, 2001, has reconsidered its action taken on April 24, 2001, in disagreeing to the amendments proposed by the House and has this day adopted the following Senate Concurrent Resolutions:

S.C.R. No. 28, SD 1, HD 1

SENATE CONCURRENT RESOLUTION REQUESTING THE FORMATION OF A JOINT LEGISLATIVE TECHNOLOGY TASK FORCE TO DEVELOP CLEAR GOALS AND AN IMPLEMENTATION PLAN TO IMPROVE HAWAII'S TECHNOLOGY INDUSTRY, AND REQUESTING THE STREAMLINING OF STATE FILM PERMITTING

S.C.R. No. 29, SD 1, HD 1

SENATE CONCURRENT RESOLUTION REQUESTING THE FORMATION OF AN ECONOMIC TASK FORCE TO DEVELOP CLEAR GOALS AND AN IMPLEMENTATION PLAN TO IMPROVE HAWAII'S ECONOMIC DIVERSITY, AND REQUESTING THE DEPARTMENT OF TAXATION AND THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM, WITH THE

ASSISTANCE AND RECOMMENDATIONS OF THE HAWAII TELEVISION AND FILM DEVELOPMENT BOARD, TO CONSIDER CHANGES TO THE CRITERIA FOR MOTION PICTURE AND TELEVISION TAX INCENTIVES

S.C.R. No. 65, SD 1, HD 1

SENATE CONCURRENT RESOLUTION ESTABLISHING A JOINT SENATE-HOUSE INVESTIGATIVE COMMITTEE TO INVESTIGATE THE STATE'S EFFORTS TO COMPLY WITH THE FELIX CONSENT DECREE

S.C.R. No. 102, SD 1 HD 1

SENATE CONCURRENT RESOLUTION REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO UPDATE ITS SURVEY OF FEDERALLY MANDATED STATE PROGRAMS

S.C.R. No. 113, HD 1

SENATE CONCURRENT RESOLUTION REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY THE FUNDING AND REGULATION OF NEW CENTURY CHARTER SCHOOLS

Sen. Com. No. 766, informing the House that the Senate has made the following changes to the Senate Conferee assignments for the following:

H.B. No. 1586, HD 1, SD 1

RELATING TO UNEMPLOYMENT

Discharges Senator Chun as a Member.

Adds Senator Matsuura as a Member.

ORDER OF THE DAY

At 7:04 o'clock p.m., Representative Takamine requested a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 7:05 o'clock p.m.

UNFINISHED BUSINESS

Conf. Com. Rep. No. 51 and H.B. No. 1339, HD 1, SD 1, CD 1:

By unanimous consent, action was deferred until Tuesday, May 1, 2001.

Conf. Com. Rep. No. 52 and H.B. No. 118, HD 3, SD 2, CD 1:

By unanimous consent, action was deferred until Tuesday, May 1, 2001.

CONFERENCE COMMITTEE REPORTS

Representatives Hiraki and Suzuki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 900, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 8) recommending that S.B. No. 900, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 8 and S.B. No. 900, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LIQUOR LICENSE APPLICATIONS," was deferred for a period of 48 hours.

Representatives Ito and Takamine, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 865, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 9) recommending that S.B. No. 865, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 9 and S.B. No. 865, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL-TO-WORK," was deferred for a period of 48 hours.

Representatives Ito and Kawakami, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1081, HD 1, presented a report (Conf. Com. Rep. No. 10) recommending that S.B. No. 1081, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 10 and S.B. No. 1081, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was deferred for a period of 48 hours.

Representatives Ito and Kawakami, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1213, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 11) recommending that S.B. No. 1213, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 11 and S.B. No. 1213, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE ESTABLISHMENT AND CONTINUATION OF PROFESSIONAL DEVELOPMENT SCHOOLS," was deferred for a period of 48 hours.

Representatives Kahikina, Takumi and Saiki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1236, HD 2, presented a report (Conf. Com. Rep. No. 12) recommending that S.B. No. 1236, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 12 and S.B. No. 1236, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," was deferred for a period of 48 hours.

Representatives Arakaki, Kahikina and Kawakami, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 118, SD 1, HD 2, presented a report (Conf. Com. Rep. No. 13) recommending that S.B. No. 118, SD 1, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 13 and S.B. No. 118, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CANCER," was deferred for a period of 48 hours.

Representatives Hiraki and Suzuki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1119, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 14) recommending that S.B. No. 1119, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 14 and S.B. No. 1119, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS," was deferred for a period of 48 hours.

Representatives Ito and Takamine, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1385, HD 1, presented a report (Conf. Com. Rep. No. 15) recommending that S.B. No. 1385, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 15 and S.B. No. 1385, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE SALARY STRUCTURE OF EDUCATIONAL OFFICERS IN THE DEPARTMENT OF EDUCATION," was deferred for a period of 48 hours.

Representatives Kahikina, B. Oshiro and Kawakami, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1110, SD 2, HD 3, presented a report (Conf. Com. Rep. No. 16) recommending that S.B. No. 1110, SD 2, HD 3, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 16 and S.B. No. 1110, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD CARE," was deferred for a period of 48 hours.

Representative Hiraki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1390, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 17) recommending that S.B. No. 1390, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 17 and S.B. No. 1390, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRADITIONAL HAWAIIAN HEALING PRACTICES," was deferred for a period of 48 hours.

Representatives Arakaki, Hiraki, B. Oshiro and Kawakami, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1123, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 18) recommending that S.B. No. 1123, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 18 and S.B. No. 1123, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO VITAL RECORDS," was deferred for a period of 48 hours.

Representatives Hamakawa, Kahikina and Arakaki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No.

1455, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 19) recommending that S.B. No. 1455, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 19 and S.B. No. 1455, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CHILDREN'S ADVOCACY PROGRAM," was deferred for a period of 48 hours.

Representatives Hiraki and B. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1276, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 20) recommending that S.B. No. 1276, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 20 and S.B. No. 1276, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CYBERSQUATTING," was deferred for a period of 48 hours.

Representative Takamine, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1011, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 21) recommending that S.B. No. 1011, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 21 and S.B. No. 1011, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GEOGRAPHIC INFORMATION SYSTEMS," was deferred for a period of 48 hours.

Representative Garcia, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 683, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 22) recommending that S.B. No. 683, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 22 and S.B. No. 683, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1512, HD 1, presented a report (Conf. Com. Rep. No. 23) recommending that S.B. No. 1512, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 23 and S.B. No. 1512, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PENAL CODE," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1178, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 24) recommending that S.B. No. 1178, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 24 and S.B. No. 1178, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTROLLED SUBSTANCES," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1102, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 25) recommending that S.B. No. 1102, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 25 and S.B. No. 1102, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED," was deferred for a period of 48 hours.

Representative Hiraki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1061, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 26) recommending that S.B. No. 1061, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 26 and S.B. No. 1061, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO REAL ESTATE BROKERS," was deferred for a period of 48 hours.

Representative Hiraki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1066, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 27) recommending that S.B. No. 1066, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 27 and S.B. No. 1066, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," was deferred for a period of 48 hours.

Representative Hiraki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1071, HD 1, presented a report (Conf. Com. Rep. No. 28) recommending that S.B. No. 1071, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 28 and S.B. No. 1071, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," was deferred for a period of 48 hours.

Representative Hiraki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1079, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 29) recommending that S.B. No. 1079, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 29 and S.B. No. 1079, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LIMITED LIABILITY PARTNERSHIPS," was deferred for a period of 48 hours.

Representative Hiraki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1349, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 30) recommending that S.B. No. 1349, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 30 and S.B. No. 1349, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MUTUAL BENEFIT SOCIETIES," was deferred for a period of 48 hours.

Representatives Hiraki and B. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1550, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 31) recommending that S.B. No. 1550, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 31 and S.B. No. 1550, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 643, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 32) recommending that S.B. No. 643, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 32 and S.B. No. 643, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DOGS," was deferred for a period of 48 hours.

Representative Kanoho, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 185, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 33) recommending that S.B. No. 185, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 33 and S.B. No. 185, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FISHING," was deferred for a period of 48 hours.

Representatives Souki and Espero, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1199, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 34) recommending that S.B. No. 1199, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 34 and S.B. No. 1199, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONCESSIONS ON PUBLIC PROPERTY," was deferred for a period of 48 hours.

Representative Takamine, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 950, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 35) recommending

that S.B. No. 950, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 35 and S.B. No. 950, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DIAMOND HEAD," was deferred for a period of 48 hours.

Representative Hiraki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 589, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 36) recommending that S.B. No. 589, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 36 and S.B. No. 589, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DENTAL INSURANCE," was deferred for a period of 48 hours.

Representatives Kanoho and Hamakawa, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 796, SD 1, HD 2, presented a report (Conf. Com. Rep. No. 37) recommending that S.B. No. 796, SD 1, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 37 and S.B. No. 796, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE AND COUNTY TORT LIABILITY," was deferred for a period of 48 hours.

Representatives Abinsay and Cabrerros, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 224, SD 1, HD 2, presented a report (Conf. Com. Rep. No. 38) recommending that S.B. No. 224, SD 1, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 38 and S.B. No. 224, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PINEAPPLE RESEARCH," was deferred for a period of 48 hours.

Representative Takamine, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 638, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 39) recommending that S.B. No. 638, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 39 and S.B. No. 638, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE MOLOKAI IRRIGATION SYSTEM," was deferred for a period of 48 hours.

Representatives Kanoho and Saiki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 981, SD 1, HD 2, presented a report (Conf. Com. Rep. No. 40) recommending that S.B. No. 981, SD 1, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 40 and S.B. No. 981, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BOARD OF LAND AND NATURAL RESOURCES," was deferred for a period of 48 hours.

Representatives Morita and Suzuki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1435, SD 1, HD 1, presented a report (Conf. Com. Rep. No. 41) recommending that S.B. No. 1435, SD 1, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 41 and S.B. No. 1435, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HYDROGEN RESEARCH AND DEVELOPMENT," was deferred for a period of 48 hours.

Representatives Ito and Kawakami, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 614, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 61) recommending that H.B. No. 614, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 61 and H.B. No. 614, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII STATE PUBLIC LIBRARY SYSTEM," was deferred for a period of 48 hours.

Representatives Ito and Garcia, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 868, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 62) recommending that H.B. No. 868, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 62 and H.B. No. 868, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BOARD OF EDUCATION," was deferred for a period of 48 hours.

Representatives Arakaki and Saiki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1111, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 63) recommending that H.B. No. 1111, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 63 and H.B. No. 1111, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR AN INTERGENERATIONAL CARE CENTER AT EWA VILLAGES," was deferred for a period of 48 hours.

Representatives Garcia and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 77, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 64) recommending that H.B. No. 77, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com.

Rep. No. 64 and H.B. No. 77, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL," was deferred for a period of 48 hours.

Representatives Garcia, Yoshinaga and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 702, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 65) recommending that H.B. No. 702, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 65 and H.B. No. 702, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONAL HEALTH CARE," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 236, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 66) recommending that H.B. No. 236, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 66 and H.B. No. 236, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SEXUAL ASSAULT," was deferred for a period of 48 hours.

Representatives Souki and Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 123, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 67) recommending that H.B. No. 123, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 67 and H.B. No. 123, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SPEEDING," was deferred for a period of 48 hours.

Representatives Souki and Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 135, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 68) recommending that H.B. No. 135, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 68 and H.B. No. 135, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD PASSENGER SAFETY," was deferred for a period of 48 hours.

Representatives Souki, Kanoho and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 728, SD 1, presented a report (Conf. Com. Rep. No. 69) recommending that H.B. No. 728, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 69 and H.B. No. 728, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INCREASING DEVELOPMENT FLEXIBILITY OF PUBLIC LANDS," was deferred for a period of 48 hours.

Representatives Souki and Espero, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1685, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 70) recommending that H.B. No. 1685, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 70 and H.B. No. 1685, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 624, SD 1, presented a report (Conf. Com. Rep. No. 71) recommending that H.B. No. 624, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 71 and H.B. No. 624, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 986, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 72) recommending that H.B. No. 986, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 72 and H.B. No. 986, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO IDENTIFICATION DOCUMENTS," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1004, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 73) recommending that H.B. No. 1004, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 73 and H.B. No. 1004, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ORIGINAL JURISDICTION OF THE HAWAII SUPREME COURT," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1115, SD 1, presented a report (Conf. Com. Rep. No. 74) recommending that H.B. No. 1115, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 74 and H.B. No. 1115, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ADMISSIBILITY OF PAID BILLS IN COURT," was deferred for a period of 48 hours.

Representatives Ito, Yoshinaga and Saiki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1668, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 75)

recommending that H.B. No. 1668, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 75 and H.B. No. 1668, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO REHIRING RETIRED TEACHERS IN THE DEPARTMENT OF EDUCATION," was deferred for a period of 48 hours.

Representatives Hamakawa and Saiki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 161, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 76) recommending that H.B. No. 161, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 76 and H.B. No. 161, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL HISTORY RECORD CHECKS," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1211, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 77) recommending that H.B. No. 1211, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 77 and H.B. No. 1211, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FIREARMS," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1255, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 78) recommending that H.B. No. 1255, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 78 and H.B. No. 1255, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MINORS," was deferred for a period of 48 hours.

Representatives Hiraki and Suzuki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 583, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 79) recommending that H.B. No. 583, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 79 and H.B. No. 583, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CODE OF FINANCIAL INSTITUTIONS," was deferred for a period of 48 hours.

Representatives Hiraki and Suzuki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 600, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 80) recommending that H.B. No. 600, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 80 and H.B. No. 600, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BUSINESS REGISTRATION," was deferred for a period of 48 hours.

Representatives Hiraki and Suzuki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 644, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 81) recommending that H.B. No. 644, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 81 and H.B. No. 644, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS," was deferred for a period of 48 hours.

Representative Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 653, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 82) recommending that H.B. No. 653, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 82 and H.B. No. 653, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SUBSTANCE ABUSE TREATMENT INSURANCE BENEFITS," was deferred for a period of 48 hours.

Representatives Hiraki and Suzuki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1243, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 83) recommending that H.B. No. 1243, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 83 and H.B. No. 1243, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE," was deferred for a period of 48 hours.

Representative Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 204, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 84) recommending that H.B. No. 204, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 84 and H.B. No. 204, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PLANNED COMMUNITY ASSOCIATIONS," was deferred for a period of 48 hours.

Representative Hiraki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 271, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 85) recommending that H.B. No. 271, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 85 and H.B. No. 271, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE RENTAL INDUSTRY," was deferred for a period of 48 hours.

Representatives Hiraki and Suzuki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 594, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 86) recommending that H.B. No. 594, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 86 and H.B. No. 594, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTINUING EDUCATION COURSES AND COURSE PROVIDERS FOR INSURANCE LICENSEES," was deferred for a period of 48 hours.

Representatives Ito, Yoshinaga and Saiki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 469, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 87) recommending that H.B. No. 469, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 87 and H.B. No. 469, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL PERSONNEL," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 498, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 88) recommending that H.B. No. 498, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 88 and H.B. No. 498, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DOMESTIC VIOLENCE," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 526, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 89) recommending that H.B. No. 526, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 89 and H.B. No. 526, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD SUPPORT ENFORCEMENT," was deferred for a period of 48 hours.

Representative Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 645, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 90) recommending that H.B. No. 645, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 90 and H.B. No. 645, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENDANGERING THE WELFARE OF INCOMPETENT PERSONS," was deferred for a period of 48 hours.

Representatives Hiraki and Hamakawa, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 201, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 91)

recommending that H.B. No. 201, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 91 and H.B. No. 201, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PRIVACY OF HEALTH CARE INFORMATION ACT," was deferred for a period of 48 hours.

Representatives Hiraki, B. Oshiro and Suzuki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 599, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 92) recommending that H.B. No. 599, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 92 and H.B. No. 599, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NONPROFIT CORPORATIONS," was deferred for a period of 48 hours.

Representatives Kahikina and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1234, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 93) recommending that H.B. No. 1234, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 93 and H.B. No. 1234, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO QUEST," was deferred for a period of 48 hours.

Representatives Arakaki and Saiki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 284, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 94) recommending that H.B. No. 284, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 94 and H.B. No. 284, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," was deferred for a period of 48 hours.

Representatives Arakaki and Saiki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 786, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 95) recommending that H.B. No. 786, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 95 and H.B. No. 786, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR DONATED DENTAL SERVICES," was deferred for a period of 48 hours.

Representatives Kahikina and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 429, SD 1, presented a report (Conf. Com. Rep. No. 96) recommending that H.B. No. 429, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com.

Rep. No. 96 and H.B. No. 429, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR BLINDNESS SKILL TRAINING," was deferred for a period of 48 hours.

Representatives Kahikina and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1233, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 97) recommending that H.B. No. 1233, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 97 and H.B. No. 1233, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO YOUTH SERVICES," was deferred for a period of 48 hours.

Representatives Garcia, B. Oshiro and Nakasone, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 962, SD 1, presented a report (Conf. Com. Rep. No. 98) recommending that H.B. No. 962, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 98 and H.B. No. 962, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO A SENTENCING SIMULATION MODEL," was deferred for a period of 48 hours.

Representatives Takumi, Ito and Saiki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1667, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 99) recommending that H.B. No. 1667, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 99 and H.B. No. 1667, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STUDENT LOANS FOR TEACHERS," was deferred for a period of 48 hours.

SUSPENSION OF RULES

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the rules were suspended for the purpose of reconsidering action previously taken in disagreeing to amendments proposed by the Senate to certain House bills. (Representatives Arakaki, McDermott, Ontai, Pendleton, Rath and Yoshinaga were excused.)

RECONSIDERATION OF ACTION TAKEN

Representative M. Oshiro moved that the House reconsider its action previously taken in disagreeing to amendments proposed by the Senate and gave notice of intent to agree to such amendments for the following House bills, seconded by Representative Fox, and carried: (Representatives Arakaki, McDermott, Ontai, Pendleton, Rath and Yoshinaga were excused.)

H.B. No. 159	HD 1 (SD 1)	H.B. No. 1273	HD 2 (SD 1)
H.B. No. 369	HD 2 (SD 1)	H.B. No. 1309	(SD 1)
H.B. No. 539	HD 1 (SD 1)	H.B. No. 1405	HD 1 (SD 1)

DISPOSITION OF MATTERS PLACED ON THE CLERK'S DESK

At 7:09 o'clock p.m., Representative Fox requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 7:11 o'clock p.m.

H.C.R. No. 33, H.D. 1, S.D. 1:

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.C.R. No. 33, H.D. 1 and H.C.R. No. 33, H.D. 1, S.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE BOARD OF EDUCATION TO CREATE A PROGRAM THAT WILL FACILITATE THE VOLUNTARY PARTICIPATION OF HIGH SCHOOL STUDENTS IN COMMUNITY SERVICE, WORK EXPERIENCE, OR SERVICE LEARNING," was Finally Adopted, with Representatives Arakaki, McDermott, Ontai, Pendleton, Rath and Yoshinaga being excused.

H.C.R. No. 88, H.D. 1, S.D. 1:

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.C.R. No. 88, H.D. 1 and H.C.R. No. 88, H.D. 1, S.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE GOVERNOR TO CONVENE A TASK FORCE TO CONSIDER HOW THE HILO AREA CAN MAXIMIZE THE ECONOMIC OPPORTUNITIES PRESENTED BY THE CRUISE INDUSTRY," was Finally Adopted, with Representatives Arakaki, McDermott, Ontai, Pendleton, Rath and Yoshinaga being excused.

H.C.R. No. 100, S.D. 1:

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.C.R. No. 100, and H.C.R. No. 100, S.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONTINUE TO OVERSEE, ON THE LEGISLATURE'S BEHALF, THE STATE'S EFFORTS TO PROVIDE EFFECTIVE SERVICES TO FELIX CLASS CHILDREN," was Finally Adopted, with Representatives Arakaki, McDermott, Ontai, Pendleton, Rath and Yoshinaga being excused.

H.C.R. No. 151, H.D. 1, S.D. 1:

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.C.R. No. 151, H.D. 1 and H.C.R. No. 151, H.D. 1, S.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE STATE DEPARTMENTS OF HEALTH, AGRICULTURE, AND EDUCATION TO PROMOTE HEALTHY EATING AND FURTHER URGE THE DEPARTMENT OF EDUCATION TO CONSIDER OFFERING FRUIT JUICES, MILK, AND BOTTLED WATER IN SOFTDRINK VENDING MACHINES ON PUBLIC SCHOOL CAMPUSES," was Finally Adopted, with Representatives Arakaki, McDermott, Ontai, Pendleton, Rath and Yoshinaga being excused.

ANNOUNCEMENTS

At 7:12 o'clock p.m., Representative Hamakawa requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 7:13 o'clock p.m.

Representative Garcia: "Your Committee on Conference for S.C.R. No. 156 SD 1, HD 1, requests a waiver of the 24-hour advance notice requirement for the purpose of conducting a Conference Committee Meeting this evening at 8:00 o'clock p.m., in Conference Room 325. Mr. Speaker, the Senate Concurrent Resolution speaks to a study to determine whether or not the Oahu Community Correctional Center should be relocated to another site on this island," and the Chair "so ordered".

Representative Hamakawa: "Your Committee on Conference for H.B. No. 152 requests a waiver of the 24-hour advance notice requirement for the purpose of reconvening a Conference Committee Meeting this evening at 8:00 o'clock p.m., in Conference Room 309," and the Chair "so ordered".

The Chair addressed the body, stating:

"To facilitate any remaining conferences and/or decision making sessions, all Conference activities for House Bills and Senate Bills, from 8:00 o'clock p.m., will take place in Conference Room 309.

"I hope this will help facilitate the meetings and conference report signings involving the Finance and Ways and Means Chairs and Co-Chairs. Members, if you are a participant in a conference, meetings may extend into the evening hours. So, please remain in the building and make yourselves available for decision making sessions and report signing.

"Again, all Conferences with activities after 8:00 o'clock p.m., will take place in Conference Room 309."

Representative Lee moved to keep the Journal open until 12:00 o'clock midnight, seconded by Representative Stonebraker and carried. (Representatives Arakaki, McDermott, Ontai, Pendleton and Rath were excused.)

At 7:15 o'clock p.m., on motion by Representative Lee, seconded by Representative Stonebraker and carried, the House stood in recess until 10:00 o'clock a.m., Tuesday, May 1, 2001. (Representatives Arakaki, McDermott, Ontai, Pendleton and Rath were excused.)

CONFERENCE COMMITTEE REPORTS

In accordance with the motion made earlier, the following Conference Committee Reports were received by the Clerk and the following actions taken:

Conf. Com. Rep. No. 42 and S.B. No. 498, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE NANAKULI HOMESTEAD CEMETERY," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 43 and S.B. No. 105, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO KIKALA-KEOKEA," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 44 and S.B. No. 927, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ADULT

DAY HEALTH CARE CENTERS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 45 and S.B. No. 493, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SCHOOLS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 46 and S.B. No. 1209, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CLAIMS AGAINST THE UNIVERSITY OF HAWAII AND PROVIDING APPROPRIATIONS THEREFOR," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 47 and S.B. No. 1211, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL FACILITIES," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 48 and S.B. No. 1212, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 49 and S.B. No. 1214, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NATIONAL BOARD CERTIFICATION FOR DEPARTMENT OF EDUCATION TEACHERS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 50 and S.B. No. 1362, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COACHES," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 100 and H.B. No. 1686, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF REVENUE BONDS FOR INTER-ISLAND MARITIME TRANSPORTATION," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 101 and H.B. No. 862, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE ESTABLISHMENT OF SOCIAL WORKER POSITIONS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 102 and H.B. No. 840, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 103 and H.B. No. 11, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 104 and H.B. No. 480, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR BUSINESS SPECIALIST POSITIONS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 105 and H.B. No. 1391, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ARTS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 106 and H.B. No. 210, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO

AGRICULTURE," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 107 and H.B. No. 175, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 108 and H.B. No. 160, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FRAUDULENT CLAIMS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 109 and H.B. No. 1216, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE KOREAN CENTENNIAL CELEBRATION COMMISSION," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 110 and H.B. No. 632, HD 3, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 111 and H.B. No. 186, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC LAND TRUST," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 112 and H.B. No. 860, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 113 and H.B. No. 533, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ANTITRUST," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 114 and H.B. No. 152, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 115 and H.B. No. 462, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM ARBITRATION ACT," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 116 and H.B. No. 861, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE OPERATIONS AND MAINTENANCE OF CERTAIN AGRICULTURE-RELATED INFRASTRUCTURE ON KAUAI," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 117 and H.B. No. 1074, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DROUGHT MITIGATING FACILITIES," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 118 and H.B. No. 168, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT relating to elections," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 119 and H.B. No. 513, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE RELIEF OF CERTAIN PERSONS' CLAIMS AGAINST THE STATE AND PROVIDING APPROPRIATIONS THEREFOR," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 120 and H.B. No. 596, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HURRICANE RELIEF FUND," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 121 and S.B. No. 1577, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL FACILITIES," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 122 and S.B. No. 18, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR SALARY INCREASES FOR PUBLIC EMPLOYEES," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 123 and S.B. No. 1379, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING COST ITEMS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 124 and S.B. No. 1044, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEE HEALTH BENEFITS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 125 and S.B. No. 1535, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HAWAII COMMISSION FOR NATIONAL AND COMMUNITY SERVICE," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 126 and S.B. No. 469, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PARKING FOR PERSONS WITH DISABILITIES," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 127 and S.B. No. 932, SD 2, HD 4, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 128 and S.B. No. 1113, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ASSISTANCE," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 129 and S.B. No. 755, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HARBORS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 130 and S.B. No. 1060, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ESCROW DEPOSITORIES," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 131 and S.B. No. 1068, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PRODUCER LICENSING," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 132 and S.B. No. 1030, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 133 and S.B. No. 1561, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS,"

were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 134 and S.B. No. 530, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL ADMINISTRATORS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 135 and S.B. No. 654, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAID," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 136 and S.B. No. 41, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONSERVATION," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 137 and S.B. No. 1414, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR UNIFORM LAWS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 138 and S.B. No. 704, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIME VICTIM COMPENSATION," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 139 and S.B. No. 1046, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 140 and S.B. No. 1058, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 141 and S.B. No. 992, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TOBACCO," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 142 and S.B. No. 710, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 143 and S.B. No. 1034, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 144 and S.B. No. 1035, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 145 and S.B. No. 1036, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 146 and S.B. No. 1382, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE OFFICERS AND EMPLOYEES EXCLUDED FROM COLLECTIVE BARGAINING AND MAKING APPROPRIATIONS AND OTHER ADJUSTMENTS," were

placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 147 and S.B. No. 1115, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN RESOURCES," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 148 and S.B. No. 1144, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MINIMUM WAGE," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 149 and S.B. No. 123, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 150 and S.B. No. 838, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HAWAII HURRICANE RELIEF FUND," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 151 and H.B. No. 200, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 152 and H.B. No. 1000, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 153 and H.B. No. 1100, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BUDGET OF THE OFFICE OF HAWAIIAN AFFAIRS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 154 and H.B. No. 1400, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 155 and H.B. No. 407, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE GENERAL EXCISE TAX," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 156 and H.B. No. 94, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PARENT-COMMUNITY NETWORKING CENTER PROGRAMS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 157 and H.B. No. 946, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 158 and H.B. No. 1561, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 159 and S.B. No. 1096, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 160 and S.B. No. 119, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO

CORRECTIONS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 161 and H.B. No. 432, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE MILLENNIUM WORKFORCE DEVELOPMENT PROGRAM," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 162 and H.B. No. 1662, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 163 and S.B. No. 684, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FEES OF THE SHERIFF'S OFFICE," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 164 and S.B. No. 549, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE ESTABLISHMENT OF MANUFACTURING EXTENSION PROGRAMS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 165 and S.B. No. 1365, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE WEED AND SEED PROGRAM," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 166 and S.B. No. 1460, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE INTERMEDIATE APPELLATE COURT," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 167 and S.B. No. 1405, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR HI-TECH HAWAII, INC.," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 168 and S.B. No. 204, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ANIMAL QUARANTINE," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 169 and H.B. No. 173, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY RESOURCES," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 170 and H.B. No. 1586, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO UNEMPLOYMENT," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 171 and H.B. No. 1287, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 172 and H.B. No. 1089, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

Conf. Com. Rep. No. 173 and S.B. No. 1028, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COMMUNITY DEVELOPMENT DISTRICTS," were placed on the Calendar for Final Reading on Tuesday, May 1, 2001.

ADJOURNMENT

At 12:00 o'clock midnight the House of Representatives adjourned until 10:00 o'clock a.m., Tuesday, May 1, 2001.

FIFTY-NINTH DAY

Tuesday, May 1, 2001

The House of Representatives of the Twenty-First Legislature of the State of Hawaii, Regular Session of 2001, convened at 10:14 o'clock a.m., with the Speaker presiding.

The invocation was delivered by Mr. Josh Reppun, after which the Roll was called showing all members present with the exception of Representatives Gomes, Whalen and Yoshinaga, who were excused.

By unanimous consent, reading and approval of the Journal of the House of Representatives of the Fifty-Eighth Day was deferred.

GOVERNOR'S MESSAGES

The following messages from the Governor (Gov. Msg. Nos. 195 through 205) were received and announced by the Clerk and were placed on file:

Gov. Msg. No. 195, transmitting House Bill No. 143, without his approval and with his statement of objections relating to the measure, as follows:

"EXECUTIVE CHAMBERS
HONOLULU
April 30, 2001

STATEMENT OF OBJECTIONS
TO HOUSE BILL NO. 143

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 143, entitled "A Bill for an Act Relating to the Legislature."

The purpose of this bill is to increase the travel per diem allowance for legislators by requiring the allowance amount to be based on the federal General Services Administration rates for federal government travel. The federal government travel per diem rate varies by location.

The travel per diem allowances are intended to reimburse public officers and employees who travel on official government business for lodging, meal, and incidental expenses. When the cost of lodging at a travel destination is higher than the amount allocated in the travel per diem allowance, a state public officer or employee may submit a claim for an excess lodging allowance. Consequently, the per diem allowance for lodging, meal, and incidental expenses incurred by state officers and employees for state government travel appears to be adequate as currently established and there does not appear to be a need to revise the travel per diem allowance amount.

Even if there were a need to revise the travel per diem allowance amount, the revision should be made fairly for all public officers and employees. The increase of the travel per diem allowance only for one group of state officers does not appear to be justified.

For the foregoing reasons, I am returning House Bill No. 143 without my approval.

Respectfully,

/s/Benjamin J. Cayetano

BENJAMIN J. CAYETANO
Governor of Hawaii"

Gov. Msg. No. 196, transmitting without his approval and with his statement of objections relating to Senate Bill No. 1377, as follows:

"EXECUTIVE CHAMBERS
HONOLULU
April 30, 2001

STATEMENT OF OBJECTIONS
TO SENATE BILL NO. 1377

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 1377, entitled "A Bill for an Act Relating to Civil Service."

The purpose of this bill is to convert temporary employees of the support services office, program development staff, and the nursing home without walls program within the Social Services Division of the Department of Human Services to civil service status.

This bill is objectionable because the incumbents will be grandfathered into the civil service system at their current compensation levels, which may or may not be appropriate for their place in the classification system. In addition, the bill does not identify the individual positions that are affected.

It is acknowledged that the incumbent employees have provided important service over the past years, many of them for ten years and more, and that they are deserving of some recognition of their service. Fortunately, Act 253, last year's civil service reform act, provides a mechanism for identification as well as conversion of positions to civil service in a systematic way. This mechanism takes into account merit principles, including meeting minimum qualification requirements, and a method for setting the compensation of the incumbents that is fair and equitable and in accordance with the applicable collective bargaining agreement.

For the foregoing reasons, I am returning Senate Bill No. 1377 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano

BENJAMIN J. CAYETANO
Governor of Hawaii"

Gov. Msg. No. 197, informing the House that on April 27, 2001, the following bills were signed into law:

House Bill No. 588, HD 1, SD 1 as Act 066, entitled: "RELATING TO RENEWAL REQUIREMENTS OF THE BOARD OF MEDICAL EXAMINERS";

House Bill No. 630, HD 1 as Act 067, entitled: "RELATING TO INFORMATION ON THE NATURAL PARENTS OF THE ADOPTED MINOR CHILD";

House Bill No. 1552, HD 1 as Act 068, entitled: "RELATING TO TIME SHARING";

House Bill No. 1587, as Act 069, entitled: "RELATING TO ACQUISITION OF HOSPITALS";

Senate Bill No. 174, as Act 070, entitled: "RELATING TO TIME SHARING PLANS";

Senate Bill No. 176, as Act 071, entitled: "RELATING TO TIME SHARING PLANS";

Senate Bill No. 982, HD 1, as Act 072, entitled: "MAKING AN EMERGENCY APPROPRIATION FOR THE STATE IRRIGATION PROGRAM";

Senate Bill No. 1104, SD 1, HD 1, as Act 073, entitled: "RELATING TO AUTHORITY OF FOSTER PARENTS TO PROVIDE CONSENTS FOR THE FOSTER CHILD'S EDUCATIONAL AND RECREATIONAL NEEDS";

Senate Bill No. 1106, SD 1, HD 1, as Act 074, entitled: "MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF HUMAN SERVICES";

Senate Bill No. 1114, HD 1, as Act 075, entitled: "MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF HUMAN SERVICES";

Senate Bill No. 1127, SD 1, HD 1, as Act 076, entitled: "MAKING AN EMERGENCY APPROPRIATION TO THE CHILD AND ADOLESCENT MENTAL HEALTH DIVISION";

Senate Bill No. 1203, SD 1, as Act 077, entitled: "RELATING TO INCREASING DEVELOPMENT FLEXIBILITY OF PUBLIC LANDS".

Gov. Msg. No. 198, informing the House that on April 30, 2001, the following bill was signed into law:

House Bill No. 925, HD 1, as Act 078, entitled: "RELATING TO LOANS".

Gov. Msg. No. 199, informing the House that a four-year arbitrated settlement, covering fiscal years 2000, 2001, 2002 and 2003, for Firefighters, Bargaining Unit 11, had been awarded, and noting cost amounts for included and excluded positions affected by this award.

Gov. Msg. No. 200, informing the House that a four-year settlement, covering fiscal years 2000, 2001, 2002 and 2003, for Blue Collar Workers, Bargaining Unit 1, had been ratified, and submitted the corresponding amendments to H.B. No. 558.

Gov. Msg. No. 201, informing the House that the State had reached a four-year arbitrated settlement, covering fiscal years 2000, 2001, 2002 and 2003, for Hospital and Institutional Workers, Bargaining Unit 10, and submitted the corresponding amendments to H.B. No. 559.

Gov. Msg. No. 202, informing the House that the HGEA and the State of Hawaii, had reached a mutual agreement on how to effectuate the arbitrated award and resubmitting the same cost items contained within the arbitrated agreement for Unit 03, White-collar non-supervisory employees; Unit 04, White-collar supervisory employees; Unit 06, Educational officers; Unit 08, Administrative, Professional, and Technical employees other than faculty; Unit 09, Registered Professional Nurses; and Unit 13, Professional and Scientific employees.

Gov. Msg. No. 203, offering amendments to various collective bargaining appropriation bills affecting the Hawaii Health Systems Corporation (HHSC) related to the recent arbitrated settlement agreements involving United Public Workers and Hawaii Government Employees Association employees.

Gov. Msg. No. 204, informing the House that Hawaii State Teachers Association (HSTA), exclusive representative of Bargaining Unit 5, reports that the 1999-2003 contract had been ratified by its membership on April 27, 2001, and submitted the corresponding amendment to S.B. No. 1379, HD 1.

Gov. Msg. No. 205, informing the House that University of Hawaii Professional Assembly (UHPA), exclusive representative of Bargaining Unit 7, reports that the 1999-2003 contract had been ratified by its membership on April 28, 2001, and submitted the corresponding amendment to S.B. No. 710, HD 1.

ORDER OF THE DAY

SUSPENSION OF RULES

On motion by Representative Lee, seconded by Representative Pendleton and carried, the rules were suspended for the purpose of considering certain bills on Third Reading and Final Reading on the basis of a modified consent calendar. (Representatives Whalen and Yoshinaga were excused.)

UNFINISHED BUSINESS

Conf. Com. Rep. No. 151 and H.B. No. 200, HD 1, SD 1, CD 1:

Representative Takamine moved that the report of the Committee be adopted and that H.B. No. 200, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Kawakami.

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

"Mr. Speaker, I rise in strong support of H.B. 200, C.D. 1. The purpose of this measure is to appropriate funds for the operating and capital improvement costs of the executive branch for the fiscal biennium July 1, 2001, through June 30, 2003.

"First, Mr. Speaker, I would like to publicly acknowledge the work of House leadership, my colleagues on the Conference Committee, and the Finance Staff for their crucial roles in bringing this measure to conclusion. I would also like to commend the members of the Senate Conference Committee for their hard fought negotiations and especially the new Chair Brian Taniguchi, whose integrity and spirit of openness maintained a civil and respectful context for our discussions. Throughout this conference process, they advocated the Senate position in a consistent and forthright manner. At the same time, they remained open to our positions.

"Finally, Mr. Speaker, a sincere mahalo to the various subject matter Chairs. It was your insights and your policy choices that enabled us to make the strongest possible arguments on behalf of the House positions.

"Mr. Speaker, there was a strong willingness on both sides to negotiate a responsible, forward-looking budget that meets our obligations and needs, and invests tax money wisely.

"Mr. Speaker, the measure now before us sets forth a prudent two-year fiscal or financial course that reflects this body's cautious optimism with regard to the State's uncertain economic outlook.

"Although current tax collections through the first eight months of fiscal year 2001 grew at a rate of 7.8 percent, considerably more than the Council on Revenues prediction of a 6.0 percent increase, your Conference Committee took a conservative approach in constructing this biennium budget. This budget provides adequate resources for collective bargaining, the continued phasing in of personal income tax cuts, non-discretionary fixed costs, and priority items. We do all of this without necessitating a tax increase for Hawaii's people within the 2001 through 2003 fiscal biennium, and Mr. Speaker, while maintaining, at the same time, a healthy general fund carry-over balance at the end of that biennium.

"Mr. Speaker, in no uncertain terms, the first priority of this budget is our people -- our youth, our *kupuna*, and the disadvantaged in our society.

"Your Committee heard very clearly from our communities that the most critical priority for the Legislature was education. Therefore, this budget demonstrates a continued commitment to supporting our children and our educational system.

"Since March Mr. Speaker, many events have occurred. The Council on Revenues came out with their most recent economic projections and we went through a statewide education strike. Five public worker unions have now agreed to new contracts that must be funded.

"Through all of this, Mr. Speaker, I can say with total confidence that we never took our eye off the ball. We never allowed the events to divert our attention away from our duty. And after much hard work and lengthy discussion, this budget remains the "people's budget."

"The budget before you totals \$7.1 billion in fiscal year 2002 and \$7.4 billion for fiscal year 2003. These reflect both general fund and non-general fund expenditures. It is an increase over the current year's funding levels but a significant cut of \$447 million in the amount originally requested by the Governor.

"For general fund appropriations, we are proposing spending levels of about \$3.4 billion in fiscal year 2002 and \$3.6 billion in fiscal year 2003. These represent reductions of 18.5 percent and 14.9 percent, respectively, from the requests submitted by the Governor. This translates to cuts in his budget of over \$85 million in 2002, and nearly \$93 million in 2003.

"Non-general fund appropriations are about \$3.7 billion for fiscal year 2002 and \$3.86 billion for fiscal year 2003. Again, we have reduced \$126 million in fiscal year 2002 and \$144 million in fiscal year 2003 that was requested by the Administration."

Representative Hamakawa rose to yield his time.

Representative Takamine continued, stating:

"Separate, but important in our fiscal package, is capital improvements, or CIP funding. Here, we have exercised great prudence. We propose authorizing \$470 million over the biennium, which represents a reduction of \$418 million - or nearly cutting the Governor's request in half, Mr. Speaker. The majority of these general obligation bond projects will be for improvements to public school facilities and the University of Hawaii system.

"There is a reason why we imposed such strict limitations, Mr. Speaker. There are substantial financial obligations that are really driving this budget.

"Perhaps the most troublesome aspect of this budget is the fact that it is larger than in previous years. No one understands better than this committee, that the size and cost of government is a serious concern among our citizens.

"I make no attempt to disguise or "sugar-coat" this necessary increase.

"Mr. Speaker, the fact of the matter is that our mandatory obligations have increased, and they are projected to grow in the coming years.

"Our constitutional obligation to pay our debt service comes first.

"Primarily, this is the repayment of principal and interest on bonds we have issued for the construction of schools, parks, university buildings, and other public facilities. For fiscal year 2002, the total is \$417 million; for 2003, it rises to nearly \$478 million. When looked at in combination with our other non-discretionary areas, you can understand the Committee's decision to limit CIP funding. Authorizing bonds to finance public projects is the standard practice for addressing societal needs, such as schools, libraries, parks, hospitals, and infrastructure projects. But the Committee is very mindful of the fact that every bond we issue translates into more debt service.

"The next major non-discretionary area is our obligation to the Employees Retirement System. For fiscal year 2002, we owe \$250 million; it rises to \$296 million in 2003. These payments go to meeting the social contract the State has with its employees. State pensions are a key component of employees' retirement planning and the means by which they meet their financial responsibilities in their golden years.

"Third is the Public Employees' Health Fund, where we owe \$260 million in 2002 and \$278 million in 2003. This is an important benefit for the health and well-being of our members and their families, Mr. Speaker. And that is why in this session, the Legislature is very close to adopting a measure that will help to ensure that the Public Employees' Health Fund remains fiscally viable.

"Another non-discretionary area is the State's obligation to comply with multiple court orders. Most costly is the Felix Consent Decree to provide special education and mental health services to children and adolescents. Since 1995 Mr. Speaker, the State has provided \$1.35 billion to the Departments of Education and Health in our effort to comply with the federal court order.

"For fiscal years 2002 and 2003, the total Felix funding request is over \$698 million, not counting emergency requests.

"Mr. Speaker, the Committee is fully aware of the State's obligation under Felix. But at the same time, we have a co-equal duty to justify the expenditure of every tax dollar. We are very concerned with the continually escalating costs of compliance and the lack of any credible data on the total size of the Felix population.

"The Legislature has no desire to put the State at risk with regard to the federal court, just as we believe the court itself has no real desire to operate the State's special education function."

Representative B. Oshiro rose to yield his time.

Representative Takamine continued, stating:

"Having said that, however, the parties also must recognize and respect the fact that this Legislature is serious about its fiduciary duty to safeguard taxpayer dollars and meet the many needs that our State faces.

"Mr. Speaker, another non-discretionary legal settlement deals with the developmentally disabled community. The State is obligated to provide \$23.3 million in general funds over the next two fiscal years.

"A third legal settlement concerns Adult Mental Health services. It compels the State to fund \$151.6 million over the next two years.

"In summary, Mr. Speaker, the non-discretionary items we have just discussed will consume in the neighborhood of \$1.4 billion, or 40 percent of the total general fund budget. For fiscal year 2003, non-discretionary items will eat up about \$1.5 billion, or 42 percent of general funds appropriations.

"The additional \$276 million required for these non-discretionary items equals 74% of the increase in general fund spending in fiscal year 2002, and the additional \$415 million accounts for 78% of the increase in general funds in spending for fiscal year 2003.

"Clearly as everyone here knows, the State's financial resources cannot fully match all the deserving needs.

"Mr. Speaker and members, at this time I would like to turn your attention to the various departments and agencies under the Executive Branch, where we do have, and have exercised, greater discretion and applied at the same time a sharper pencil.

"Education remains the top priority of discretionary funding. This concern demonstrates how we must sometimes sacrifice to adequately address the most important need we have, and that is, caring for our children. Like a family that sacrifices for its children, saving and scrimping to ensure that their children have clothes to wear, a house with a warm bed to live in, and food in their stomachs, we should act similarly. Irrespective of Party, faction or politics, we must invest in the future of our people through our educational system.

"This budget does just that, Mr. Speaker. In fiscal year 2002 we are increasing the Department's operating budget by \$172 million dollars in general funds, followed by an increase in the next year of \$54 million dollars.

"To speak of our investment in education in terms of bottom line totals ignores, however, the qualitative goals this budget strives to achieve. First is the recognition that students require an educational environment, which invites, rather than detracts from their learning. To this end, your Committee has approved CIP allocations of over \$140 million for school facilities, in addition to increased operating funds for custodians, custodial supplies, and a near-doubling of each school's repair and maintenance budget.

"The second area of attention is our teachers. With retention a major issue, and with the profession evolving with the introduction of standards, new technologies, and perpetual public demands for higher quality education, it is very clear that our teachers need all the support we can give them. This is accomplished, in part, through collective bargaining and other funding items we will be approving today.

"Finally, to support our teachers in their classrooms, your Committee has chosen to provide for their instructional needs both in terms of classroom equipment, materials, as well as professional development.

"Your Conference Committee clearly recognized that the heart of our education system – and what provides us with that vital pulse – are all the children in our public schools. I think I speak for the entire Committee Mr. Speaker, in saying that we are proud to have devoted such a substantial set of resources to our public school system, and I believe we are committed to doing it again next year.

"Along those same lines Mr. Speaker, people maintain very strong support for the University of Hawaii system. In fiscal years 2002 and 2003, we are increasing their operating budget by \$46 million and \$60 million, respectively.

"In addition to our commitment to education, we are also highly concerned with the well-being of our youth, elderly and disabled. Clearly, the hallmark of a community is reflected by how we treat those least able to care for themselves."

Representative Hiraki rose to yield his time.

Representative Takamine continued, stating:

"Thank you very much. As I was saying, the hallmark of a community is reflected by how we treat those least able to care for themselves – and in this budget Mr. Speaker, we are not leaving them behind.

"The overall operating budget of the Department of Human Services increased by \$137.1 million in 2002 and \$174.8 million in 2003. The majority of these increases may be attributed to two groups: abused and neglected children, and the economically disadvantaged elderly and disabled.

"Mr. Speaker, although economic indicators for the State are painting a positive picture for Hawaii's future at this time, they do not measure the State's social needs. Unfortunately, the number of abused and neglected children in Hawaii has increased this past year, and is expected to continue to increase over the biennium. For this purpose, an additional \$28.1 million has been appropriated over the biennium for child welfare services and child placement board and related client payments.

"Medical services and treatment for the elderly and disabled have been the driving force behind the Department of Human Services' budget. Improvements in medical technology and pharmaceuticals have improved the quality of life and increased the life span of our elderly and disabled. To ensure a continuum of services, a total of \$75.7 million has been appropriated over the biennium to address the increasing costs of prescription drugs, for those who rely on them most. In addition, \$54.2 million has been appropriated for Medicaid Waiver Programs such as Nursing Home Without Walls and the Residential Alternative Community Care Program. These programs improve the comfort of our *kupuna* and disabled and avoid the high cost of institutionalized care.

"Social service programs have suffered during the recent lean years. But Mr. Speaker, programs do not suffer, people suffer. That is why, in deference to the needs of our young, our elderly and our disabled, we are venturing beyond our past efforts.

"It is anticipated that as a result of welfare reform, families losing benefits will increase the demand for homeless shelter services. Thus, \$900,000 for each year has been appropriated to maintain an Institute of Human Services emergency shelter and help provide funding for a new homeless shelter at Kalaeloa.

"Mr. Speaker, this Legislature also has a strong commitment to the safety and welfare of our communities.

"Reducing crime and enhancing public safety is a high priority. The Department of Public Safety, which oversees the state prison system, is getting a \$15 million increase to its operating budget in 2002. We are adding an additional \$9.8 million over the biennium to continue to house inmates in mainland facilities until we can address overcrowding and a prison can be sited and developed here in Hawaii. We are including \$6.8 million to lease beds in the new federal detention facility being built at the airport area and to address recidivism, we are including an additional \$460,000 to expand counseling for inmates and persons on probation.

"Substance abuse is a serious and pervasive problem in Hawaii. It cripples the human spirit and destroys families and communities in the process. In our correctional facilities, substance abuse is a major contributor to recidivism. Research shows that programs that break the addiction cycle reduce recidivism and have tremendous potential for cost savings.

"We are therefore including \$19.7 million in fiscal year 2002 and \$20.5 million in 2003 for new and expanded programs that directly address the problem of substance abuse.

"Federal court mandates aside Mr. Speaker, the Conference Committee is nevertheless committed to ensuring basic health care services. To maintain a basic safety net of health care, particularly for the Neighbor Islands, we are including \$18 million dollars over the biennium for the Hawaii Health Systems Corporation in the State budget.

"The viability of independent hospitals providing quality healthcare in rural and isolated areas where no other alternatives exist is very important. We are appropriating an additional \$5.7 million over the next two fiscal years to subsidize these invaluable medical services, that have much to do with the quality of life for people living in rural areas.

"To further help our elderly, we are earmarking \$1.8 million dollars over the biennium to the Executive Office of Aging to conduct a study on establishing State-sponsored long-term care, and expand the very successful Kupuna Care and Elderly Abuse programs."

Representative Lee rose to yield her time.

Representative Takamine continued, stating:

"Thank you. To assist in the provision of basic dental care services for the low-income and medically under-served, we have included an additional \$350,000 in fiscal year 2002; and \$250,000 in fiscal year 2003 for a new dental clinic on Maui and purchase-of-service funds for dental services on the Island of Hawaii.

"A net total of \$32 million is being added to the Department of Health's budget next fiscal year, and we hope to include an additional \$27 million a year after that.

"Mr. Speaker, I believe that this is a budget that never loses focus on the needs of the people of our State. And; identifies our first priority -- maximizing the educational opportunities for our children and those beyond high school. It also targets restorations of those social services that were cut in past years -- services aimed at helping those least able to care for themselves. And allows people to become self-sufficient through finding gainful employment, to break the cycle of poverty and dependency, and to re-discover their self-esteem.

"Mr. Speaker, this budget speaks of our values as a society. It is a compassionate budget that says that our most treasured resource is the people it serves. It says everyone is vital to our future success.

"In conjunction with separate measures we will be approving today, this budget addresses the most pressing needs of our community based on available State resources.

"Mr. Speaker, H.B. 200 meets the State's financial obligations, it meets our social responsibilities, and it meets the constitutional requirement of a balanced budget.

"At this time, with your permission, I would like to yield to Vice Chair, Bertha Kawakami."

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

"Thank you Chair Takamine. Mr. Speaker I rise to speak in strong support of H.B. 200, C.D. 1, Relating to the State Budget. Let me begin by expressing my sincere gratitude to you, Mr. Speaker, and the leadership team, for the warm support and the broad vision, which played an integral part in the Finance Committee's deliberations in fashioning this budget in an efficient manner. And secondly, my deepest appreciation to Chairman Takamine for his leadership skills in performing this arduous task of leading the Committee and bringing forth this objective and straightforward budget.

"Thank you all, to the Finance Committee members for your collective support over the long days and nights and your kindness and generosity in nourishing all the members and the staff of the Finance Committee family. I wish to also thank the Finance Committee staff seated in the gallery, thank you. Chairman Takamine and I have been privileged to have such a valuable group of researchers and analysts to assist us in our deliberations and decision making. And equally important, we thank the "front-line troops" in this office who face the daily public and constant phone calls and testimonies that overwhelm them, but all of this they endure with warm hearts and professionalism. And also to my staff, mahalo for all that you have done.

"Mr. Speaker and colleagues, as we chart the financial course of this State over the next two fiscal years, a memorable statement by former Vice President Dan Quayle comes to my mind and I'd like to quote. He said, "Hawaii is a unique state. It is a small state. It is a state that it, by itself, it is different from the other 49 states. Well, all states are different but it's got a particularly unique situation." Mr. Speaker and colleagues, even though the former Vice President was not too eloquent, let me finish it by saying boldly, "that Hawaii is truly unique."

"This measure before us highlights the fact considerably. We have placed education at the top of our agenda and in conjunction with the Board of Education are improving and strengthening the only statewide public education system in our country. Much of the increases of government spending are directly attributable to our education budget. We in the Majority have been accused by our colleagues across the aisle as "loving to spend people's money." Mr. Speaker, the people are our priority and our spending reflects this. Our policy in crafting the people's budget is to balance the social needs of our island society and the need to encourage and diversify our economic infrastructure.

"It was Edward Abbey who once said, "Growth for the sake of growth is the ideology of the cancer cell." Indeed, Mr. Speaker and colleagues, the difficulty in formulating the budget mirrors the complexity of a balancing act across the

wide spectrum of policy issues. Development versus open space. Individual rights versus landowner rights. Is it tourism promotion versus the infrastructure needs? Preservation versus the recreation. Education versus tax refunds, and so on. We all share a big responsibility and the duty we shoulder in representing our districts' various needs must play out against competing requests from everywhere else. Thus the ability to spend does not mean that tax dollars are simply spent because they are there even though our colleagues say we would have you believe so. The ability to spend carries an enormous burden on justifying its purpose and ensuring its success in achieving its intended goal.

"To say that we spend just for the sake of spending is foolhearted. It's an attempt to circumvent that burden, yet claim credit for an item connected to this measure. Mr. Speaker and colleagues, the human element of this budget is evident."

Representative Chang rose to yield his time.

Representative Kawakami then continued, stating:

"Thank you, Representative. We are providing registered nurses for our public schools. We are funding the Breast and Cervical Cancer Treatment Program for women not covered by Medicaid. We are providing a safety net for families through the Homeless Assistance Program. We continue to fund domestic violence programs. We are helping families transition from public assistance to self-sufficiency. We are providing help and ultimately hope where it is needed the most.

"This budget has a very real human face to it; more than dollar amounts, program ID's, re-appropriations and transfers. This budget reflects the heart and the soul of the Majority members in a time when we have had to sacrifice many extremely worthy programs. Although a major criticism of this measure is that it does not go far enough in terms of economic revitalization, I would venture to say that that approach would be the opposite. If it were to fund every single social services program, promoting consumer spending has the unintended effect of increasing the gap between the rich and the poor while an overly zealous welfare program hampers private enterprise.

"We are cognizant of our constitutional mandate to balance this budget. We also realize that this balance goes far beyond the numbers. So, Mr. Speaker, your Finance Committee, along with our counterparts in Ways and Means, has met this task head on and is confident that the measure before us balances our needs, our desires, our hopes and our dreams.

"It is for these reasons that I ask for this body's unanimous support of H.B. 200, C.D. 1. Thank you, Mr. Speaker."

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

"Mr. Speaker, I rise in opposition to this budget. Mr. Speaker, the budget is balanced. That is required by the Constitution. But in reading the conference committee report before our debate today, I get the impression that because revenues are up, we must increase expenditures. I believe that this kind of thinking is a mistake.

"Let's look at the economic realities that Hawaii faces today, Mr. Speaker. We found out that last year, the year 2000, personal income rose in California by 11 percent. That's an 11 percent increase in one year, and was the second highest increase for any state in the country. In Hawaii, personal income rose 4.8 percent. That was the third lowest in personal income anywhere in the country, only Alabama and

Mississippi did worse last year than Hawaii. California, there. Hawaii, there. California, where one out of eight people live. California, the most important neighbor state that we have. Is there any doubt, Mr. Speaker, that that dramatic growth in California last year had its impact on Hawaii and the revenues of this State?

"We dragged, California led, but we did manage to see some growth last year. Now we know that California is facing serious problems, and in fact, we know that in February and March, our key visitor industry numbers are down, exactly what we watch to see where our economy is headed in the future. Meanwhile, that other important place in our economic destiny, Japan, is also struggling and under a new Prime Minister, has no predictions for any soon rapid growth.

"I don't see a bright future that we can base high spending on, Mr. Speaker. We need to change Hawaii's economic condition. We, the Legislature, can change Hawaii's economic condition. We, right here, can make that change happen. We can do so by reducing the cost of government to the people of Hawaii, we have that within our power. We can return revenue to the people of Hawaii in the form of lower taxes and we, the Republicans, have indicated exactly how that should be done.

"It should be done by ending the tax on food in stores. This will help the people in Hawaii who most need help and who are most likely to take the money that's returned to them and go out and spend it in the economy. Spend it for things they need, not things they want, but things they need to survive in Hawaii.

"If we do so, if we make this kind of change, we make government smaller and we help the people of Hawaii. Hawaii becomes more attractive as a place to do business. If we do this, if we lower taxes and put the money back in the hands of the people where it belongs, we'll help bring our relatives back to Hawaii. We'll help our children find jobs here. We'll make the life in Hawaii the better life that we're looking for, for our people.

"Instead, what have we done, Mr. Speaker, with this budget? The general fund is up 12.3 percent over fiscal year 2002, and in the following fiscal year, the second year of our biennium, it's up 16.9 percent over the current base. In terms of employment, we're increasing by 494 positions in the first year of the biennium and adding an additional 123 positions in the second year of the biennium. Incidentally, Mr. Speaker, these figures used to be readily available in the Conference Committee report, but now we have to do some real digging to pull it up.

"This is not the direction we should be going with our increased revenue, which instead, should go back to the people. How do we balance the budget and also return taxes to the people of Hawaii, Mr. Speaker? We do it by cutting the base, not the additions but the base of the budget. We need to cut unneeded programs; we need to cut programs that are not working. We need to reduce the workforce through attrition; we need to help turn this economy around.

"Mr. Speaker, members of this House, let's help Hawaii. Give us change. Get off the road to nowhere we keep going down. Let's set off in a new positive direction. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I am rising in support with reservations. At first I have to thank the Finance staff for all the great work they've done. They've really worked very hard.

"Mr. Speaker, this budget contains many good things such as new schools, school repair, money for Felix, the Retirement System, the Health Fund and many other things that the Chair has already addressed. But as you heard from the Minority Leader, there are also many bad things in the budget. I'm very concerned about the tremendous growth in positions that we've seen in this budget. These positions are going to cost us money for decades in the future, not only because they're on the payroll but because of their health fund, the premiums that are due for them, their retirement. We're going to be paying for this for a very, very long time to come.

"And we keep growing and growing. As individual Legislators, we do not have detailed information of where the dollars are actually spent within the departments. We have broad ideas where they go by sequence numbers to different departments, but there's no detailed accounting for how that money is actually spent, and if the program is working or not working.

"So some may rise in opposition, as you've already heard, and I'll vote with reservations. One of the reasons is I am the ranking Minority member of Finance and I believe it was, and is my responsibility to get more information to my colleagues so they can make a thoughtful and wise decision on voting on this budget. But I couldn't provide that. So in that regard, my efforts fell short and its desired results. I thank you, Mr. Speaker, for having confidence in me and allowing me to serve on Finance Committee. I hope that in the future we can get the information out so that perhaps more of my colleagues will want to support the budget, or at least they'll feel that they had some part in it and they'll know that the money is being spent wisely. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker, I rise in support with reservations. Mr. Speaker, sometimes I listen to the speeches and I wonder what political planet I come from given that I can listen to the Finance Chair followed by the Minority Leader and agree with much of each, but let me try and give it a shot.

"There is much in this budget that is very good. There is much in this budget that you, Mr. Speaker, the Finance Chair, the members of Finance and the members of this House on both sides of the aisle can be proud of.

"The main thing that we've done right in this budget is that we have not balanced the budget on the revenue generation side. We have not balanced this budget by raising taxes. We have not balanced this budget by diverting moneys from special funds. We did not, in fact, agree with the Senate on the deferral of the personal income tax reductions, which we have promised and which will then therefore take place. We did not go forward with the new tax on wholesalers. We did not increase general excise taxes, as some would have us do to afford much larger State spending. We did not go along with the Senate on diverting over \$90 million dollars out of special funds, which would have had to have been replaced down the road. We did not "monkey" with the Employee's Retirement System contributions by adjusting assumptions unrealistically or otherwise raiding the corpus. We did not go along with the Senate on agreeing to a spillover of monies raised for tourism marketing to the general fund, we left that all in tourism marketing. We did not raid the corpus of the Hawaii Hurricane Relief Fund, nor allocate the interest from that Fund

for purposes other than directly related to the purposes for which that Fund is created. We did not raid the rainy day fund; we did not surreptitiously tap the rainy day fund in a budget proviso. We did not do a lot of things, which were on the table, all of which would have created an unrealistic budget. And for that I think we can all acknowledge that we did a good job in this House.

"We fit in responsible pay raises for our public employees. Not all that they wanted, but responsible pay raises that averaged over 10 percent for every public employee in every collective bargaining unit, at a time when no private employee is getting a raise. We found a way to pay some raise, not all, but some, and a pretty good sized one at that. So all of these things I think are good.

"My reservations have to do primarily with the comments by the Minority Leader. We have really not changed our basic approach to budgeting. We have not gone into the base. We have continued to assume that that base budget is valid. We have not gone back in and prioritized that base. We have not asked ourselves if there are programs in this base that we can no longer afford, where we should allocate these monies and these positions elsewhere? We have continued to assume that the base is sacrosanct; we have not touched it. That's a mistake which will come back to haunt us.

"We have fundamentally ignored clouds on the horizon with our revenues in the future. The Council on Revenues projects 11.3 percent growth in revenue over the next two years. Again, as I've said before on this House floor, I hope that's right, but I doubt that it is and I think we will find out soon enough that it is probably wrong. Perhaps this budget is balanced in a legal sense as we sit here and deliberate today and yet I doubt any of us believes that it will remain balanced over the next six months, over the next one year, over the next fiscal biennium. If it is, we were lucky. That's all we were. We didn't, I don't believe, plan conservatively and responsibly. And as the Minority Leader said, in the area of prioritization, I think we should have afforded some form of tax relief over and above personal income tax reductions, especially to our lower income tax payers. We spent that money elsewhere.

"The fact is that a single "hiccup" on the national or international horizon will drive this budget "out of whack" in no time, and I think we probably should have provided for that in our budget deliberations to a greater extent than we did. Now it's fine right now because we got lucky on the revenues for this current fiscal year; we had more revenues than we expected so we could accommodate it. But we haven't been changing the basic approach. And we will have to be changing that approach between now and the next Session; and that's the work in front of us.

"So it's a good product at this snapshot in time, but it is not in my mind, a product that we can continue with over time. Good job for now, but the work still lies ahead. Thank you."

At this time, the Chair requested that members submit written remarks to be inserted into the Journal as the Senate had already passed the budget [on Final Reading].

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

"Thank you, Mr. Speaker. I just have very brief comments in support of the budget but with some reservations. I want to point to one item, items on page 216 and 217 of the budget where the House and the Senate are appropriating money for elementary school playground equipment. Mr. Speaker, I'm not sure if this is true in your district, but I think it is in the majority of our districts. The elementary school playground

equipment is either roped off or has been removed. The Department of Accounting and General Services just can't seem to get its act together to get the playground equipment into the playgrounds.

"There is a note in *Honolulu Magazine* about DAG's, I guess, lack of effectiveness in this area and it states: "Would you believe it will take one month and \$10,000 for DAGS to move a flagpole at Aiea Intermediate? And one month and \$50,000 to replace a stage curtain at Castle High school?" This is the kind of thing that we have run into, Mr. Speaker. We are again appropriating money for elementary school playground equipment. Children now don't get the adequate exercise. They go back into class fidgety because they are out there with maybe a kick-ball and that's about it.

"Mr. Speaker, I applaud the budget and the money committees for putting this money in there. But again, I say that's half a job. The other half of job is to make sure the money gets spent and the equipment reaches the playgrounds. Thank you."

At 11:03 o'clock a.m., Representative Gomes requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:05 o'clock a.m.

The Chair addressed the body, stating:

"At this time, the Chair will state once more that for those of you who would like to submit your written comments in support, with reservations, or in opposition, you may do so by inserting it into the Journal. If you do want to speak, I will allow each member of the House to continue debate on this particular issue, the State budget."

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

"Thank you very much. I wish to speak in favor of the budget with just a few minor concerns. First of all, I think it is an excellent budget in cooperation with the House leadership and the Finance Chair. I am very impressed, as the former speakers have stated, that they were able to balance the budget without raising taxes, without raiding special funds and without making any adjustments to tax decreases that we have passed in the past years.

"And I'm also extremely impressed in the compassion that the Finance Committee has shown in providing increasing dollars for human services, long term care and dental services. For some of you who have never experienced the pain of a toothache or a child without any dental care in a community, you don't know what it means to have a dental facility to take care of the child and the family and the adult. Maybe some time when we look at ourselves as being educated, efficient but do we have the compassion to understand what is out there. Not everybody is well off as we are, so to speak, have a comfortable bed, a decent salary, and can educate our children in the best schools. There are many out there that do not have that capability.

"This budget attempts to resolve that in some small degree. We have a long way to go to see that the poorest of the poor, those who cannot take care of themselves, need to be taken care of. It is our responsibility to take care of them. And, Mr. Speaker, I believe we could have put more resources in that particular area and I hope that in years to come we will have the will to do it, the will to do the right thing.

"Also, Mr. Speaker, we are proud of what we call our 'great education state'. We are second to none. And there was an increase in the budget here, but there's much more to do. Our class sizes are still too large. We need to put a lot more money into the improvements of the school facility than is included here.

"We need also to provide much more dollars into substance abuse programs, you have money in here, not nearly enough to take care of this expanding drug problem that we have in the community. Again, we speak of compassion and love and at the same time we say that we're over-extended and we should not increase in this particular area. "Cut," they say. Where do you cut?

"And, Mr. Speaker, we don't have a prison yet. We don't even have an inkling if we're going to have a prison. There is nothing in the budget, Mr. Speaker and members. I'm sorry to say that if I have any reservation besides not having enough money for the poor people in the state, it is that we don't have money for the other end of the spectrum. There are those people who prey upon the poor and the disadvantaged, we must have a place to put them away. We don't have any dollars for a prison in here. I think we need to look at that very strongly at the next Session.

"We have prisoners in prisons on the mainland. We had a case over there where two people died, and I make note, in a private prison, Mr. Speaker. As I mentioned before, do private prisons who are dependent upon the bottom line have the compassion for rehabilitation, or are they more concerned with the dollars going in to their pockets? That's a major consideration that we should all have.

"Another area Mr. Speaker, that we should consider, is that we have passed, but not yet funded the Office of the Legislative Analyst. Members here on both sides of the aisles want to know, get into the base of the budget. They want to understand what's in the base. Unless we have a Legislative Analyst with adequate staff and expertise, we will never have that capability. I believe that we should begin putting money into that, sooner rather than later. We should not be dependent upon the Executive to develop a budget. We should develop a budget simultaneously with the Executive and then we can make the comparisons. We need to get into the base."

Representative Luke rose to yield her time.

Representative Souki then continued, stating:

"Thank you, Mr. Speaker. I intended to make a short speech. When I get up here sometimes, I get over-emotional. Thank you, Mr. Speaker and members, for allowing me the time to speak here."

Representative Rath rose to speak in opposition to the measure and asked that his additional written remarks be entered into the Journal, and the Chair "so ordered."

Representative Rath continued, stating:

"Thank you, Mr. Speaker. My opposition to the budget is not that there wasn't adequate or good work done on it or there wasn't reasonable review of the numbers added and the increases made. I'm absolutely sure that for your side of the aisle, that this is, as Vice Chair Kawakami said, 'the heart and soul,' for the Majority Members. It is, by any definition, a fine Democrat budget.

"However, Mr. Speaker, the problems with the budget are systemic. They go, as Minority Leader said, to the core, to the

base of the budget. And those things have to be changed if we're going to move forward.

"As an analogy, this budget is like having a very old car that constantly has problems and needs to be fixed. And every time you go someplace, it's not reliable and you know it might break down and you know in the future sometime, very shortly, it's going to cost you money again. And you're going to keep throwing money at it. It's just not doing the job it's supposed to do. And to give you an example, in this morning's paper I think everybody read, your comments and those of the Senate President, that in 2003 we could expect a tax increase.

"The problems are systemic so this is not an indictment of the work that people did on the budget, rather the philosophical differences of the direction the State has to go. We have to get to that base. We have to ask those cogent questions. Is this program working? Is it efficient? Are we getting the "bang for the buck?" Are we getting our money out of it? Are we taking taxpayer's money and squandering it, or are we spending it effectively where it is giving us the results?

"Now we have to start as a Legislature, and we are an adolescent Legislature. We've got to grow up a little bit. We've got to say that if we're going to take money out of people's pockets, if we're going to reach into their paychecks and we're going to take that money, we darn well have to be fiscally responsible. And we owe them to give them the best we can possibly provide in return for taking that money. And we're just not doing that, Mr. Speaker. We're not in this budget being sound fiscal managers of the people's money. And that's my objection. We can do it. We have to go back to the core issues of government.

"Basically, we have to get back into basics. We have to do the things that people want done. We have to provide infrastructure, health, public safety, and do those things well before we go onto grandiose plans, schemes and dreams, building fish tanks and giving all kinds of tax incentives and going with new technology, and all the other grandiose plans we seem to come up with. We've got to get back to the basics, and when we get the basics down pat, maybe then we can move on. But we have got to go back to the basics and we're not there.

"Driving down the H-1 in that old, busted car, you look around you, you see other people flashing by, and you go, 'Well, maybe it's time to get a new car.' But until then we will continue, as the Minority Leader said, to say, 'Thank God for Alabama and Mississippi.' Thank you, Mr. Speaker."

Representative Rath's additional written remarks are as follows:

"I heard from the first speakers on this bill about how we have provided this and provided that for our people, but I must say that it doesn't seem as though we have provided anything at all for most of our people. We haven't provided relief and hope for our small businesses. We haven't provided a break for our heavily taxed wage earners. We haven't provided a dream for our children. And I am very concerned that we have provided no future for our state.

"We haven't gotten it right yet. This document is more of a burden than a budget. This document is more of a brake than an impetus. This budget is another exercise in the politics of denial rather than an honest attempt to get our house in order.

"Business people out there, they don't want to do less business. They want to see their business grow. They want

more customers. They want to expand. They want to make more profit. They want to hire more people -- they want to have more employees. Every person who works for somebody else, who's a wage earner, when they go to work they want to work a full 40-hour week. They'd like to have the advantage of overtime. They'd like to work for a company that is so secure and doing so well that they can expect raises and promotions, that they can know they can meet their bills time after time, assume a mortgage, buy a home with confidence, get that new car. We don't have to do anything to make the economy move forward. We just have to take our foot off the brake, and this is the brake. And it's breaking the backs of the people who pay the taxes. That's why the economy is down. We are spending more. We are growing government.

"But we don't think about what we are doing to our income producers. We think we can continue to demand more and more from them, and they will just let us take more -- more out of their paychecks, more out of their bank accounts.

"When crafting a budget, the concept should not be that we will take whatever money we can get out of middle wage earners and throw it at more government programs.

"It should not be we will look for every means possible to get another dollar out of taxpayers so that we can spend it.

"We have a fiduciary and financial responsibility to all the citizens to provide an economy that is vibrant, an economy that allows people to work one job and get by, to have the dream of someday owning their home, for their children to be able to look to the future and know that their lives are going to be better than their parents. Most working people don't know if they're going to have a job, or be able to make ends meet next month or next year. They don't know if they're ever going to be able to afford a home, or if they have one if they're going to be able to keep it.

"A survey done a couple of years ago noted that a majority of our residents have had to adjust their standard of living downward in order to cope with economic realities. These adjustments included using up savings to pay for basic necessities or cutting back on food, clothing, medical or appliance expenditures. I have not seen a follow-up survey yet, but I could bet that things have not improved much.

"This is not the people's budget. This is a budget for some of the people.

"My question is, what about the others -- the ones who go to work, and try to pay their bills every month, and hope that they can save something for themselves and their kids, and at the same time put off a family outing because the cost of the outing is more than they can afford this month, or next month, or the month after that. What about the ones who live their lives of quiet desperation, afraid that they may not be able to make the mortgage payment, may not be able to keep up with skyrocketing utility bills, cannot afford to send their children to college? What duty do we have to them? What sound management techniques can we display for them? What have we provided for them?

"We almost took back the food credit, we talked about raising the G.E.T., we have heard talk of a possible tax increase in two years. Why? Because the fixed costs and "must-funds" alone in this budget account for the lion's share of the budget, and the increases in the budget.

"The mindset of charging whatever the market will bear, ironically, is the most fully realized in government spending in this state. It ripples out to a housing market that is still way

overpriced, utilities that are much higher priced than anywhere else in the country, and a market where every basic necessity raises the question in most consumers' minds, "Can I afford this?" Such a picture provides no hope, no incentive, no desire to try to make it here.

"This budget is, in fact, the next episode in a story entitled, "We can't make it." When conditions reach such a point, I believe that change is about to occur."

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

"Thank you, Mr. Speaker, I've been sitting here and I'll try to make it very short. We've been accused of wanting to, or loving to spend money. Mr. Speaker, if we look at where we're spending the money, that's who we love. Mr. Speaker, we've been accused that the funding in this budget is an increase. Yes it is an increase; it's a 12.3 percent in 2002 and 16.9 percent in 2003. But, Mr. Speaker, I guess I want to thank you first, for your confidence as the new Chair of Human Services and Housing. As we were speaking about government and about being fiscally responsible, about cutting the base, may I say, Mr. Speaker that since 1994, we've been cutting the base.

"I have heard the proponents of attrition. I think that one of the arguments is needing more information and more access to the worksheets. Well, Mr. Speaker, you don't find out about a program from a worksheet, you go out and meet the people. You turn that idea into a human being and when you go out and speak to the people, then you find out what attrition does for you.

"Mr. Speaker, the Department of Human Services strives to provide high quality services and assistance to people in need. The Department, however, must do this under the budgetary pressures placed upon all state agencies. In this light, this bill is providing additional funding for many initiatives such as providing for special needs, children under the care of Child Welfare Services, managing the cost of long-term and acute care, and providing rising prescription drug costs. Access to prescription drugs prevents further progression of illnesses, reduces emergency medical costs and defers costly long-term care services. Improvements in medical technology have produced new and costly pharmaceuticals without generic substitutes, thereby, increasing Medicaid expenditures. To provide adequate support for the rising pharmaceutical cost in the fee-for-service program which service the aged, the blind, the disabled population, we have provided \$34.1 million in general funds and \$75.7 million in all means of financing over the next biennium – that's a total of \$109 million.

"Mr. Speaker, if you're talking about government employment, 494 positions in 2002, 123 positions in 2003. I take responsibility, Mr. Speaker, because since 1994 this Department has been cut, cut beyond the bones, into the marrow. Mr. Speaker, I take responsibility. The majority of the positions converted from temporary to permanent occurred in the social services division. A total of 65.5 positions in fiscal year 2002 and 119.5 positions in fiscal year 2003 were converted and are funded through a mixture of general and federal funds. Why? To recruit and retain staff for child welfare services, those child welfare services that Speaker Emeritus has eluded to, to correspond with the permanency of Medicaid Waiver Programs such as the Nursing Homes Without Walls and Residential Alternative Community Care."

Representative Magaoay rose to yield his time.

Representative Kahikina continued, stating:

"Thank you, Representative. Mr. Speaker, these are the programs that we're spending on. We're talking about attrition. We're talking about cutting government. We're talking about being fiscally responsible to the people. This is the people's budget. Where do you cut?

"Felix related expenditures. Did you know that the Department of Human Services recruits, licenses, and does training and counseling of foster adopted families? There are 8 multi-agency case coordinators and 21 case support aides to coordinate the services between the Department of Human Services, Department of Health and the Department of Education. This directly affects the Felix related expenditures.

"Mr. Speaker, we are putting in a total just with the three programs that I have mentioned, a total of \$116.1 millions. Additional funds for the Medicaid Waiver Programs – to lower the costs, get people out of the hospitals and into the homes, give them respect, and lower the costs with the Nursing Homes Without Walls and the Residential Alternative Community Care. This budget had placed \$58.6 million in this biennium. This is commitment to the very people who really have the needs.

"Additional funding for the Child Placement Board. This project, Mr. Speaker, will help the children for whom Adoptive Assistance and Difficulty of Care Payment is expected to increase. These are children we're talking about. A total of \$3.3 million in the first year, and another \$3 million in the second year.

"Mr. Speaker, in substance abuse, a total of \$703,750 in general funds was appropriated over the biennium for substance abuse in the Department of Human Services. This budget will address the parents of the children who are in foster homes. A lot of them need this drug rehabilitation so we can reunite the families.

"Mr. Speaker, this is the people's business. The total in human services, all together in both years, the first year \$137 million, second year \$174 million. When you're talking about increases, these are the increases. In housing we have a total of \$58 million that went into housing to address the homeless, the helpless, the very people that we need to address. Mr. Speaker, for all of those reasons, if you should stand in reservations, if you should stand in opposition, then you're really standing against the people. How can you say that you support the teachers and yet go and cut positions for teachers because government is too big? How can you say that we want to help the very needy like the kids in our schools, and yet don't support this budget?

"If you support this budget, Mr. Speaker, you are supporting the people's business and therefore I ask my colleagues to support this bill."

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

"Mr. Speaker, the Executive budget, our operating budget, is the single most important and comprehensive bill passed by this Legislature. It is the premier bill not just because it affects all aspects of Government activity, nor just because it directs virtually all our public money. It is also the mechanism that we have to implement our government's hopes, dreams, philosophy, direction and any vision that we might have. This budget is composed of all the public money we take in various ways and spends it to implement our goals. After all of the rhetoric, public or private regarding our intentions, this document is our action plan. This document is where the rubber meets the road.

"Mr. Speaker, let's look at the funding side of this budget. Hawaii takes in more public money per capita than any other state in the nation. While the states each have various mixes of taxation between their State and local governments, we can compare apples to apples if we add state and local taxes together. Combined, Hawaii takes in more public money per capita than any other state. Additionally, Hawaii takes in the highest percent of personal income in the nation, state and local taxes combined. This relationship to personal income is particularly disturbing as Hawaii went from sixth in 1995, to first in 1998, 1999 and 2000.

"If you recall, Mr. Speaker, we raised taxes in 1995. That year we removed around \$80 million in tax credits to offset the regressivity of the general excise tax, along with maintaining a 6 percent tax on nursing home beds and raising fees of all kinds; the largest tax increase in the history of the State. The tax credits removed since 1995 currently supplement our budget by \$90 million a year.

"The general excise tax is our largest single source of income. The social weakness of this tax is that it's regressive and also taxes food and medical services. In 1995, we returned 8 percent of the general excise tax to offset these problems. Today we return less than 1 percent.

"This growing budget, Mr. Speaker, is supported disproportionately on the backs of the most fragile members of the community and it is squeezing the lifeblood out of our economy."

Representative Schatz rose to a point of inquiry, stating:

"Will the Representative yield to a question?"

The Chair asked that Representative Halford be allowed to finish his remarks before yielding to any questions.

Representative Halford continued, stating:

"Thank you. In 1998 we prospectively passed income tax reductions that have yet to fully materialize. While this government publicly wrings its hands over a cumulative, prospective and protracted \$2 billion loss in revenue, no mention is made of the retroactive tax increases that have allowed us to pass increased budgets and tax increases that have made us number one in taking money from our people.

"Mr. Speaker, regarding the spending side of this budget, is anyone surprised that this State spends more money per capita than any other state in the nation, state and local combined?

"The budget before us today is an additional 16 percent increase, I believe someone else just mentioned 16.9 percent increase to this biennium budget. The growth in our State budget is out-pacing inflation, personal income, gross state product or any other significant economic measure that might be proposed.

"Mr. Speaker, we do not measure the value of our spending. I can easily claim that overall we do not get 50 cents of value on each dollar of our spending. This is indisputable because we lack measures. Any private business will fail if it does not measure. We require our private non-profits to measure. Maui County measures. The State does not measure."

Representative Pendleton rose to yield his time.

Representative Halford continued, stating:

"Thank you. Our budget process does not ask for measures, which is a major reason that we do not get acceptable value

for our dollars spent. Mr. Speaker, the process used to develop this budget has abandoned common sense. At the foundation of this budget lie the numbers provided us by the Executive. We know that the numbers and the resources are obscure at best.

"This Legislature and the process that developed this budget does not demand transparency in the Executive spending practices. In this regard, the Legislature has abandoned its mandate to control the State's purse strings and continues to allow obscure self-serving spending by the Executive Branch.

"This coupled with our unwillingness to ever override a veto has compromised our branch of government. We have abandoned critical elements of American-style democracy that balances the three branches of government for the benefit of the people. In abandoning the process of American-style democracy, we have created a budget that serves a few who are connected to government. This is not the people's budget.

"Mr. Speaker, this budget is simply a continuation of our State's long standing commitment to hurtful taxation and lack of spending controls. This budget is irresponsible, has no courage and no up-lifting vision. This budget not only damages our economy; it damages our people and their spirit. This budget should be rewritten with the goal of putting our people and communities first.

"Mr. Speaker, these are some of the reasons I'm voting no on this budget."

Representative Pendleton rose in support of the measure with reservations, and asked that the Clerk record an aye vote with reservations for him, and that his written remarks and the remarks of Representatives Fox and Case be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Pendleton's written remarks are as follows:

"Mr. Speaker, I rise in support with reservations on the State budget. The reason I am voting with reservations is because while there is much in the budget that is good, I have serious concerns about its overall size.

"Mr. Speaker, the budget is necessary. Without it we cannot function. We cannot provide a safety net to the needy without a budget. We cannot have a public school system without a budget. We cannot run our public safety correctional facilities without a budget. We need it. And we have one now, or we will soon have one once the Governor signs it into law.

"However, do we necessarily need this budget? I think not. I have reservations because of the size of this budget. No matter how you count the numbers, this budget is a double-digit increase.

"Sure, we have cut money from the Governor's proposed budget. But his proposal is already an increase over the current operating budget.

"Hence, when we speak of cuts we are referring to reductions in proposed spending increases. In other words, when we mean budget cuts it is not an actual reduction in what is currently allocated to a department or agency but a slowing in the proposed rate of increase.

"Mr. Speaker, a slowing in the proposed rate of increase is not a true cut. You can call it that. But a cut is a cut. Just ask the average person walking on the street.

"And what we have here are very large increases.

"Population growth and inflation do not merit such dramatic increases. Nor do we have a rapidly growing surplus of tax dollars to warrant such an increase in the state budget.

"Therefore, I vote with reservations on the state budget.

"Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker, I rise in opposition. I wasn't going to say anything but the impassioned speech by the Representative from Nanakuli inspired me to make some comments. Mr. Speaker, I can't speak for everyone but I know that many of us who are in opposition to this budget aren't doing it because we're opposed to services to the poor and needed. In fact, that's the very reason why we're opposed to it, because we see so much money not going to the proper places.

"It was already touched on that we never examined the base and where our money is going and whether it's going in the proper places. Just to note for those of you aren't aware of it, half of the DOE are not teachers. Another problem that needs to be addressed, as we have not filled positions, as the Representative of Nanakuli pointed out, indicating a lack of services to the people. That indicates the problem that we have yet to address where the administrative side of state government is so huge in comparison to those people actually out there providing services.

"One of the things we looked at with the strike, all of us I'm sure, spoke with many teachers. I did in Kona. Time and time again teachers have pointed out to me how difficult it is to get through the bureaucratic maze just to get basic supplies in their classroom. They have to go through their local area supervisor, then they have to go Hilo and try to convince them of something, and then it has to go to Honolulu. All these people shuffling papers in a massive bureaucracy that takes away money from the classrooms. It takes away money from programs that administer help to the people in need. All of it required by a bureaucracy that has grown over the decades into something that's extremely inefficient.

"There are numerous examples of DAGs needing \$10,000 and over one month to simply move a flagpole. That's outrageous. It would never happen in the private sector but yet we accept it here in the government level. We don't do anything to address it. The Representative from Maui talked about having a Legislative Analyst to help us really look at the numbers, yet we haven't done that yet.

"Workers, especially teachers, I'm not sure how this pay raise is going to work out exactly, but if they wanted to be promoted and make a better standard of living, they'd have to get out of the classroom and become part of the administrative side of the DOE in order to continue up the ladder of financial success, so to speak. Is that really what we want to do? Is that really the direction we want to go? I don't think so but we have yet to address these questions in front of us.

"Part of the thing about human services, and it was touched on earlier, is how effective are these programs? What are the measures that we use to see that our money is being effectively used? When I was on that Committee I asked some of those questions as these different programs came in requesting money and the Chairman of that Committee at that time, told me not to ask those questions. That's for Finance to ask. What better place than the Human Services Committee to find out which of these programs are actually working and

meeting the needs that we're shelling out, as the prior speaker said, the people's money to pay for.

"Mr. Speaker, until we start looking at these questions and getting answers to them, our budget will continue to grow, outpacing what our people are making, what our state product is producing, continuing to force us to look in other ways to raise money. The leadership of the House and the Senate has me worried by saying that there's a good chance we have to raise taxes.

"I don't see how we can go back to the people of Hawaii saying that we are spending their money in the most effective means possible; we want more of it. Whether it's to improve education or to provide more services, until we really take a close look at how we're spending the money and deal with the abuses that we know exist, not because necessarily, people are putting the money in their pocket, but deal with the bureaucratic problems that waste the money of the people of Hawaii. Any opposition of this bill based on those measures has nothing to do with the lack of support for the people of Hawaii, but comes from a deep and earnest plea to deal with these problems before we drive this State into ruin. Thank you, Mr. Speaker."

Representative Gomes rose to speak in opposition to the measure, and asked that his additional written remarks be entered into the Journal and the Chair "so ordered."

Representative Gomes continued, stating:

"Thank you, Mr. Speaker, I rise in opposition. If I may, I want to thank you, Mr. Speaker, for allowing this discussion to continue. It's an important measure. I have a few comments and then I'd like to have my written remarks inserted into the Journal. Also, if you could have the Clerk show that I do, indeed, concur with the remarks of the two Representatives from Kona and the Minority Leader as well.

"Mr. Speaker, it's interesting that with regard to the budget bill itself, we'll have worked through basically four different drafts before we got to this point. It was initially HB 200, then HD 1, then SD 1, and now CD 1. Mr. Speaker, we'll have spent more drafts on the 'Dangerous Dogs' bill, I believe there's five drafts on that. I believe there's six drafts on the bill relating to principals and vice principal's incentives. Yet this budget is a \$7 billion budget. It involves so much, it goes so far, it goes so deep. Yet we don't seem to spend enough time, I think. It goes before one, maybe two Committees at the most. And it just goes back to the comment from the Representative from Maui about the Legislative Analyst, that we really do need to fund that program. We need to spend more time on this item as a legislative body.

"When I ran for office, I ran against a two-term incumbent, Mr. Speaker. He was incumbent for the Majority Party and the voters elected me over that incumbent. The voters elected me not because they hated that incumbent or because he was a terrible guy. The voters didn't vote for me because I'm a great guy or whatever it was. Maybe they liked the slippers I passed out. But I think the voters voted for me because they wanted change. They don't want to support the status quo. That's why I was elected; that's why I'm here. They don't want the status quo that I believe this budget represents. It's not something personal. It doesn't go to staff; it doesn't go to the people on the Committee. It goes to the "heart and soul", as was said earlier, of this matter, and of this budget. And it represents a philosophical and political approach to governance that isn't working. That, in fact, harms our children. That, in fact, harms our teachers and it harms our schools. I believe it harms our economy and it harms our job base, and it's not what we need to be doing. We do need to look at the cost

drivers underlying the base budget, the cost drivers underlying the Health Plan and the Pre-paid Health Care Act and all the other "big ticket items" that cost our State so much.

"And its those reasons why, Mr. Speaker, I stand opposed and I would encourage all members to vote against this bill. Thank you, Mr. Speaker."

Representative Gomes' additional written remarks are as follows:

"Mr. Speaker, I am opposed to this measure.

"First, we are voting on HB 200, HD 1, SD 1, CD 1. This means that only four drafts of this bill have been circulated. Yet this measure represents over \$6 billion in state appropriations over the next two-years. It is the most important piece of legislation that we will vote on this session. Yet only four drafts. In contrast, we spent five drafts on the "Dangerous Dogs" bill (SB 643, SD 2, HD1, CD1) which has no appropriation, and six drafts on the Principals and Vice-Principals Incentives bill (SB 530, SD 2, HD 2, CD 1) which appropriates only \$400,000. It seems to me that the we should spend a lot more time on the budget bill before we offer it up for final approval. This is a key reason why we should fully fund the Office of the Legislative Analyst. The Legislative Analyst will provide us more -- and better -- information concerning the status of the vast sums we spend on government programs and services. This will lead to greater legislative accountability and will provide us with more control over those funds.

"Second, I campaigned for office against a two-term incumbent. He belonged to the Majority party. I unseated that incumbent not because he is a terrible guy. I was elected because people want change; they do not want the status quo, especially the harmful status quo that has held us back for far too long. Unfortunately, this budget represents the financial foundation for the harmful status quo. This status quo harms our children; harms our teachers; harms our schools; harms the poor and working families; harms our economy; and harms our jobs.

"This bill embodies an approach to governance that says, "Let's throw more money at the problem." However, the voters of my district told me that throwing more money at the problem IS the problem. What we need instead is to reevaluate our priorities. And the first priority -- bar none -- is education. I said when I ran for office that our public schools should provide an education that is equal to or better than education provided by our best private schools. There is no good reason why this cannot be accomplished. We must turn our schools around. We must dedicate the lion's share of state resources -- and smarts -- to this critical task. This means, among other things, winnowing the DOE from an unwieldy and overpriced bureaucracy to a lean, efficient, and responsive service entity that helps, not hinders, our teachers and principals. In addition, this means eliminating the cost and size of other government departments and programs and redirecting those resources -- be it people or money or both -- to education.

"Third, I oppose this bill because it will significantly increase the size of state government and government spending at a time when Hawaii's economy is weak and cannot support such growth. Moreover, it reinforces and does not lessen Hawaii's high cost of living, and its crippling effect on the poor and marginalized, on the working poor, and on Hawaii's working families. The "price of paradise" is not caused by mysterious or unexplainable forces. Nor can its cause be laid at the doormat of the transportation industry; and it is not the result of overpriced real estate. The chief culprit is

the cost government charges, through taxes and fees, to operate state government, coupled with the cost consequences of unreasonable regulations imposed on the marketplace and the high cost of statutorily-created benefits for state employees.

"Furthermore, this bill and the financial plan we're about to vote on does not incorporate the elimination or reduction of state taxes or fees. This is yet another area where the voters in my district said they wanted relief. Reduce taxes; reduce the cost of government. They did not vote me in to support an expensive government that attempts to be all things to all people. They know, and we know, that such a government does not and cannot work.

"Finally, there has been talk on this floor about the need to protect our long-standing "warm-body" policy. The advocates of this approach posit that changes to the "warm-body" policy means that we are turning our back on the poor, on the marginalized, and on the "family" of state employees. But this is not true. It is the poor and the marginalized that have been harmed the most by the status quo policies now in place. These policies have led to poor schools; high taxes; high cost of living; few high-paying jobs; a service economy that may be safer for workers but is little different in substance than the plantation economy of years ago; too much traffic; . . . the list goes on. Moreover, the "warm-body" policy means that we place a greater priority on the well-being of our State employees than we do on the people who pay their wage: Hawaii's working poor and working families, the vast majority of whom work in private sector jobs and who pay the overwhelming share of state taxes and fees. It is those bodies that we need to keep warm. If we do, our ability to properly compensate the state's employees will take care of itself.

"So, for these reasons, I do not support this bill."

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

"Thank you, Mr. Speaker, I'd like to say Aloha and Happy Lei Day to everyone on this May 1st. Mr. Speaker, I rise to speak in strong support of this budget bill. And I also want to add my thanks to the Finance Committee Chair, Vice Chair and members and staff.

"Mr. Speaker and colleagues, some of you know I often carry around a coffee cup that serves as a constant reminder to me of why I am here. And it says, "A hundred years from now it will not matter what my bank account was, the sort of house I lived in, or the kind of car I drove. But the world may be different because I was important in the life of a child."

"So you see, Mr. Speaker and colleagues, it is not about taxes or position counts or how many buildings and roads we fund. The real question is whether we make a difference in people's lives and whether the budget reflects an investment in Hawaii's future, especially in our most valuable asset, our children.

"To some, like our federal courts, the bottom line is money when it comes to judging compliance of our education programs for the mentally disabled. But to me the question is whether the funds mean quality education and quality therapeutic services to help the student, his or her family and teachers. Don't we have a right, indeed a fiduciary obligation, to demand that our moneys be expended for the Consent Decree in ways that will improve the educational, mental, physical and social wellbeing of our children?

"Those who are familiar with the history of the Felix Consent Decree know full well that we are "paying through

the nose" for our neglect and failure to invest in our children. In fact, we knew twelve years ago that Hawaii ranked fifty-first in the nation and according to the Fuller E. Torrey report, "going nowhere." The report cited the lack of a comprehensive system of care, lack of leadership and the number one problem, lack of cooperation and coordination of services between the Department of Health and the Department of Education. And I cite this to make a point because I wonder if any of these problems have gone away, especially after throwing millions of dollars at the Consent Decree. I have my doubts. But there is a bright side to the Consent Decree. It has forced us as policy makers to really see the value of prevention and early intervention. We are finally starting to see that investing in the early years provides more cost-effective strategies to prevent expensive treatment and remediation.

"In this budget, we are making major strides in prevention and early intervention, by providing \$2.4 million for each fiscal year for the Zero to Three Early Intervention services, which include occupational, physical and speech pathology services and instructions to comply with the Felix Consent Decree. We're also providing \$11.7 million and \$15.2 million in the next two fiscal years for universal screening, home visitations, monitoring supports, training and technical assistance for the Healthy Start Program. And this additional funding will finally make the nationally acclaimed Healthy Start Program, which Hawaii was the first to start, go statewide for the first time in our history.

"And there are other areas that I wanted to highlight but I'll put that aside for now and just mention one concern. It has to do with what the Speaker Emeritus said. My concern is about one of the areas that we failed to address and I will continue to nag you about; that the dental health for our children continues to be the worst in the country and access to providers is a major obstacle in the short-term. I know fluoridation strikes fear in the hearts of many of you but I challenge you to find a more cost-effective strategy to address this problem.

"You heard me say earlier that ten to twelve years ago we knew we had the worst child and adolescent mental health system in the country and look where we are now with the Consent Decree. The question is, do we need to be sued before we start to pay attention to neglect?

"I just want to close with a quote which I've given many times on this floor and I will continue to repeat until we all get the point. It's from Gabriella Mistral, a Nobel Prize winning poet from Chile who says, "We are guilty of many errors and many faults but our worst crime is abandoning the children, neglecting the fountain of life. Many of the things we need can wait, but the child cannot. Right now is the time his and her bones are being formed, their blood is being made and their senses are being developed. To them we cannot answer tomorrow. Their names are today."

"I believe, Mr. Speaker, this budget does invest in our children and in Hawaii's future. And I want to thank the Finance Committee for their vision and commitment to our future. Thank you."

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

"I rise in support of this measure, but before I do, I wanted to ask for a point of inquiry. I previously yielded my time to Speaker Emeritus Souki, but I think he used only ten seconds. Would you allow me to speak in support?

"Mr. Speaker, I wasn't going to stand in support of this measure today. I was just going to allow the other members to

do it. And since the Senate passed their budget about an hour and a half ago, I was hoping that this could be speeded up and we could go on with the other business. But I couldn't just sit here and listen to a lot of the rhetoric.

"One of the things I wanted to point out is that in this budget, we do go into the base. The Finance Committee and the Finance staff went into the base cutting about \$80 million. They cut \$80 million from general fund and if you look at all funds, we are looking at \$100 million that they cut in the base. That was one of the ways that they were able to balance the budget this year. We hear the rhetoric and we talk about the Legislative Analyst. But a lot of the credence and the support has to go to the staff and we didn't recognize them enough for finding all this money, finding \$80 million dollars and cutting that from the base. A hundred million overall in this biennium budget.

"I just want to thank the Chair again, thank the Committee members, thank the staff especially, for doing a terrific job. I think they've just gone unnoticed and I just want to point that out. Thank you."

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

"Thank you, Mr. Speaker, I rise in support of this budget with some serious reservations. When I was first elected, my first session was the 1995 session and we passed a biennium budget that year which went from approximately \$10 billion to \$12 billion. That was the total appropriations and we were all kind of shocked because when the new Governor came in at that time, we had a large deficit balance left over from the previous administration.

"Each year when we passed the biennium budget it has gone up, usually in the neighborhood of 11 to 14 percent. My reservations are that this budget, this year, is no exception. If you look at the operating appropriations and the general fund appropriations, each one of those is going to increase over the biennium by close to 17 percent. The figures I have are 16.8 percent for the operating appropriations and 16.9 percent over the two-year period for the general fund appropriations. Not only is need for general funds constantly going up, in the first year, 2001-2002, it's almost \$380 million more than 2000-2001. These figures, which are very large figures, don't include the recently passed pay raises. So when you add those, the year 2002-2003, the general fund expenditure will be, I'm just rounding it off, \$3.8 billion.

"We've heard a lot about compassion and caring about people. If you look at the big picture, we have to think of all of the taxpayers and all of the people that live in Hawaii. We need a balance between business, government; and this Session practically nothing passed that would help business. We can say, in a sort of convoluted way, business was helped because we didn't cut the planned personal income tax reductions. We can say that if business was helped because we didn't pass an increase in the excise tax. Businesses are still in a very frail place here, Mr. Speaker. They struggle with high rents, they struggle with high taxation. They worry about the economy on the mainland, which our tourist business is so reliant on and we look with despair to see what's going on in Asia.

"We have real problems. I don't argue that there are needs we have to meet. Yet the government here still seems to have the desire to spend every dollar that comes in. There's no real cushion and that's a real concern of mine. You cannot say that government is not growing. This biennium budget increases the full-time equivalent positions by 617; 494 of those in the first year. Not all of them are civil service positions but most

of them are and without some real reform and we continue to raise the budget, increase the size of government, we are going to have no compassion on the taxpayers. How can our young people survive here? How can they stay here and live and raise young families?

"We in this Chamber all earn an income of about \$33,000. If I lived alone on what I make, I could not even rent a studio apartment. And young families I know people contemplating getting married, I don't think they can stay here. I don't know how they're going to make it.

"And when I got up this morning and read the *Advertiser* and saw your quote, that we need to look for revenue enhancements in anticipation of the growth of government. Where is the compassion for the people of Hawaii? I'm not saying it's easy. I've served on the Finance Committee and there are literally thousands of pieces in the puzzle. But until we really decide that this is a priority and it's not business as usual, we're not going to make a dent in this problem. And I for one feel very uncomfortable being part of the process. I realize there are many good things in the budget, but I would hope that we would really get a handle on this and take a serious look at stopping this growth in government. We have so many employees there should be no problem moving people from one place to another. Thank you, Mr. Speaker."

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

"Thank you very much, Mr. Speaker. Mr. Speaker, I rise in support of H.B. 200. First, I would like to thank Chairman Takamine and Vice Chair Kawakami of the Finance Committee and the hard working staff for this budget. It's a budget that this House can be proud of.

"Mr. Speaker, last year the Legislature passed Act 238 which set the stage to bring about greater accountability to our educational system. This became our vehicle to bring about change and help our public schools achieve excellence. This year we continue to build upon the framework we initiated last session to bring about greater accountability to our public school system. The Legislature is committed to making education our number one priority. In spite of the fiscal austerity imposed on other areas of the budget, we have chosen to increase the DOE appropriation by \$185.9 million in year 2002, and \$225.3 million in fiscal year 2003. The total budget for education is about \$3 billion for the fiscal biennium, which reflects our commitment to quality education which Hawaii's children deserve.

"Mr. Speaker, in this bill we recognize that due to the increased workload and paperwork that is generated, we needed to add more clerical help. We have added 200 new clerical positions to help the schools and school administrators at a cost of \$6.6 million for the biennium. This is a much-needed addition and is fiscally very sound and responsible. Now, administrators can spend more time working with the faculty and being the education leader of the school.

"All together we have appropriated \$12 million additional for staffing for the schools. These positions include the already mentioned clerical positions, principals and SASAs for four new schools, 26 vice principals for schools with the highest special education populations, and business support assistants.

"This budget allocates \$8.4 million in the biennium for new teachers for existing and new schools.

"Health and school safety are also very important. This budget includes an allocation for 24 new security attendants,

costing \$2 million in the biennium. This is a small price to pay, my friends, for the safety of our teachers and students.

"Our students and educators also deserve better learning facilities. We have allocated an additional \$1,040,000 in each school year for the repair and maintenance of our schools. This doubles the amount approved by the Executive. The budget today includes \$2.1 million for R&M, \$1.7 million for more custodians, more kitchen staff, more equipment, and \$1.8 million for electricity.

"The House has also added \$643,595 above the Executive request for custodial supplies because of the testimony heard from students in the Hawaii State Student Conference and Student Council.

"We are also appropriating \$5 million to the implementation of the Hawaii Content and Performance Standards—our vehicle for educational accountability.

"We are also addressing *Felix* which is a plan that is above all else, realistic and beneficial to those students that need special services.

"I can go on and on, Mr. Speaker. But to summarize, I hope all colleagues will join me in supporting this budget. It is a comprehensive budget that is fiscally sound. Thank you."

At this time, Representative Lee called for the previous question.

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

"My reservations were well expressed by the Representative from the 46th District, Kahalu'u. She sounded like a compassionate conservative to me. The gist of my remarks are in strong support of the Victims' Compensation Commission Program that helps victims and gives an explanation to the judges to assess the mandatory fee to help alleviate the pressure on the general fund. Thank you."

Representative Stonebraker rose in opposition to the measure and asked that his remarks be inserted into the Journal and the Chair, "so ordered."

Representative Stonebraker's written remarks are as follows:

"All about the children? The children? The irony that those who would kill children in the womb drool over the chance to care for their teeth two years later is sickening. In Israel, in years past, the Islamic soldiers did a horrific thing when faced with a minefield that seemed non-navigable. They would bring their children to the line and send them across the field to clear a path.

"For consolation, they would hang a key around their necks telling them that if they were blown up, the key would open the gate to Paradise. Today, they still put their children in the crossfire. Rather than protecting them, these "warriors" hide behind the children, hoping the media will paint their opponents as cruel and horrible.

"The truth is that their tactics using children are cruel, cowardly and incorrigible. These tactics are still in use today. Those who use children as offensive weapons are themselves offensive and their desired use of kids is reprehensible.

"Therefore, I find it impossible to vote in concert with those whose words are so dissonant."

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

Representative Morita's written remarks are as follows:

"Mr. Speaker, I rise in support of House Bill 200, Conference Draft 1.

"First of all, this budget provides \$2.5 million to support community health care facilities in Kahuku, Molokai, Waianae and a community I represent, Hana, Maui. I truly appreciate the Finance Committee's continued support and understanding of the important role these facilities have in providing rural health care services within these areas whose residents and their lifestyles are the essence of Hawaii.

"Second, I hope everyone will note the appropriation of \$870,000 for the detection and eradication of invasive species. The silent invasion of Hawaii by insects, disease organisms, snakes, weeds and other pest is the single greatest threat to Hawaii's economy, natural environment and the health and lifestyle of Hawaii's residents and visitors. Invasive pests already cause millions of dollars of crop losses, the extinction of native plants and animals, the destruction of native ecosystems and the spread of disease.

"The multi-partner Invasive Species Committees on Oahu, Maui and the Big Island have assisted the State's multi-agency effort for rapid response capability. This type of solution attempts to locate and eradicate alien species before they proliferate beyond control. This appropriation continues to support the work of the Invasive Species Committees as they represent the most innovative and cost-effective models of partnerships to deal with this grave problem that puts all of Hawaii at risk.

"While the Minority may argue about a growing budget and increased position counts, this is only one example of the diligent work by the Finance Committee in evaluating the effectiveness of a program and putting money up to get the most bang for our bucks.

"Third, this budget reflects meeting the needs of our expanding communities and mitigating impacts to our environment caused by unintentional consequences of growth and aging infrastructure by providing the following:

"Raising the authorized ceiling of the Drinking Water Treatment Revolving Loan Fund to implement a projected \$31.5 million in low-interest construction loans for 25 drinking water treatment works projects statewide to meet drinking water quality standards.

"Raising the authorized ceiling of the State Water Pollution Control Revolving Fund to finance low cost loans and operating costs for an estimated 8 wastewater treatment construction projects statewide. This will allow the State to assist the counties in the construction of much needed wastewater facilities.

"Increasing the federal fund ceiling for the Clean Water Branch to carry out the Clean Water Act. This will, among other things, allow for the contracting of services that will provide technical support to farmers on pollution prevention and conservation of soil and water resources.

"Adding funds to establish a special fund ceiling for the advance disposal fee for tires. This will allow the State to implement a statewide clean-up project for 1.4 million abandoned used tires.

"Mr. Speaker, I guess the most important point I can make here is that this budget reflects not only concern and action for the physical health of the residents of our unique rural communities, but also the environmental health of our growing communities."

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

Representative Yonamine's written remarks are as follows:

"Mr. Speaker, I rise in support of HB 200 HD1, SD1, CD1 - the State Budget.

"We have heard sound and well-reasoned arguments for the passage of this budget. So I just want to keep my comments short. I wish to talk about the humanness and fairness of the budget. Any person who has offered testimony or who has spoken to anyone of us, has clearly indicated theirs are the most important issue and the most pressing need. Teachers, professors, union members, businesses, groups and individuals representing special needs and special interests have all presented their cases passionately and with a strong will to succeed in influencing our minds.

"It is no wonder that we have traditionally found ourselves at odds with the Executive Branch, constituents, special interest or our colleagues with all of their competing interests.

"But that's the democratic process. We have compromised in the best of give and take, and we have decided on fair and just decisions for the benefit of the people of Hawaii.

"The final product HB 200, HD1, SD1, CD1 represents a fair and justifiable distribution of funds. It represents days and hours of diligence and hard work by Chair Takamine and Vice-Chair Kawakami and their fine staff.

"I appreciate Chair Takamine's fair and balanced budget. This is truly a budget of the people. We have focused on education, human services, health, collective bargaining, economy and businesses. The Chair prepared a delicate reduction of the Executive Budget.

"This budget remembers our school children, the poor, the vulnerable and disabled and the myriad of needs mentioned by committee chairs of all segments of our population. And it still retains a surplus (carryover) for the next two years.

"I thank the Chair and Vice-Chair for being creative, for being extraordinary problem-solvers, for their diligence, for sharing information during the budget process and always for being accessible to the Finance committee members and House colleagues.

"I strongly urge my colleagues to support this solid, humane, and fair budget. Thank you, Mr. Speaker."

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

Representative Garcia's written remarks are as follows:

"Mr. Speaker, I rise in support of this measure. Other members will speak to the merits of other parts of this measure, but I would like to focus on the funds directed to public safety.

"Substance abuse has a profound social and economic impact on Hawaii. Seventy per cent of those entering

Hawaii's criminal justice system have a substance abuse problem. Eighty-five percent of incarcerated men and women have a history of drug abuse. By offering treatment to criminal offenders, we can reduce the risk that they will commit new offenses. Treatment can reduce the dependence of drugs, and therefore, reduce criminality.

"The budget before us funds a collaborative effort by the Judiciary, Department of Health, Hawaii Paroling Authority, and the Department of Public Safety.

"In order to successfully divert criminal justice clients, additional resources in supervision and treatment services are critical. The funds will be used to focus on a drug treatment strategy to divert offenders who are at risk of being incarcerated or re-incarcerated.

"The plan is to implement an inter-jurisdictional, integrated case management model so that an efficient, effective continuum of treatment is possible. By linking substance abuse treatment services with all phases of the criminal justice system, the offender is provided a better chance at successful reintegration.

"The budget also supports substance abuse treatment by funding enhanced programs and staff positions throughout various outer island facilities.

"To ease some of the strain on our facilities, and simultaneously reduce the number of inmates transferred to the mainland, the budget funds the purchase of 100 beds at the new federal facility near the Honolulu.

"The out-of-state transfers, however, will continue and the budget bill funds the State's renewed contract with the Corrections Corporation of America at an expected increase of 2 percent per year.

"Finally, on a more basic, but still essential, level the budget provides for needed improvements to the infrastructure and utility needs at our correctional facilities.

"Leaving the corrections domain, the budget also funds more sheriff positions to guard the new State properties at Kalaeloa and the new Koloa Circuit Court.

"The Department of Defense will finally be able to replace outdated and unsafe vehicles and equipment used for civil defense. The veterans cemetery at Kaneohe will also receive equipment needed to maintain the facility at the requisite level of respect and dignity.

"For all these reasons, I urge my colleagues to support this budget and I will cast a vote strongly in favor of this measure. Thank you, Mr. Speaker."

Representative Djou rose in support of the measure with reservations, and asked that the Clerk register an aye vote with reservations for him and the Chair "so ordered."

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

Representative Espero's written remarks are as follows:

"Ask 51 members of the House to prepare their version of the State Budget and you will get 51 different budgets. Ask the two parties in the House to submit budgets, and you will have two different budgets. Despite the different opinions and priorities of House Finance members and Senate Ways and Means members, a final budget was prepared and completed.

This final product is responsible, meaningful, compassionate and impressive.

"There were areas which had increases over the two year biennium, however, these areas were needs-oriented and necessary to carry out the will of the people. The areas are education, health, and human services.

"After hundreds of hours of research, analysis, review and rewrites the biennium budget reflects a document which among other things helps our schools and educators, provides needed health services to the disadvantaged, houses the homeless, protects our children and elderly, assists business, stimulates the economy, protects our environment, fights substance abuse, assists agriculture, improves transportation problems, builds new schools, helps veterans, battles crime, develops parks, and supports rural hospitals. Special education children and government workers also received significant amounts of funding in this budget.

"This budget is not a perfect budget for everyone. However, it does address the needs of the people of Hawaii and wisely expends taxpayers dollars in an efficient, cost effective manner.

"One item I would specifically like to address is \$25,000 appropriated to the Department of Health to relocate the juvenile sex offender facility in Pearl City to another location. Considering that the State recently spent 2 million dollars to improve the current site, I question the wisdom of this appropriation and move. Nearby residents feel the move is unnecessary and would be a wasteful use of tax dollars. Before any move is considered, the surrounding communities affected must be informed, and the move must be fiscally prudent.

"Despite this appropriation, I fully support the budget as it is presented."

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

Representative M. Oshiro's written remarks are as follows:

"I rise in strong support of HB 200. My brief remarks are made to correct some inaccurate statements made by colleagues across the aisle.

"The Minority leadership would have people believe that this state budget didn't analyze the base by looking at existing programs. However, if the Minority members of your Committee on Finance had actually analyzed the data in the budget worksheets, they could have told their caucus that over \$80 million in cuts were made to the general fund base budget. If one includes all the various means of financing, the current budget has \$95 million in cuts to its base.

"The Minority leadership further cites a 12 percent growth in this budget represents over the previous fiscal year as a valid rationale for voting against it, thereby achieving the rare feat of being simultaneously correct and disingenuous. In 1999, nearly all Minority members, including the current Minority Leader, voted in favor of the collective bargaining increase that accounts for a good portion of the aforementioned 12 percent increase.

"Finally, the Minority leadership asks what happened to all the tax relief measures, offering that their impractical and irresponsible proposal to eliminate the general excise tax on food and rent qualifies them as defenders of the poor. I might remind the Minority that not only did they not offer any

factually sound provisions to pay for their proposal, they also failed to consider the final phase of the income tax reduction that was enacted in 1998. That cut, which is scheduled to take effect in January 2002, accounts for \$250 million in prospective tax relief, some \$20 million more than the Minority's proposal to repeal the general excise tax on food and rent.

"Mr. Speaker, the aforementioned is to provide some context for considering the claims of the Minority and to further support this measure as legislation that is honest, truthful, and realistic."

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

Representative Magaoay's written remarks are as follows:

"Mr. Speaker, I stand in strong support of HB No. 200, HD 1, SD 1, CD 1. It has been a great pleasure to be part of the Finance Committee to create a rough working document into its final form, that will benefit the State of Hawaii as one whole entity; especially in education, health, and human services programs. Many variables suppressed our budget process during the start of the 2001 session, due to collective bargaining and the Felix Consent Decree, but in the end, this bill in its final form, prevailed.

"My 'hat's off' to the hard-working staff of Chairman Dwight Takamine, who went beyond the call of duty to look at the State's base budget. They exposed the non-recurring costs which were deleted as follows:

A) Funding	FY 02	FY 03
1) General Funds [A]	(\$34,118,425)	(\$33,906,557)
2) Special Funds [B]	(\$806,861)	(\$634,590)
3) Trust Funds [T]	(\$1,209,618)	(\$3,309,618)
4) Interdepartmental Funds [U]	(\$83,000)	(\$83,000)
5) Other Funds [X]	(\$3,828,268)	(\$3,511,848)
Subtotal	(\$40,046,172)	(\$41,445,613)
B) Existing Service Cuts	(\$6,265,863)	(\$7,279,564)
C) Requests denied for FY02 and FY03		
1) General Funds	(\$27,490,207)	(\$31,123,136)
2) Revolving Funds	(\$100,806,621)	(\$100,806,621)
Subtotal	(\$128,296,828)	(\$134,938,757)
D) Grand Total	(\$174,608,863)	(\$183,663,934)

"The above items have been incorporated into the final form of HB 200, the State budget bill. Therefore, Mr. Speaker, I ask my colleagues to support this bill."

Representative Bukoski rose in support of the measure with reservations and asked that his remarks be inserted into the Journal and the Chair, "so ordered."

Representative Bukoski's written remarks are as follows:

"Mr. Speaker, I rise in support of this measure with reservations. First, let me begin by saying what an exciting year this has been for me. This legislative body has embraced many challenges in its effort towards finalizing the budget. The financial mandates imposed upon the state, i.e., Felix Consent Decree; as well as the arbitrated pay raises, HSTA,

and the UHPA demands have all made this year an exceptionally difficult one indeed.

"I would like to commend this House on its efforts in passing meaningful legislation including the budget that is before us. I am very appreciative, through the guidance of the Transportation and Finance Committee, that some of Maui's Highway concerns may soon be addressed. I am also very thankful that the Kula Ambulance will receive the additional funds necessary to increase its service from the current ten hours provided. I will continue, however, to advocate for future funding in this area until such time that a full-time, 24-hour ambulance service is provided.

"I am equally thankful that worthy causes such as MEO, Maui Arts and Cultural Center, Hale Makua and Hale Mahaolu have received the necessary funding to continue providing valuable services to the community of Maui. I am also pleased to see that Maui Community College has received the necessary funding to complete the newly constructed Culinary Arts building.

"My reservations Mr. Speaker, are not necessarily regarding the moneys that were appropriated by this body and reflected in this bill. My reservations are focused more towards the process by which we put together this budget. During the earlier part of this session, a fellow colleague spoke of our primary responsibility as legislators to balance the state budget.

"The annual state budget we are about to vote on is roughly 7 billion dollars, of which approximately 380 million dollars is in general fund money and 716 million dollars is in CIP money. This new money, so to speak, accounts for approximately 13.8% of the total state budget. This 13.8% portion of the budget moved through the respective subject matter committees and finance committees of each chamber and were passed out of Conference Committee in the form of House Bill 200. Mr. Speaker the remaining 86.2% of our proposed 7 billion dollar budget, which primarily includes special funds, revolving funds, and operating base budgets, receive very little, if any legislative oversight.

"I find it very hard to accept, during a recent inquiry to the State Auditor's Office, that the last audits on the special funds were conducted in 1990. I also find it hard to believe that departmental audits are primarily non-existent. Our perpetual reliance and on-going creation of new special funds continue to transfer legislative oversight and responsibilities to the departmental and administrative levels.

"It is my hope, Mr. Speaker, that in the years to come, this House will seriously take a look at fixing these inequities through the auditing, and elimination of outdated and unneeded special funds, as well as move towards zero-based budgeting on the departmental levels. It is also my hope Mr. Speaker, that this body continue its effort of opening the budget process to allow for equal input from both sides of the aisle. Once this is achieved, we will indeed have a budget that we can all truly be proud of.

"In addition, Mr. Speaker, I can appreciate the words shared by my colleague from Nanakuli and I am absolutely certain, we in this legislative branch of government, all want to help those who are less fortunate. We sometimes forget that we as legislators not only have the task of balancing our fiscal needs, but we also have the task of balancing our social needs. Simply throwing money at a problem, Mr. Speaker, does not necessarily solve the problem. In addition to funding social programs, we must also analyze those programs to ensure they are accomplishing their intended objectives and not merely serving as a "revolving door".

"We must empower those who are less fortunate and give them the ability and opportunity to, one day, become self sufficient and truly self determined. It is only for the better of society as a whole that we enable ones self-pride, self-esteem and self-value by educating them and providing them with the skills to eventually become self-reliant. We are not seeking to arbitrarily cut programs from further funding. What we are seeking to do is make educated, justified and meaningful reductions in our funding of programs that simply do not work or are no longer needed. I agree with the Speaker Emeritus from Maui, who suggested a full time Legislative Analyst to begin looking into areas where meaningful reductions and elimination's can and should be made.

"By doing so, we truly live up to our responsibilities as legislators of this state by pursuing and achieving fiscal and social responsibility. Thank you Mr. Speaker."

At this time, the Chair addressed the body and asked that all written remarks to be inserted into the Journal be submitted tomorrow afternoon, by 4:30 o'clock p.m. to assist in the preparation of the Journal of the 59th Day prior to adjourning Sine Die.

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 200, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," passed Final Reading by a vote of 42 ayes to 8 noes, with Representatives Fox, Gomes, Halford, Jaffe, Ontai, Rath, Stonebraker and Whalen voting no, and Representative Bukoski being excused.

The Chair directed the Clerk to note that H.B. No. 200, HD 1, SD 1, CD 1, had passed Final Reading at 12:00 noon.

At 12:00 noon, the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:06 o'clock p.m., at which time the Chair recognized the Clerk.

The Clerk made the following announcements:

"I have been informed by a representative of the President of the Senate that the Conference Committee Report for H.B. No. 200, HD 1, SD 1, CD 1 was adopted, and that H.B. No. 200, HD 1, SD 1, CD 1, Relating to the State Budget, passed Final Reading in the Senate at 10:45 a.m.

"In addition, I have been informed by the Assistant Clerk of the House that at 12:03 p.m., this day, H.B. No. 200, HD 1, SD 1, CD 1, has been duly transmitted by the Legislature to the Governor, pursuant to Article VII, Section 9, of the Hawaii State Constitution."

Conf. Com. Rep. No. 152 and H.B. No. 1000, HD 1, SD 2, CD 1:

Representative Takamine moved that the report of the Committee be adopted and that H.B. No. 1000, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Kawakami.

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

"I discussed my reservations in Conference Committee and they are the same reservations. Thank you."

Representative Rath rose and asked the Clerk to register an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1000, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," passed Final Reading by a vote of 43 ayes, with Representatives Abinsay, Cabrerros, Espero, Garcia, Halford, Kahikina, Magaoay and Nakasone being excused.

Conf. Com. Rep. No. 153 and H.B. No. 1100, HD 1, SD 1, CD 1:

Representative Takamine moved that the report of the Committee be adopted and that H.B. No. 1100, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Kawakami.

Representative Rath rose and asked the Clerk to register an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1100, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BUDGET OF THE OFFICE OF HAWAIIAN AFFAIRS," passed Final Reading by a vote of 43 ayes, with Representatives Abinsay, Cabrerros, Espero, Garcia, Halford, Kahikina, Magaoay and Nakasone being excused.

The Chair directed the Clerk to note that H.B. Nos.: 1000, HD 1, SD 2, CD 1; and 1100, HD 1, SD 1, CD 1, passed Final Reading at 12:10 o'clock p.m.

Conf. Com. Rep. No. 124 and S.B. No. 1044, SD 1, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 1044, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Lee.

Representative M. Oshiro rose to speak in strong support of the measure, stating:

"Mr. Speaker, this measure before us will address a budgetary "time bomb" and a problem facing all of us as employees and employers on both the state and county level and all citizens of the State of Hawaii.

"If passed Mr. Speaker, this measure will establish the Hawaii Employee-Union Health Benefit Trust as a single health benefit delivery system for state and county employees, including both active and inactive retirees. It will provide the necessary flexibility and authority to develop health benefit plans for each of the several groups. It will save Hawaii's taxpayers tens of millions of dollars in its initial years and over a hundred million dollars over the course of ten years.

"It will allow our State the ability to get a handle on the spiraling health cost that would otherwise break our banks and cause us to increase the cost of government or diminishment of essential services.

"Mr. Speaker, there are a number of factors that drive these costs upwards. The obvious ones are the increasing health care cost in general that affects us all. The second would be the aging population and the corresponding cost attributed to aging and disease therein. There's also the present statutory structure that affords our retirees certain minimum mandatory benefits. There's also the affect of adverse selection due to the porting for active participants from the present health fund to the private union health funds.

"Mr. Speaker, the porting amounts are based upon the health fund HMSA, Hawaii Medical Service Association rates and are commonly overstated. The HMSA rates, Mr. Speaker, have also driven up the affect of adverse selection. In the meanwhile Mr. Speaker, while this has been going on, the Health Fund plans and memberships have been decreasing commensurately.

"Finally Mr. Speaker, adverse selection has also affected retirees and older participants who have remain with the State Health Fund plans. In 1999, Mr. Speaker, Marion Higa, our State Auditor, issued a report and the report made several findings and concluded that: porting had resulted in significantly higher employer costs and increased premiums for health fund participants. Our Auditor created a chart that showed that if porting was allowed to continue, then eventually we would run this State broke. We would be facing over a billion dollar liability, nearly one-third of our total general fund appropriation today. In other words Mr. Speaker, the least cost strategy for the participants would be the most costly for our employers and ultimately our taxpayers.

"Mr. Speaker, in a nutshell the rational for a single trust is as follows: 1) it would eliminate the adverse selection caused by the porting affect to the private union funds; 2) it should increase the employers negotiating power with the health fund carriers; 3) under the set-up that is in SB 1044, much of the current benefits can be replicated and can be given to both the active and retirees through negotiating with the various carriers; and 4) would greatly reduce the administrative overhead that is being duplicated at this point and time.

"The Hawaii Employee-Union Health Benefit Trust will have the flexibility and ability within its trustee board to provide both affordable and meaningful health fund benefits to retirees and active employees."

Representative Lee rose to yield her time.

Representative M. Oshiro continued, stating:

"Mr. Speaker, the measure will also establish certain baselines for our retirees: 1) it sets a minimum \$50 contribution for volunteer medical insurance coverage under Medicare for retired employees and their spouses; 2) it sets the employer based monthly contributions of \$218.00, \$671.00, \$342.00 and \$928.00 for retired employees enrolled in a supplemental Medicare self plan, supplemental Medicare family plan, Non-Medicare self plan and Non-Medicare family plan, to be adjusted annually starting in July 2004; 3) it sets a base monthly contribution of \$4.16 for life insurance benefits for retired employees; and 4) retiree benefits are limited for those future retirees who are hired after June 30, 2001.

"Mr. Speaker, while I appreciate all the concerns that have been raised by both the active and retirees in the system today, the reality is that, unless we take these kinds of actions today, in the near future more drastic actions will have to be taken and more pronounce affects will fall upon our current employees and retirees.

"Mr. Speaker, SB 1044 allows us to make the reasonable choices today to avoid those painful and drastic steps tomorrow. I encourage all members to support this bill wholeheartedly. Thank you, Mr. Speaker."

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

"For the reasons stated by the Majority Leader, I support this measure. I think that this is exactly the step that we need to take to get better control over our finances. So, for those reasons I support this. Thank you."

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

"First of all, paradoxically I want to compliment the leadership for having the courage to come up with this plan. I believe conceptually, it does make sense and it is a good plan to bring all of the parties together. My disagreement is twofold: One is in the haste of it being developed. I don't think there's been enough consultation with the parties involved and I think you need to have more consultation with them. Secondly, I believe that you're breaching a trust with the retirees. Many of them retired many years ago with a small retirement and dependant upon the medical benefits. As they age, the cost will increase. This plan here will affect the retirees. There is a cap on the medical plan for the retirees and they can, of course, ask for an enhanced program which needs to be paid out of their pocket.

"Mr. Speaker and members, for a retiree who has been retired for ten, fifteen or twenty years on a small retirement, if they are going to request an enhanced medical plan, which they would almost have to, to take care of their drug and medical costs and their debilitating health conditions that many of them have. They would have to give up something and their quality of life is already low and will be even lower and be affected by this.

"To those seniors who have worked here in the past years, they have called me and have told me that this is a breach of trust. Yes, legally we can change the plan. We have been advised by the Attorney General that we can change the plan. Morally, we should not. Morally we should find a way to continue to aid the retirees in their plan so that they can continue to have their full benefit in their declining years.

"Mr. Speaker, I agree that the new members coming in effective July 1, going into 50% I have no problem with that. They're coming in and will be made aware ahead of time that their spouse's portion of their medical plan will have to be met. It's with that understanding that they take this job. But now conversely those retirees that came in many years ago who worked for the State and the county, were told at that time that they would have a full medical plan for themselves and their spouses. Now, we're breaching that. We are saying that we are going to change it. Yes, you can continue to have the coverage for yourself and your spouse after you retire but you are going to have to pay more.

"Members again, this is a breach of trust with those who have worked so hard here and have set the foundation for the State of Hawaii. For these reasons, I unhappily vote against this measure. But, I ask if this measure should fail, that you go back and talk to the principles and work it out so that you can come out with a program that meets the merits of the trust, but include the compassion for those people that need the help from us. Thank you very much."

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

"Mr. Speaker, I just want to make it very clear that I am a proponent for real reform, but in my opinion with the limited discussion that I have had on this matter, there are a lot of questions which I have that are unanswered. I am not convinced that this measure will address a lot of the intentions that it claims to address. Under normal circumstances I think in a different time and place in this legislative process, I would

have voted with reservations because I think that this bill requires more discussion, but because of where we are currently, in Final Reading, I need to go with a 'no' vote. Thank you."

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

"You probably heard me many times before talk about the growing Health Fund premium that we are going to face in this State. According to the Auditor's report, almost a billion dollars by the year 2013. So, it is obvious to any of us who can add that we have to do something and we have to do it quickly.

"This is something that we are doing and I very much agree with the prospective aspects because they are definitely necessary. But I also agree with Speaker Emeritus that those who are already retired are the ones who will suffer. They were promised something that they will not get now. It is unfortunate that the past legislatures brought us to this point, and I think in the future we have to make sure that we don't dig ourselves into another hole like this. Thank you, Mr. Speaker."

Representative Leong rose to speak opposition to the measure and asked that the remarks of Representatives Souki and Bukoski be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Leong continued, stating:

"The teachers have just gotten off of the strike line and I know that all throughout their strike they talked about that they wanted to be alone on this and they have done as good job with it. Therefore why should they be forced to go into another plan. I think that this is a consideration that we should listen to them. Thank you, Mr. Speaker."

Representative Halford rose to speak in opposition to the measure and asked that the remarks of Representative Souki be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Halford continued, stating:

"Mr. Speaker, this bill has a lot of aspects and components which could be added or deleted and still have some kind of reform. Aside from the trust issue that we have with retirees, I want to bring up just one narrow point. That is, there is no reason for us to believe that the unions could not operate a trust as well as the State. In fact the State has a bad record in my view of managing large amounts of money and frankly I believe that the unions are capable of managing their own trusts in a way better than the State could.

"If in fact there is a problem with the funding mechanism, the rules of porting money to the unions could be changed. But, I don't see any reason for us to believe that the unions themselves couldn't manage their funds for which they are the beneficiaries. Thank you."

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

"I would like to note that the bipartisan representation from the Island of Maui, both of those Representatives raised very good points. I don't think that we should pass this bill and I hope that we will have enough votes against it to kill it right here. Thank you."

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

"Mr. Speaker, as your Health Committee Chair, I would like to acknowledge the fact that there is a problem with the spiraling cost of health care. Not only does it affect the unions and its members, but actually all of the people of Hawaii. We need to address this universally.

"I'm hoping that we can work on this together. Besides cutting costs we need to look at quality of care and access of care as important parts of the health care system. Like the Speaker Emeritus, I am also concerned about our elderly and retirees and hoping that we can address issues of long-term care as well. Thank you, Mr. Speaker."

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

Representative Kahikina continued, stating:

"In particular, Mr. Speaker, my reservation as eluded by the Speaker Emeritus on the retirees whom are already retired. I am keeping my optimism open that this is a work in progress and that we will be able to address all of the concerns. Thank you."

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

"Mr. Speaker, my main concern is for the retirees benefit plan. I have been reassured that this issue will be taken up next year and I look forward next year for some fair and positive changes. Thank you."

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

"Based on the comments made by the Speaker Emeritus I stand in support with strong reservations. Thank you."

Representative Yoshinaga rose in support of the measure with reservations, stating:

"My reservations are noted in regards to Speaker Emeritus' comments. Thank you."

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

"Mr. Speaker, if I were to base my decision on my personal family situation, I would vote 'no' in agreement with the hundreds of calls I got from employees in public unions asking me to vote against this reform measure of the Public Employees Health Fund.

"The reason is, through the HSTA VEBA, my family gets better health care insurance programs, including free long-term care insurance. My two sons were full-time students at the University of Hawaii and qualified for free insurance until age 24. If we did not port to a union plan, I would be paying 100% in insurance premiums for my two sons.

"Years ago when HSTA began offering this coverage for full-time students up till age 24, we immediately took advantage of the program and ported to the union plan. This quickly alerted me to the disparity of benefits that the Public Employees Health Fund can offer compared to what the unions plans can offer. I soon found out that in order to have the Public Employees Health Fund be as competitive as the

union programs, we the Legislature must pass specific legislation giving such ability to the Health Fund.

"So in 1994, I embarked on a legislative effort to provide the tools to the Public Employees Health Fund to be as competitive as the union programs, with no intention of killing the union programs. We wanted the Public Employees Health Fund to offer their insurance programs tailored to meet the needs of those beneficiaries who for some reason were unable to port to the union program. Each time legislation was introduced, there was great resistance to change. I was surprised in learning the sources of the resistance. Those opposed to this type of legislation of course included the unions, who appeared not to want the competition. And surprisingly certain members of the Public Employees Health Fund Board of Trustees evidenced by their lack of their presence at the various hearings and when the testimony on legislation concerning the added benefits that would be given to the Public Employees Health Fund, and the untying of the hands of the Public Employees Health Fund to allow it to be more competitive with the union plans.

"The testimony received from the Trustees of the Public Employee Health Fund was that they were unable to take a position on the legislation. I studied the governance of the Health Fund, these Trustees' obligations and duties, and discovered that in our laws, we created a Health Fund that contained conflicts of interest. Although their fiduciary duty is to the beneficiaries of the Fund, specifically the active employees and retirees and also to the employers, specifically the State and county employers, their policies and practices gave me the impression that more was at stake here. But for the purpose of our discussion I won't go in to what I thought was at stake.

"After four years of trying to get the Legislature Auditor, through legislation, to look at the Health Fund we finally got legislation passed and received the Legislative Auditor's report on the Health Fund together with the actuarial report in 1999.

"Finally, I felt that Legislators had the information upon which to base legislation for reform and be able to justify positive changes for this program. We all know that was a couple of years ago.

"Mr. Speaker, I learned from you that the change in this legislative arena, especially the changes we are addressing in this bill would take time. At that time, you were the Finance Chair and I was a freshman member, who was impatient for positive change and you told me that seven years is not too long to wait. Well today with the combined efforts of the members of this House, members of the Senate and the help of the Executive Department, we have the opportunity to vote yes. This is a giant first step that we can take to malama the beneficiaries of the Health Fund, equally and not pit retirees against active employees competing for the same general fund dollar for the long-term...."

Representative Hamakawa rose to yield his time.

Representative Suzuki continued, stating:

"for the long-term viability of this benefit program. We were all made aware of the competition for these limited general funds that the Legislative Auditor's report, and recently all of us got the packet and received, a presentation from the Executive Department. One statistic shows that there is going to be tremendous competition for this general fund dollar, as contained in one of the charts that we were given. Today, 6.8% of our general fund dollars goes to take care of Health Fund appropriations. By 2007, the 6.8% will jump to 11.2%. This is no different from our general fund dollars

dedicated to Health Fund appropriations. This is no different than what the Legislative Auditor found a couple of years back.

"If we don't pass this measure today, we will assure the realization of the shortening of a fuse connected to a time bomb of financial havoc, on the finances of the county and State government and the personal finances of our retirees. This short time fuse will also be the time, when if we do not reform this system, my two sons will not have the benefit. And while it may be strange for me to be voting against this, I'm not voting against my sons receiving this benefit until age 24 as full-time students. I have confidence that the system with all the powers given in this measure, will continue the program of insurance that they now enjoy.

"Members please consider the impact of your vote on the future financial health of this important benefit program. I urge members of this House to support the needed reform and vote for this measure. Thank you."

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

"Representative Suzuki puts it well. Going back over six or seven years in which the Employee-Union Trust Fund concept was the first legislation we passed. About five or six years ago, if you recall, for the first three years this was a transition period in which equal numbers of those representing the government and the county would meet with equal numbers of union representatives to come up with a plan in which then would be put into legislation, an Employee-Union Trust Fund. For the record, colleagues, that first year they met one time and for the next three years, they were not able to meet and agree on everything and we had modifications to that transition period that was introduced by the other Chamber.

"So, what happened is this, they were never able to with an equal number of people, never able to agree to something. So the test of this bill still rests with the ten people on the Board. Five representing the employers, that includes the retiree and the five representing the union representatives. Now, I've asked yesterday what could happen if you have a potential 5-5 stalemate? Within the law it provides an appeal. An appeal would be a conflict resolution and hopefully they would be able to then agree on certain issues and problems and needs as they occur.

"The test for this still rests with: can an equal number of employers be able to reach agreement with the unions and vice versa? The test is still ahead of us. But like every other thing, as Speaker Emeritus pointed out as to the cap to the retirees, as Representative Ito was pointing out, we still need to look at the capping. In the past we've always tried to put a cap on the Health Fund and I personally always opposed it. But here if we have it in law, it would be up to the Board to start making changes, because this bill was not enacted to hurt people, but to help all public employees. We have to be very clear in terms of our responsibilities in ensuring that by 2013 we will have up to a billion dollars. In 2011 it will cost us \$953 million just to subsidize the Public Employees Health Fund. We are just not able to do that as you know.

"The problem with the Public Employees Health Fund is the Board of Trustees of your existing Public Employees Health Fund. It is the lack of expertise and the conflict of interest, because these representatives also represent their unions. The fact that in working with their administrator they lack the knowledge and information about a very complicated system, they rely too much on their administrator and their consultant. I think this is an attempt to reform the very poorly administered Public Employees Health Fund. So, we are

coming up with this new model. This is the Employee-Union Trust Fund and this is indeed a step in the right direction and it took six years, but here it is. Colleagues it took six years to decide once and for all. Let's do it, while we still have the will to reform the Act itself and that is what we are in the business for. If it doesn't work, change it.

"I would strongly encourage my colleagues to vote in favor of this. Thank you."

Representative Espero rose and asked the Clerk to register an aye vote with reservations for him, and the Chair "so ordered."

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

"It is very difficult for all of us to speak in support of the measure knowing that there is strong opposition from our public workers and the unions. But, this is something that we need to do as was it has already been expressed.

"All this rhetoric that we have been hearing about cutting the cost of government, this is it. If we don't do this, we will not be able to provide all the benefits and the wages that we would like to give our people. That has already been explained.

"I would also like to thank the leadership and to especially thank Representative Suzuki for taking the lead role in this effort. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1044, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEE HEALTH BENEFITS," passed Final Reading by a vote of 38 ayes to 13 noes, with Representatives Bukoski, Davis, Halford, Hiraki, Jaffe, Leong, Ontai, Pendleton, Souki, Stonebraker, Takai, Takumi and Thielen voting no.

The Chair directed the Clerk to note that S.B. No. 1044, SD 1, HD 1, CD 1, passed Final Reading at 12:20 o'clock p.m.

Conf. Com. Rep. No. 139 and S.B. No. 1046, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1046, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND," passed Final Reading by a vote of 48 ayes to 3 noes, with Representatives Arakaki, Takai and Takumi voting no.

The Chair directed the Clerk to note that S.B. No. 1046, SD 1, HD 1, CD 1, passed Final Reading at 12:41 o'clock p.m.

Conf. Com. Rep. No. 140 and S.B. No. 1058, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1058, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND," passed Final Reading by a vote of 48 ayes to 3 noes, with Representatives Ahu Isa, Takai and Takumi voting no.

The Chair directed the Clerk to note that S.B. No. 1058, SD 1, HD 1, CD 1, passed Final Reading at 12:41 o'clock p.m.

Conf. Com. Rep. No. 147 and S.B. No. 1115, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1115, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN RESOURCES," passed Final Reading by a vote of 50 ayes to 1 no, with Representative Jaffe voting no.

The Chair directed the Clerk to note that S.B. No. 1115, SD 1, HD 1, CD 1, passed Final Reading at 12:42 o'clock p.m.

Conf. Com. Rep. No. 159 and S.B. No. 1096, SD 1, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 1096, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

"First of all, Mr. Speaker, I believe that having both the privatization and managed competition here doesn't do justice to both items. If anything, it should be treated separately. Given a choice I believe that future governors may select privatization as a means to look into the cost of government.

"Mr. Speaker, my major concern with privatization is the lack of criteria in the bill. The bill does say "may", it may offer severance pay or may provide voluntary leave, but this is "may," not "shall". What it means is that employees may lose their job without any financial assistance at all. Even possibly more draconian than what you have in private enterprise. There at least they will get severance pay, and here there is no guarantee of that.

"My other major concern is that of the "warm body" policy that has been the hallmark of the administrations and the legislative bodies of the past. Former Governors Ariyoshi, Burns and Waihee must be spinning around given this compassionate issue that they had to maintain, a "warm body" policy. The family within the State should not suffer, and they would find other means to attrition to do the people's work. But with one stroke of a pen, this will eliminate that "warm body" policy, turning it into a "cold body" policy where the worker is not that important.

"Yes, I can understand the need and I have supported privatization in the past, but with criteria. But this year even the Governor has stated that this is a clean bill that has no criteria in it at all for the protection of the employees that will be laid off. It is this kind of feeling that compels me to vote against this. Again, with respect to the leadership as to why they are coming about with it. But I would want if possible, even if this passes this year, to look into developing the criteria so that we don't arbitrarily lay off workers with no financial assistance at all.

"Managed competition was something that was developed some years ago in the ERTF, and was a bipartisan effort and they felt that this was the way to go. You provide both opportunities for the private sector and the government to determine which could provide the services more efficiently and cheaply. However, given an option here, managed competition will not be followed. It will take the easier path of privatization where the consideration is not service, not help, but profit, at lower pay. It will be hiring people at lower pay than what we pay our government employees so that they

can make a profit. This is what we are contributing to in the area of privatization. We're becoming no different than these major corporations you have that are downsizing and at the same time increasing their personal bureaucracy."

Representative Kahikina rose to yield his time.

Representative Souki continued, stating:

"I don't want to see us fall into the same kind of philosophy that you have out in the private business, where you need to continue to downsize so that you can realize a larger profit. We're a government entity. We are here to serve the people, not to make a profit. Efficiency and profit are not the by-words; it's service. Service to humanity is the best work of life. I learned that years ago as a Jaycee. Many of you were members of the Junior Chamber where the service to humanity was the best work of life. This is our job here, service to humanity and not to make a profit and to have no compassion for people. Thank you very much."

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

"I would just like to point out that there is nothing in this bill about layoffs. You know your loyal Minority has never talked about layoffs, we've maybe talked about reducing the size government through attrition. This wouldn't affect any "warm bodies".

"Mr. Speaker, the idea of allowing government to contract with the private sector when it is cost effective and in the public interest, has been a long time coming. Although this bill has the potential to streamline government we need to carefully sort through the idea of public interest in awarding contracts. The State agencies are responsible for emergency services needed to keep public interest at the front of any contact negotiations. This is not an area where cutting corners should be an objective. Ambulance and emergency medical personnel are services that lives depend on. They are tremendously different from a human resource department or the management of a landfill.

"Quality of service can't be compromised and should not be held hostage to the "bean counters" when it comes to ambulance services. In this measure, Mr. Speaker, firefighters and police officers are not included. But these emergency personnel are and I don't think they should be. Although privatization was a long time coming, it will only be with us for a brief time, according to SB 1096. The repeal date of 2007 hardly gives this measure a chance to get off the ground before it goes down like the sun. If this bill's craftsmen from Conference Committee were serious about reform and contracting for government services, I think they would have made a little bit more show of it, than just letting the work go out for six years.

"If the agencies can manage to keep the priorities straight when it comes to services that lives depend on, I'm sure this legislation would provide the taxpayers of Hawaii with a new level of efficiency in the government. As far as the early sunset of privatization, I guess we'll have to come back and extend it, the way the bills have been coming out of Conference Committee here for the last few decades. It's something the Majority has a lot of practice at.

"I do have serious concerns about the main language but I have to allow some discretion to our leaders. Thank you, Mr. Speaker."

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

"This measure is a step in the right direction for privatization which is a measure I believe is needed here in our State. I'm merely rising to point out that, while I believe this is a step in the right direction, it is perhaps not the bill to reform that I would have preferred to have seen. I believe that reform was originally encapsulated in the original SB 1096 as drafted by the Governor and submitted to our Chamber.

"I would have preferred a clean, straightforward privatization bill. This bill is simply more convoluted than that, but I personally believe that the convolution is not enough to outweigh my support to this measure. Thank you, Mr. Speaker."

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

"Mr. Speaker, there is that saying that says: "Why worry about low tire pressure when you are out of gas." I think that is applicable to this bill. When you look at this vehicle the point is whether or not we need some gas or just air in the tires.

"I should state from the outset that my opposition is not about privatization as a concept. As you know, we privatized many of our functions in government. For example, all construction, whether it is schools or roads or parks, is all privatized. Many of our social services are privatized. That is why we have all of these purchase of service contracts. I don't have a problem with that. In fact my opposition to this particular bill has nothing to do with privatization, but has everything to do with our role as policymakers and our approach to decision making.

"Now what do I mean by this? Let me take our role as policymakers. This bill basically and essentially allows a State or county official to privatize any service without any oversight by the Legislature. For example, during my time here, Mr. Speaker, we've had public hearing and debate on the floor as to whether or not we should have a privately run prison, on privatizing our boat harbors, such as the Ala Wai or Kihei, or whether we should enable our schools to be run by a private company. I believe that we as elected policymakers should be the ones to make the call on this and not leave it up to appointed officials.

"All this bill requires is that we get an annual report after the fact. This should be a matter of concern to any of us who believe that it is the Legislature who should make the call on which services should be privatized. Secondly, I am concerned about how the bill approaches decision making.

"Mr. Speaker, this bill gives the right to strike back to certain bargaining units, and at first glance, this doesn't seem like a bad idea. After all, the right to strike is really a basic principle when it comes to collective bargaining. But the problem though is that the bargaining units themselves don't want this right back. I think we all realize and remember the 1994 strike and at that time both parties agreed to go with final and binding arbitration. And I repeat: both parties agreed at the time. Now, the reason was that there was a realization in 1994 just as there was over the past month that no one wins in a strike. No one. Everyone from the Governor on down agreed with this, and yet this bill gives back the right to strike to a party that doesn't want it. It repeals the essential worker provision.

"Now let's give some thought to that, repealing the essential worker provision. All that means is that every single State and county worker is no longer essential. What will this mean? You take the airport, Mr. Speaker. The ramp controllers at the

airport are in the union. They don't have to go to work when there's a strike. Now I don't know about you, but when my plane lands at the airport and I step off the plane, I want to get onto the ramp. It's a long drop. It's not the drop that hurts you; it's the sudden stop at the bottom.

"The tower operators at the harbors; deputy sheriffs, court clerks and bailiffs; 911 operators, lifeguards; educational assistants, speech, physical and occupational therapists, principals, cafeteria managers and workers, audiologists. As for businesses, what would be impacted by a strike are the general conveniences: business registration permits, motor vehicle registration and the like, obviously, would be shut down. Why then are we going down a "no win" path, especially in light of the fact that the union does not want this. In order for this to work it really takes both parties to agree, and by our actions we are saying that we don't care whether or not the parties agree as to whether or not this is a good idea. I don't believe this is a fair approach and I don't believe this is the way we should do good policymaking.

"Lastly, Mr. Speaker, if we are really committed to reinventing government as we should be, and I think we are, we should keep in mind certain principles. First, facilitating employee involvement and empowerment is important. Eliminating red tape and excess layers of management; investing in worker training; ensuring the security of employees; and committing to providing the highest quality of service in the most efficient manner with the maximum amount of public accountability.

"Mr. Speaker, I would assert that the first and most important principle in all of this is the involvement of all of the workers. Put simply, front line workers should be treated as resources and partners in service delivery instead of simply cost, or simply line items that need to be controlled. This requires an environment of mutual respect in an effective process to facilitate the involvement of these very same workers.

"This bill, Mr. Speaker, SB 1096, despite the effort put into it, and I would like to applaud those who were responsible for it, falls short of this and for this reason I must respectfully vote 'no'. Thank you."

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

"My reservation's are primarily related to the section relating to the right to strike. If I might note for the Chair of Higher Education, I think one of the benefits to having air in your tires, is just in case you need to push your car to the nearest gas station. Thank you, Mr. Speaker."

Representative Halford rose to speak opposition to the measure, stating:

"Mr. Speaker, I am opposed to this bill for two generally different kinds of reasons. One is the process and the other is substance.

"Mr. Speaker, I think it is irresponsible for us to put forth legislation that has the disparate subject matters in it. That the issue of privatization is so different from the concepts of strike or collective bargaining issues in that regard, that I think there should be at least two bills if not more bills. So, for that reason I want to vote 'no'.

"Also, in regards to substance, there are some elements in this bill that I like. The "poison pill" for me in this bill, is the right to strike.

"Mr. Speaker, we've just been through a strike and we know that it is disruptive and bad for our communities. We know that it serves no usefulness to the management or the government as a whole. It is not served by a strike. I don't believe that the workers are well served by a strike, and that the process that we have in place now is fine, and that it is just a mistake and a bad policy matter for us to go back to a system that is belligerent and disrupts the services in our community.

"So, for those reasons I am voting 'no'."

Representative Schatz rose to speak in support to the measure, stating:

"We've been kind of swimming in rhetoric. I've heard that this is hurtful taxation, that we are squeezing the "lifeblood" out of the State and that we have no courage. Now, here is this bill that arguably represents the single biggest government reform, at least within the last decade, and we have again to swim through the rhetoric to find out what this bill does.

"This bill gives the State and the counties the option of using privatization or managed competition only after consideration of certain factors. For example, will contracting with a private entity jeopardize the government's ability to provide the service if the private entity fails to perform? What is the impact on any employee covered by civil service laws? Will the contracting of services increase the potential cost for a cost savings? How will it affect the extent to which the services are needed or required?

"It is not the intent of this bill to allow private companies to steal jobs from government workers. Another thing this bill does not do is eliminate civil service positions in the interest of expediency. On the contrary this bill requires the State and the counties to use their resources for placing, retraining and providing voluntary severance incentives for displaced employees. I do want to disagree with the Representative from Makakilo when he said that the bill is silent on the issue of lay-offs.

"I strongly believe that this bill will enable our government to secure the services that our people need and provide these services more efficiently and cost effectively. State and county managers will be required to carefully examine a wide range of issues to determine whether or not the private sector is capable of providing equal or better quality services at less cost. Only after a thorough deliberation process will they be allowed to choose to privatize any government services. Compared to the status quo, this bill will prove to be a "win-win" proposition for everybody. Eventually it will lead to quality wages and better working conditions for public and private workers.

"We owe it to the people of Hawaii to give State and county managers this tool to ensure that our people are being served in the best way possible, whether it be by traditional methods or contracted by a private company.

"For these reasons, I congratulate the members of the House and Senate leaderships for their bold steps on this bill."

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

"This bill makes me feel very proud to be a part of this body. It makes me feel very proud of the Party that I represent because it means that we have taken strong action, and that we are courageous enough to do the right thing.

"I've always contended that privatization should be a part of State law, because to do otherwise, regardless of how

ineffective or inefficient we are, we will accept that. It will not give us an alternative. The ability to have the right to privatize does not mean that we are going to privatize. The ideal situation is that we have the law and not privatize. Let me explain that. As I explain that, I would like to say that this should be construed as a message to the Governor and the mayors of what our intent is on this bill and also a message to our members who have reservations about this bill, and to our public workers who have understandable concerns of the far reaching implications.

"Through this bill we are conveying a lot of power and authority to our Governor and our mayors to privatize different operations. We want to make it clear that this authority is to be administered wisely, judiciously and fairly. That we will not take kindly to any abuse or arbitrary exercises of power. Any consideration for privatization of any existing function, to do that, we must first ensure that we are managing our operations appropriately.

"To privatize an operation would essentially mean that that operation is not cost effective or efficient. Now the effectiveness and efficiency of each state operation is our job to do: the Legislature, the Governor and all levels of management and supervision. That means that it is our responsibility to provide the direction, supervision, training, materials, tools, equipment, the methodology, the counseling, the follow-up, and the employee performance appraisals and when that is not done, then we need to take corrective action. Also we need to work with the unions if we can't do that. For example, if an employee is not performing we should get the unions involved and let them know that we are having trouble with this certain employee. Let them know that we have tried to implement corrective action but without success. This would indicate that we need their help. If all of this fails, then and only then, I believe, we should proceed with privatization.

"If we don't have a law, we won't be able to do that. Again, we are telling the public that regardless of the level of performance, we will accept that. It has been brought up that we might privatize and pay the private sector less. We have something called the Davis-Bacon Act, which says that we must pay prevailing wages. Also, reference has been made to having both privatization and managed competition concurrently and I see no problem with that. While managed competition is being developed and implemented we need to have the ability to privatize for the reasons already explained, but to also address the Konno decision as has been very carefully expressed in the bill. I would like to see where the repeal is not until 2007. As soon as managed competition is developed and implemented, then that repeal can be exercised a lot sooner.

"Mr. Speaker, it is my understanding that leadership is considering writing words to this effect, of judicious administration of these powers to the Governor and the mayors, and should leadership proceed with that I would very much like to sign that letter of the Legislature's intent."

Representative B. Oshiro rose to yield his time.

Representative Kanoho continued, stating:

"Perhaps it should have been reflected in the Committee Report, but the report is already five pages long and perhaps the strongest expression of intent is that we will not stand for any arbitrary exercise of that power, or that if that power is not judiciously administered we won't stand for it. I think that would be a good approach. I think that would be something unusual, but I think that this would more strongly indicate the legislative intent.

"For all of these reasons, Mr. Speaker, I am in strong support of this bill and I am very proud of our leadership for the courage that they have taken and I am very proud of Representative Saiki in negotiating this. Thank you very much."

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

"I'm glad that finally the Majority has seen the light as to the wisdom of privatization. I just would like to remind some people who have not been in the House very long that it was back 1992 when the Reason Foundation came here and addressed legislators. It was hosted by a local resident, Mr. Cliff Slater, and at that time Sam Slom was not yet a Senator, and invited all interested legislators to come and hear them. I might remind you that former Representative Quinten Kawanakoa invited several prison contractors to the Legislature for a briefing. Three different companies offered to construct private prisons at no cost to the State as long as they had long-term contracts to operate them. This would have been an answer to many of our prayers, but I think it was an idea before its time.

"I don't think we should fear privatization. I don't think people will be out of work as a result of this. As you may recall in the 1998 election, there were several candidates from major offices who were professing the need for privatization in certain cases and they were promising that they would retain all employees if any function were to be privatized. I remind you that a couple of years ago the Department of Human Services won a bid to handle the workers' compensation contract for the University of Hawaii. They did an excellent job and this was an excellent example of a government agency competing and winning a bid for services.

"I'm concerned about the 'drop dead' clause of 2007, I hope it doesn't hamper the writing of some long-term contracts, but I am very happy with this portion of the bill dealing with privatization I think it is a window to the future. Thank you very much."

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

"Mr. Speaker, I look at this as a pro-choice bill. It provides flexibility for us and it doesn't mandate privatization. It doesn't privatize anything. It just allows for privatization to occur. It's a useful tool for the Administration to exercise, and frankly we wouldn't be here if we didn't have to correct what was an over-reaching by the court in Konno, and that's the whole reason why I believe we are here in the first place.

"Earlier a comment was made that it shouldn't be the Legislature's role as to whether something should be privatized or not. I disagree with that. Our role is simply to appropriate and if we don't like the way the power has been exercised we can hold up funding or use other means that we have to address that concern. Ultimately, it is for the Executive to administer and if the voters don't like it then they can do something about it at the ballot box."

At this time, Representative Gomes called for the previous question.

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

Representative Yonamine's written remarks are as follows:

"Mr. Speaker, I rise in support of SB 1096 SD1, HD1, CD1 which allows for the privatization of government services and reinstates public employees' right to strike except for police officers and firefighters.

"This bill has been around for many years, even as far back as when I was Chair of the Labor and Public Employment Committee. Today, I continue to strongly support this measure and urge my colleagues to consider the positive implications it will have on our State's economy in providing efficient and cost-effective services to taxpayers.

"For those of you who may not be familiar with this measure, let me provide a little background. First, the Hawaii Supreme Court Case Konno v. County of Hawaii did not allow for government to contract services out to civil servants. Realizing the negative fiscal impact of this ruling, the Legislature enacted Act 230, which gives the State and county authority to contract with the private sector.

"Second, the bill addresses the issue of displaced public workers by privatization and offers ways to minimize its adverse effects.

"Third, it restores the right to strike for all public employee unions, except for firefighters and police officers.

"And fourth, the measure repeals the essential employee statutes.

"There are several key points that I would like to share with my colleagues:

1. Government should be able to secure services it needs or is required to provide efficiently and economically.
2. Contracting with the private sector for services will allow greater fiscal and personnel flexibility for public administrators in delivering those services.
3. Hawaii law should require government to contract with the private sector when it is in the public interest and it makes economic sense to do so.

"On the other hand, I am aware, as many of my colleagues are, that privatization may have a negative impact on public sector employees' compensation packages and that is why this bill restores to these public employees the right to strike and that the essential employee statutes be repealed.

"This measure, when passed, will encourage good government, wise fiscal management, and effective services to the people of our State.

"Thank you, Mr. Speaker."

Representative Arakaki rose in opposition to the measure and asked that his remarks be inserted into the Journal, and the Chair "so ordered."

Representative Arakaki's written remarks are as follows:

"My comments are in opposition to SB 1096, SD1, HD1. My opposition to the bill comes from the perspective of the House Health Committee Chair and as past Chair of the Human Services and Housing Committee.

"The bill provides broad powers and discretion to the Governor to privatize government services. The bill does not recognize the value of government employees in regards to programs and services in health and human services. Certain programs and services in health and human services cannot be

relegated to private contracts and defined in terms of cost or efficiencies. It would be bad precedence to privatize those employees who deal with life and death and public safety issues. It would be very troublesome if we were to privatize systems of care and have programs and services close down because of costs or to have privatized programs and services take only those cases that were low cost, manageable or compliant.

"I also oppose Part Two of the bill which removes the right to strike for BU 13 and other HGEA employees. Binding arbitration is a system which can and should be allowed to work. The governor and the legislature must be willing to accept the terms of the arbitrated settlements.

"SB 1096, is a bill which needs to be repealed or amended next year to be better defined. Mahalo."

Representative Yoshinaga rose in support of the measure with reservations and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

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

"Unfortunately, managed competition is not an option."

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

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

Representative Espero's written remarks are as follows:

"I believe this measure will help control the cost of government, make government operations more efficient, and is an important tool in helping reinvent government services and operation.

"We did not pass this bill to hurt public workers. I acknowledge there are many fine public workers in our government today. This bill was drafted due to the 1997 decision in Konno vs. County of Hawaii regarding a landfill. As a matter of fact, privatization has been happening in our State government for a long time.

"On the island of Hawaii, there is a privately operated quarantine facility. The Department of Taxation uses private collectors for seriously delinquent accounts. The Department of Transportation uses private security guards at the airports. The State's A-plus after-school program is run by private, non-profit groups like the YMCA and Kamaaina Care. Schools and roads are built by private companies. Privatization is not a new concept in our government.

"I do not foresee a strong push to privatize many jobs in State government. Our bill will allow privatization where it may be useful like in a new private prison or a privatized Ala Wai boat harbor or Keehi Lagoon Harbor.

"Also, an important provision of SB 1096 is managed competition which will allow public worker unions to compete against businesses for contracts. In the competition, the best bid should be awarded the contract. And in the worst case scenario, displaced workers can be considered by the new vendor, transferred to other civil service positions which they are qualified for, retrained, or offered a severance package.

"Ultimately, SB 1096 will strengthen the way our government services are operated and handled. And for the majority of the hard working government employees, this bill may one day allow for generous wages and benefits for those government workers who are here on a daily basis maximizing their efforts and work."

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

Representative M. Oshiro's written remarks are as follows:

"Mr. Speaker, I rise in strong support of SB 1096. Ever since the State Supreme Court decision in Konno v. County of Hawaii chilled any further attempts at privatization of government services by either the State or its counties, legislators have grappled with various ideas to promote the efficient delivery of those services through private contract.

"The passage of this comprehensive civil service reform measure will not necessarily lead to the reinstitution of a "spoils system" and a new era of government corruption, as some would have us believe. SB 1096 simply reinforces the necessary balance in our civil service laws that many have come to see as "out of whack," that is the needs and rights of the general public versus the needs and rights of the public employees. However, should the specter of a "spoils system" arise in any degree, future legislatures can repeal or modify this provision. To ensure constant legislative oversight, beginning in 2002 an annual report to the Legislature will be provided that details all outsourced services, the justification therein, the cost of those services, all copies of contracts, and an accounting of all civil service employees displaced. And finally, the bill has a June 30, 2007 "sunset" to provide future legislatures the opportunity to review the issue.

"SB 1096 is no precursor to a massive downsizing of the public employee workforce. What it does is authorize the Governor and county mayors to contract with a private entity to obtain services when there is reason to believe that this service can be provided at lower costs and at an equivalent or better quality than that which is provided by a government agency. Part III of the bill also authorizes the counties to engage in a process of managed competition, and protects public employees displaced by private contract by requiring the State and counties to provide placement, retraining, or voluntary severance incentives to those displaced employees.

"Part IV of the bill also returns to public employees their right to strike, and restores the equilibrium between management and labor that was so recently and obviously lacking. It also repeals the reference to "essential employees" in order to address labor's concerns over inconsistent Hawaii Labor Relations Board decisions regarding such designations. In 1995, seeking to avoid and eliminate the inconvenience and costs of repeating earlier labor disputes, both government employers and public employees agreed on a compromise where the employees gave up their right to strike in exchange for "binding arbitration." Act 208, Session Laws of Hawaii 1995, provided for binding arbitration for bargaining units 2, 3, 4, 6, 8, 9, and 13, or essentially all employees belonging to the Hawaii Government Employees Association.

"But what sounded good then ultimately proved to be both unworkable and unbalanced—unworkable because no Legislature can be constitutionally bound to an agreement between two outside parties without its expressed authorization, and unbalanced because workers gave up potent collective bargaining leverage in exchange for an arbitration process that was anything but binding and final. Therefore, SB 1096 restores that balance and leverage to our public

employers and employees by essentially repealing Act 208, and restoring the right to strike for all bargaining units except Units 10, 11, and 12.

"In closing, let me again reassure our friends in organized labor that our intentions today are not ill-conceived nor malicious. To the contrary, your Majority Caucus has wrestled internally over them for years, and much soul searching has brought us to this juncture. Act 230, Session Laws of Hawaii 1998, still evidences our desire to ensure a fair and accurate assessment of costs and benefits of outsourcing in order to make informed and rational decisions. Likewise, Act 253, Session Laws of Hawaii 2000, allows for experimental modernization projects of services in lieu of privatization, and created the Office of Collective Bargaining and Managed Competition.

"Mr. Speaker, SB 1096 squarely addresses the Konno decision while allowing for privatization via managed competition, empowers our public workers with the right to strike, and insures legislative oversight by annual reporting and statutory sunset in 2007. It should receive unanimous support."

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

Representative Magaoay's written remarks are as follows:

"Mr. Speaker, I stand in strong support for SB No. 1096, SD 1, HD 1, CD 1, Privatization; Managed Competition; Right to Strike.

"Privatization is a worldwide phenomenon. In recent years, all levels of government, seeking to reduce costs, have begun turning to the private sector to provide some of the services that are ordinarily provided by the government. The spread of the privatization movement is grounded in the fundamental belief that market competition in the private sector is a more efficient way to provide these services and allows for greater citizen choice. In practice, however, concerns about service quality, social equity, and employment conditions raise skepticism of privatization. In Hawaii, labor concerns are a major issue. Privatization is part of a larger movement to decentralize government functions; by moving them both down or to lower levels of government, and out to nonprofit and private service providers.

"Proponents of Privatization:

Private firms are more efficient than government;
Economies of scale;
Higher labor productivity; and
Fewer legal constraints.

"Opponents of Privatization:

Nature of government services makes many of them inappropriate for privatization;
Contracting may entail hidden costs due to lack of information;
The need for monitoring;
Low-ball' bidding; and
Creating the competition necessary for effective contracting might be impossible.

"Labor Concerns (job security & employment):

Proponents claim that public sector workers are not harmed by privatization; and
Displaced workers can be hired by contractors or transferred to other government positions.

"Organized labor is very concerned about layoffs, erosion of wages and benefits, and decreased levels of union membership with privatization.

"Studies have shown that privatization has not had a major impact on wages and working conditions, but can have significant effects on labor relations.

"Opponents say that public sector employees can provide more efficient alternatives to privatization. The expertise and experience of many government employees may make them better at providing government services, and management techniques like Total Quality Management are making the public sector more efficient.

"Contracting Out:

Issues surrounding contracting out include the cost of information and monitoring, and the need to create a level playing field for competitive bidding between public workers and the private sector; and
Legal rights to exclusive work limit contracting out by unionized labor.

"Cost reduction is generally greater when contracts are competitively bid.

"Therefore, this bill implements the privatization of government services. It is part of the process of developing a working model of managed competition. It makes conforming amendments to existing law and Act 253. The State and counties can negotiate the terms and conditions of managed competition. This bill allows any State and county official in whom appropriate authority is vested by law, to enter into a contract to obtain services from a private entity, when there is a reasonable basis to believe that the service can be provided at lower cost and is equivalent to or of better quality than that which could be provided by a government agency. Any service that is privatized must be detailed in an annual report to the Legislature.

"This bill allows employee layoffs, but requires efforts to minimize adverse effects, including reassignment, retraining, and severance incentives. Part II of this bill restores the right to strike for all collective bargaining units, except firefighters, police officers, collective bargaining unit 10, institutional, health, and correctional workers. The bill repeals the references to essential employees and essential positions. This bill has a sunset date of June 30, 2001.

"Therefore, Mr. Speaker, I ask my colleagues to take a bold step in supporting this bill's passage."

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

Representative Luke's written remarks are as follows:

"Mr. Speaker, I rise to speak in support of SB 1096.

"This bill is the result of a collective effort by both houses. I want to thank many members who were involved in making this bill a reality. I specifically want to thank Representative Scott Saiki and Senator Colleen Hanabusa for having the will and the foresight in providing changes in our State government. This bill will give our State and county governments the unilateral option to privatize government services.

"The State and the counties will be able to determine which services may be privatized without jeopardizing government's ability to deliver that service.

"This measure will also give the State and counties the option, if they so choose, to engage in managed competition. Through managed competition, the public sector can openly compete with the private sector for contracts to perform services.

"Providing such options to the State or county government maximizes the Administration's effort to provide effective service within our budgetary means.

"We must attempt to improve government efficiency on an ongoing basis, for the well being of our citizens. We must re-examine government operations to ensure that we are doing the best we can for the future.

"This bill is one of the most significant policy changes that this Legislature will make. It goes to the heart of how we provide services to the public. This bill will allow government to adapt and evolve. I ask my colleagues for their support of this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1096, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," passed Final Reading by a vote of 43 ayes to 7 noes, with Representatives Ahu Isa, Arakaki, Halford, Kahikina, Souki, Takai and Takumi voting no, and Representative McDermott being excused.

The Chair directed the Clerk to note that S.B. No. 1096, SD 1, HD 1, CD 1, passed Final Reading at 1:15 o'clock p.m.

Conf. Com. Rep. No. 148 and S.B. No. 1144, SD 2, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 1144, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Marumoto rose to speak in support of the measure with reservations and asked that her remarks be inserted into the Journal, and the Chair "so ordered."

Representative Marumoto continued, stating:

"I would like to say that I am very disappointed with the size of this tip credit, I think it should be far larger. The Department of Labor itself had suggested a much larger amount. I am incensed with the twenty-five cents. I feel for the dishwasher in the back because I feel that the tipped employees often do not report all of their income and therefore do not pay their full share of their taxes. But the dishwasher in the back certainly does have to pay all of the taxes.

"So, in brief I do have reservations with this measure. Thank you very much."

Representative Marumoto's written remarks are as follows:

"Mr. Speaker, I rise with reservations on SB 1144. The percentage increase in the tip credit contained in this measure would be laughable if it weren't tied to such a serious subject. Honolulu is ranked in the top five metropolitan areas in the nation for the cost of living. Raising the minimum wage is a step in helping the citizens of Hawaii cope with this fact. However, minimum wages need employers to pay them and SB 1144, in its conference committee draft before this body,

throws down one more hurdle for business in Hawaii to struggle over.

"The death of the Leased Employee Bill (PEO), that would have allowed contracted-out employer services an exemption from the GET on the entire amount of payroll, and perhaps the entire amount of insurance premiums, is one more "coffin nail" in Hawaii's economic health.

"In addition to onerous taxes, the high cost of living is another reason businesses fail and people lose jobs.

"The tip credit is an item that employers can use to balance out their costs against the needs of their employees. The tipped servers employed in the restaurant business operate with two sources of income: wages and tips. The workers in the back of the house receive no tips. The tip credit allows employers to balance wages so that both groups are paid fairly. Tips make up a large portion of the server's pay and the tip credit is designed to let employers use this to pay the back of the house a decent wage. Tipped employees are often well remunerated and often get away from paying income taxes. The dishwasher in back pays his fair share.

"Employers in Hawaii pay over 96% of tipped employee's wages, a very high amount. Tip credit is set in other states at 20-50% of the minimum wage. The Hawaii Department of Labor and Industrial Relations made a recommendation of a 30% tip credit. The 25-cent tip credit that is offered in SB 1144 is a paltry attempt at compromise where there should be none.

"The tip credit provision contained in SB 1144 is one more obstacle that this Legislature has put in the path of business success. It is all the more frustrating because we have the power to remove it by increasing the tip credit. Mr. Speaker, this bill is about raising the pay for those who need it most. It is about the back of the house and all those depending on only the minimum wage to get by. They are the ones who will also feel it the worst when businesses fail and they lose their jobs.

"Mr. Speaker, I am incensed at the 25 cents."

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

"I have reservations simply for the same reasons stated by Representative Marumoto. I would also just like to add that I would have preferred to have seen a tip credit based on a percentage of the minimum wage. Thank you, Mr. Speaker."

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

"Minimum wage issues disproportionately impact women, minorities and the working poor over age 55. These are the very individuals government is mandated to protect. Sixty five percent of those currently earning the minimum wage are women. There are more people over age 55 than teenagers currently earning the minimum wage and these are full time workers. The myth is that only teenagers work for the minimum wage. Sadly that is not the reality of life in Hawaii.

"The last minimum wage increase in Hawaii was 8 years ago in 1993. Despite predictions to the contrary, after the last minimum wage increase the inflation rate dropped and jobs in the retail industry, which has the bulk of minimum wage workers, actually rose.

"Another factor that we as a community must look at is the number of adults and children living in poverty and the effect this has on the whole community. An enormous effort in

terms of community resources is needed to overcome the effects of poverty. An increase in the minimum wage would decrease the number of people needing government assistance. Right now there are many individuals making the transition from welfare to work who will be earning the minimum wage.

"It is also well established that there is a strong link between poverty and crime. As incomes go up, crime goes down.

"Income is also a factor in relationships, that is, whether there is harmony or a lack of harmony. Domestic violence increases as income drops.

"Whenever the subject of minimum wage comes up, some in the community raise the fear that jobs will be lost as a result. But it's a scare tactic, not reality. No facts are offered to substantiate this fear-based claim. Testimony established that the raise in minimum wage affects a very small percentage of workers. Such small numbers would have no noticeable effect on the economy, but a positive effect in human terms.

"The Department of Labor and Industrial Relations pointed out that ten states currently have a higher minimum wage than Hawaii ranging from \$5.65 in Alaska to \$6.75 in Massachusetts. The western states - California, Washington, Oregon, and Alaska - are higher than Hawaii. Yet Hawaii ranked in the top five in cost of living in a study of selected metropolitan areas.

"I urge the members to support this bill, it is the right thing to do. It's really not very much money for people to live on and I think that in the past the Women's Caucus and I myself had supported a living wage. But the longer we wait to increase the minimum wage, the more likely it is that the strains of a too-low income begin to impact our entire community.

"I urge the members to vote in favor of this bill today. Thank you."

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

"The way to end poverty is to not raise the minimum wage. It is to allow business to flourish so that they can hire more people. People have to work for a living and people can't work for a living if there is no work to be done.

"If we increase the minimum wage continually without increasing the tip credit, and I believe it should have been a flat percentage, ten percent at least that's the minimum that would help the businesses, they can then devote more of the money they make to the people in the back room. That will help the women, elderly and the people that aren't making the tips on the floor. But if you take all that money away from the employer he cannot pay those people increased wages.

"Most people would like to pay well above minimum wage and they do whenever they can. They are not greedy; they are not driving around this city in Cadillac's. We make it so difficult for business to flourish and to provide for themselves that they can't help provide for others.

"Now those other states that were mentioned, Mr. Speaker, they're not doing the same things with their businesses. They're allowing their businesses to flourish, except Massachusetts where I was born. That's a different kind of state altogether. Thank you, Mr. Speaker."

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

"The NFIB's number one thing that businesses didn't want was for the minimum wage to go up. We sort of looked at this and skirted around it for the last few years and now we are here going to pass a minimum wage bill today.

"I'm really bothered by the tip credit being so low. I don't have the figures in front of me, but I have heard it being discussed on the floor before, about twelve thousand people that are living on minimum wage or that they earn minimum wage. A fairly large portion of these people are in the restaurant business and they are waitresses, waiters and bartenders and they make a good amount over the minimum wage in tips. In a Waikiki restaurant many of them make over one hundred and fifty dollars a night on tips.

"I just penciled out what would happen to an operation of the size of Zippy's, a sit-down dining room. Looking at the average waitress working thirty hours a week and with this minimum wage increase the payroll at Zippy's will be at least \$16,000 more a year just on the minimum wage portion. Sixteen thousand dollars is a lot of money if you're business stays the same. So, Zippy's would have to alternative but to raise the prices of their food.

"Minimum wage is the entry level. That's the first job that you give somebody if they know nothing or have no particular skills. Employers spend a great deal of time training people. I think it is a fallacy that people are living on minimum wage. Businesses got virtually nothing from this legislative session. We have been through nine years of pretty horrible economic environment. There are many business people that are just still hanging on and yet we act as though everything is just 'hunky-dory'. This is just going to be another problem for these businesses. More of them will close their doors.

"Another point that I want to make is that the Quaker organization, the [Religious Society of] Friends, did a study on minimum wage to come up with the figures to justify why we absolutely must raise our minimum wage. But it's no secret that in that study they showed that after housing, the next highest expense for the average family is taxes. So we go back to the taxes that we charge in this State. The taxes that are taken out of people's paychecks, that's the next highest thing. That's why we have to pay attention to how fast our government grows. We simply cannot put a larger burden on the people of Hawaii. Thank you, Mr. Speaker."

Representative Rath rose in opposition to the measure and asked that his written remarks be inserted into the Journal, and the Chair "so ordered."

Representative Rath's written remarks are as follows:

"There is a time to raise minimum wage and that's during 'boom times', not during a recession. Last year, our Minority Leader's statistics were true. Let's say, for example, you have a small business. You know bankruptcies for small businesses have been sky high. The ratio for closures for actual bankruptcies is 10:1. For every one business that goes bankrupt, there are ten other businesses that just closed their doors and say they just can't do it anymore.

"Now the small businessperson is the only person, by law, who is allowed to work for less than the minimum wage. If they are going bankrupt and out of business, then I submit that they are working, in many cases, not only for less than minimum wage, but they are reaching into their own pocket and paying for the privilege for being in business.

"Now let's take a small businessperson with five minimum wage employees and let's talk about what this raise would do.

The cost to that employer for just those five people, at minimum wage, cumulatively, with all the taxes and other costs associated, is over \$16,000 a year. This doesn't sound like a lot but that means that businessperson with five employees, he's going to have to come up with \$16,000 more every year. He can't raise his prices; otherwise he would have already done so. Marginal small businesses, who use minimum wage employees, are not exactly your boot ship companies. What you are going to cause them to do is say that it's not worth it. They are either going to lay off one or two of their employees or they're just going to close shop like many other companies and businesses have in Hawaii.

"There is a right time to do it, Mr. Speaker, and this is not the time. We're in our eleventh year of recession and this will only make matters worse. Thank you."

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

"Just briefly, I absolutely agree that we should be doing things in this body to help the needs of women, single women in particular with children, minorities, individuals over 65, the poor and the marginalized. I don't think that this is the best way to do it. Again, I would echo some of the remarks made by the previous speaker in that I think an absolutely concrete, direct way that we can help these people is to eliminate the GET on food. I think that goes to the heart of the matter right away. Those are the folks that need it the most and they would get that relief most directly.

"The approach that we are taking here is simply to create additional costs on the marketplace rather than removing some of those cost drivers from the marketplace, which again is the problem. Again it goes to the 'price of paradise' issues and to the comments made earlier about just how much taxes are a burden on the poor and those who can least afford it.

"So, for those reasons Mr. Speaker, I oppose this measure. Thank you."

Representative M. Oshiro rose to speak in support of the measure, stating:

"Mr. Speaker, at the beginning of this session I believe this is one of the things that your Majority members in the House strove to achieve. I am very proud of this body here that we will be passing this forward and finally raising the minimum wage. I think this is one of those issues that basically make us stand apart from each other and distinguish who we are in this community and this society.

"What this bill does here is raise the minimum wage from \$5.25 to \$5.75 an hour beginning January 1, 2002 and up to \$6.25 an hour beginning January 1, 2003. It raises the tip credit from \$.20 to \$.25 below the minimum wage. I think this is the right move to make at this time and really telling on how the votes go where you stand in society and who you favor. The workers or the workers' bosses. Thank you Mr. Speaker."

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

"Mr. Speaker, this body has grappled and discussed this measure for a number of sessions. This bill is a compromise and will not please everyone. But it is a result to consider many differing viewpoints and yet to help the most needy segment of our working population and provide an incentive for these people.

"This bill will raise the minimum wage \$.50 per hour starting January 1, 2002. It will then increase this minimum wage by another \$.50 per hour on January 1, 2003. This is in recognition of the fact that we have hopefully come out of one of the worst economic recession. It is at this time appropriate to consider the most needy working families and single parents who then derive their salaries from minimum wage.

"I'd like to go back to some of the history of this to support the fact that this is the appropriate time. I ask the members to vote in support of this measure. The last time we increased the minimum wage for this segment of our working population was in 1993. This was a full \$1.00 above the full federal minimum wage at that time. In September 1, 1997, the federal government increased the minimum wage to \$5.15 per hour. This was less than Hawaii's minimum wage of \$5.25 that had been in effect since 1993. In the last seven years inflation had continued to go up such that the current minimum wage is like earning \$4.92 in 1993. It is appropriate to adjust the minimum wage to reflect 1993 earnings and at that level should be increased to \$5.75 per hour and then to \$6.25 an hour, as proposed by the Hawaii State Department of Labor and Industrial Relations.

"This is not an unreasonable amount since Hawaii reflects the higher cost of living in the West. Other states such as Oregon and Washington State are currently at \$6.50. California at \$5.75, and Alaska at \$5.65. Since over 83% of workers who earn minimum wage are over 18 years of age, they should be able to earn a decent wage and \$5.75 is much less than the poverty level as reported by the DLIR for a family of three who need to earn \$7.68 to live at the poverty level for a family of three. This increase in the minimum wage should help the gender gap of earnings, because as the previous speaker has stated, over 66% of minimum wage earners are female.

"Other speakers have opposed this measure as being against business. It is on the grounds that it is bad for business because wages usually account for 60% of costs and the profitability of businesses. This has not been proven. In a 1999 Levy Economics Institute survey of small businesses, more than three-fourths of these firms surveyed said their employment practices would not be affected by an increase in a minimum wage to \$6.00."

Representative Chang rose to yield his time.

Representative Yoshinaga continued, stating:

"Another issue is that employers would not be able to afford as many people and would need to offer fewer hours. This also is not true, because employers would still need to have the same shifts covered and that frankly, a minimum wage study commission concluded that a 10% increase in the minimum wage would reduce teenage employment by as little as 1% or have no serious impact on adult employment at all. Research by Bernstein and Schmidt in 1998, has generally found that the job loss affect of such an increase, the benefits of minimum wage increases to low wage earners, far outweigh the costs. Based on these available statistics, approximately 3.5% of Hawaii's workforce are minimum wage workers who would be affected by the minimum wage increase.

"Finally Mr. Speaker, this increase will also raise the tip credit from \$.20 to \$.25. This allows affected business some flexibility, perhaps not as much as they would prefer, to adjust wages between the highly tipped waiter and waitress, and the non-tipped workers such as dishwashers.

"Mr. Speaker, this body has supported a percentage that was more acceptable to the businesses that provide these jobs for

our workers, but the other body, as the members realize, would not agree to our position.

"Mr. Speaker, this is a good bill and it clearly and directly helps those workers who are starting out at the bottom. Your Committee has done all we could to make it as balanced as possible given our bicameral system. I urge my colleagues to support this measure. Thank you."

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

"Mr. Speaker, we heard from your Majority Leader that voting for this bill clearly defines who we are. We either support workers or we support the workers' bosses.

"Mr. Speaker, I think that epitomizes the problem with our government. For some reason you cannot be for the worker and for business. For some reason you cannot support the people who don't own businesses and at the same time, support those who do. For some reason we have to regulate, control and mandate everything under the sun for businesses, and protect employees against their tyrant bosses.

"Mr. Speaker, I would note for the record that many of the regulations that we have for businesses, we exempt ourselves out as a state government. In terms of timeframe and when we have to pay employees when they start working.

"I'll wrap it up by pointing out, Mr. Speaker, that one of the main reasons why our minimum wage has not gone up, and the mainland has, is that it goes up when the economy is doing well. That's when businesses can afford it. Right now our businesses are being hammered left and right with the Employee Training Fund which we promised we would end and we have not. The other was the Prepaid Health Act. We exempted ourselves out of it. We don't pay 98.5% for our employees but we tell all the other employers to do so.

"For those reasons Mr. Speaker, I can't support it right now. Especially, as the Chair of Labor pointed out that the only good thing about the bill is that it would increase the tip credit. I supported it on the first run through because I thought in fairness at least it helps those businesses who do tend to hire people with minimum wage. To call a 5-cent increase on that tip credit as something to help them adjust is a fallacy and it is just not true. It is so small that it is just not worth the business forms that the government requires them to fill out, to even apply for that 25-cent credit. So if we were going to do anything of substance to help them it should have been a percentage or something substantive so that they could have at least justify the extra paperwork and personnel it takes to take the credit. In the long run it would have helped us with our taxes, because then the employer would have been monitoring it so we could get an accurate revenue source from tipped employees.

"So, Mr. Speaker for those reasons I don't feel I'm either for the workers' bosses or for the workers alone. I look at it in terms of our economy. Many of these businesses have told me, and we all know it very well that when the minimum wage goes up it affects all the workers because all the workers expect a raise to mirror that.

"For those reasons, Mr. Speaker, I cannot support it at this point. Thank you."

Representative Yoshinaga rose on a point of order, stating:

"I would like to correct the previous speaker's reference to the Employment Training Fund and the sunseting of that Fund."

Representative Pendleton then rose on a point of order, stating:

"The Representative is not making a proper point of order. I see no procedural mistake in the prior speaker, so I don't know what her point of order is, Mr. Speaker."

The Chair responded, stating:

"I believe the point of order is a clarification of the comments made by the Minority Whip."

Representative Halford rose, stating:

"So it is a point of clarification then?"

The Chair responded: "Yes."

Representative Yoshinaga then continued, stating:

"The point of clarification is to correct the previous speaker's misstatement in reference to the Employee Training Fund that it is going to sunset and so his reference that it has not been removed is incorrect."

The Chair then recognized Representative Whalen who responded, stating:

"To point out Mr. Speaker, we promised years ago that it would have ended. We've continued the Employee Training Fund year after year, so we did not keep our promise and let it sunset when we originally promised it would."

The Chair responded, stating:

"Your point is well taken, and that measure has died in the Senate."

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

"This is my fifth year here Mr. Speaker, and each year we have had a minimum wage measure come up before us. Just by the fact that over five years and just by inflation on its own, with two or three percent a year, these people are going to be losing some ground. But this increase as I have stated before here on the floor, is modest. If you go to Burger King or Jack-in-the-Box, I'm a frequent visitor I'll admit it, I guess the evidence speaks for itself. In any event, you see the help wanted \$7.50 or \$6.50 an hour, so we're actually behind. Probably the only people who pay minimum wage is the government and probably the restaurants."

"Yes, I believe that there probably will be some dislocation, but who knows? Economics are not a real science. On one hand, the economists say this, and on the other hand they say that. So you want an economist with only one hand."

"To make any definitive statements one way or another is really tough. I do have a bachelor's degree in economics so I do study this issue. There is data that will support the fact that some workers will be dislocated, probably the ones we don't want to hurt the most; the senior citizens and perhaps the marginally handicapped working at places like McDonald's right now. We don't want that to happen, but that's a policy decision we make based on the greater good."

"So, there are valid arguments on both sides and I just think that it is reasonable to do it now. We're right in seeing the tip credit increased however, one of the things that did bother me in this debate is that it is a women's issue. It's a people's issue."

Everyone who works for a minimum wage, if you believe in fair wage for fair work it shouldn't matter what gender you are. I'm not a scientist, but I would guess that there is probably more women making minimum wage because there is probably a lot more women working in the restaurant industry as waitresses. Certainly if you have an opportunity to hire an attractive young woman or someone who looks like me to serve you customers, who are you going to hire? I think it is clear. 'beer-belly Bob' doesn't get the job."

"However, I support the measure and thank you."

Representative Bukoski rose in opposition to the measure and asked that his written remarks and the remarks of Representative Whalen be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Bukoski's written remarks are as follows:

"I rise in opposition. Common sense will tell you that as the cost of doing business increases, the cost of service also increases proportionally. In effect, I believe the proposed increase in wages will prove insignificant because the cost of goods will more than likely increase to offset the added expense to businesses. I also would have like to have seen a larger tip credit and one based on percentages rather than a flat fixed dollar amount. Thank you."

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

"I would just like to relay a conversation that I had this weekend. I had the good fortune of being back on Maui and was talking to a very straightforward restaurant owner. I explained to him that this bill was coming and that it was likely going to pass. He said that it was ironic that this bill isn't going to hurt him at all, because the least he pays is \$7.00 an hour anyway which is more than this is going to get to in 2003."

"Regarding his wait help or tipped employees, he said they all make a minimum of \$15.00 an hour in tips in addition to about \$5.00 an hour. So they are all making \$20.00 an hour or more. This is going to compel him to pay the tipped employees more and he quickly figured that that was going to be about \$20,000 a year in his operation. He said that it is ironic that this means so little to the wait help being that the tip credit is so small. But the \$20,000 more a year is going to cripple his ability to give raises to those people who are at the bottom of his pay scale."

"We seriously did make a mistake in this bill by not attributing a percentage rather than a token 5 cents. Thank you."

Representative Takamine rose to speak in support of the measure and asked that the remarks of Representatives M. Oshiro and Lee be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Takamine continued, stating:

"I've heard the term 'balance struck' that this should be both for business and the workers. Certainly that is a very attractive principle and should be applied wherever possible. We've heard terms like 'modest' made on the floor of the House. And it seems to me that when you look at the actual numbers, in January 2002, when you look at the actual increase in the minimum wage, it's perhaps about a 10% increase. When you look at the increase in the tip credit, actually it represents a 25% increase over the existing tip credit. So, it seems to be some consideration there."

"But the point that I wanted to make Mr. Speaker, is that I hope we don't lose perspective or sight of what the purpose for this bill is. The purpose is to address the needs of those workers who are at the very bottom of the wage scale. I don't pretend to know what all of the employers in our State pay their employees, but I do understand the minimum wage law, and like many of the other laws that we put on the books, generally it does not apply to the majority. But usually applies only to the minority that otherwise would impose the abuse or make the exploitation. This is the true purpose of the minimum wage law. For the most part, the good employers won't be paying minimum wage because they won't be able to hang on to good employees if they did that, given the forces that work in the marketplace. Therefore, it is really those employers that would be willing or open to exploiting the work because they are the ones who will be receiving the benefit of the labor of those employees. But by minimizing the overhead or the cost of operation, would thereby increase their profit margin.

"It is because of this that I am a bit surprised quite frankly, Mr. Speaker, by those on this floor who would suggest that if you want to address the needs of the working poor, don't do it by increasing the minimum wage. Do it through a tax cut or some tax mechanism. Because it seems to me that what we would be doing is rather than saying, that the employer who gets the benefit of the work, that they pay fair and descent minimum wage at least, we are now transferring the burden onto government. If government is going to bear that burden, the part that puzzles me is that it seems as those same quarters on this floor who have talked about the growing cost of government and it seems to be some kind of inconsistency there.

"Going back to the original point Mr. Speaker, I think this is to eliminate those situations where workers are being exploited. The minimum wage does that and I think there is an equitable adjustment in the tip credit. Thank you."

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

Representative Yonamine's written remarks are as follows:

"Mr. Speaker, I rise in support of SB 1144 SD2, HD2, CD1. which increases the minimum wage and raises the tip credit.

"The minimum wage was last increased in 1993 to \$5.25 and over the years, inflation has eroded its value. Most of us are aware that the cost of living in Hawaii is ranked in the top five, nationally (30% higher). This much-needed increase would allow workers to earn a livable wage that adequately provides for their families.

"In detail, the bill outlines the following:

1. Increase the minimum wage to \$5.75 per hour beginning 01/01/02 and to \$6.25 per hour beginning 01/01/03.
2. Raises tip credit from 20 cents to 25 cents effective 01/01/02.

"Raising the minimum wage is long overdue. If we need more reasons to raise the minimum wage, let me offer you some "chilling" statistics that would make this measure, hands down, justifiable:

1. 83% of Hawaii's work force earning the minimum wage are over the age of 18.

2.2 out of 3 earning the minimum wage are women and in the 30-54 age bracket, 90% are female.

3. The current minimum wage does not provide enough for even a single person to be self-sufficient. The cost of living is higher in Hawaii than in nearly every other state, yet ten states have higher minimum wages than ours.

"Today, I urge my colleagues to pass this minimum wage bill so we can ensure a more comfortable tomorrow for all our workers. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, the report of the Committee was adopted and S.B. No. 1144, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MINIMUM WAGE," passed Final Reading by a vote of 43 ayes to 8 noes, with Representatives Ahu Isa, Bukoski, Gomes, Jaffe, Meyer, Ontai, Rath and Whalen voting no.

The Chair directed the Clerk to note that S.B. No. 1144, SD 2, HD 2, CD 1, passed Final Reading at 1:48 o'clock p.m.

Conf. Com. Rep. No. 145 and S.B. No. 1036, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1036, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 51 ayes.

The Chair directed the Clerk to note that S.B. No. 1036, SD 1, HD 1, CD 1, passed Final Reading at 1:50 o'clock p.m.

Conf. Com. Rep. No. 143 and S.B. No. 1034, SD 2, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 1034, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1034, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 51 ayes.

The Chair directed the Clerk to note that S.B. No. 1034, SD 2, HD 1, CD 1, passed Final Reading at 1:50 o'clock p.m.

Conf. Com. Rep. No. 144 and S.B. No. 1035, SD 1, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 1035, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1035, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 51 ayes.

The Chair directed the Clerk to note that S.B. No. 1035, SD 1, HD 1, CD 1, passed Final Reading at 1:50 o'clock p.m.

Conf. Com. Rep. No. 122 and S.B. No. 18, SD 1, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 18, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

"Prior to the election I was given a number of questionnaires. When it came to HGEA bargaining, and I had to give an answer, I said I would not support that. I have received a lot of flack for it and a lot of HGEA people came to me. I said I wouldn't support it and our Neighborhood Board has requested that I don't. So I am sticking to my word and the people of Hawaii Kai are not going to vote in favor of this bill."

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

"I answered that same questionnaire and my answer was 'no'. My answer at the time reflected my belief that we could not afford the level of pay raise that was called for in the arbitration award, and that the arbitration award was flawed and the HGEA had not demonstrated any sufficient, in my mind at least, resolve to assist us in providing for efficiencies in government which would enable us to support that pay raise and to maintain it. I voted in the previous vote against for those basic reasons.

"Obviously at this point we have in fact fit this pay raise into the budget. We have accomplished reforms in government. We have provided to some extent the means to support this and the other pay raises, for which reasons I believe I can now support this bill.

"My reservations are really these. First, we will need the HGEA's continued assistance as we go forward in the next couple of years in completing the business of government reform. The second reason is that, I find it very hard to justify a pay raise for HGEA employees, which is over and above that paid to some of the other collective bargaining units, primarily UPW and the University of Hawaii Professional Assembly. I've always thought that we should have partially funded this pay raise at a level that was comparable to that which we felt we could afford for other public employees, with the exception of actual classroom teachers in elementary education, who I always felt we should fund at a much higher level.

"My problem with the difference between what would have been a partial funding award, and what we have actually awarded to HGEA, is that those monies really should, in my mind, have been prioritized elsewhere in state government. Whether they were allocated over to accelerating or enhancing the salary award for teachers, or whether they went to other aspects of education such as funding computers in the classroom, those monies I felt should have been reserved elsewhere and not allocated over to this. But I certainly do support the concept that we have in fact provided for a reasonable pay raise for HGEA members. Thank you."

Representative M. Oshiro rose to speak in support of the measure, stating:

"Mr. Speaker, I am glad that we are passing this measure out today. As members should know this is an arbitration award to the HGEA.

"Mr. Speaker, this is something that I wrestled with personally, especially the fact that this was a reward that was won through arbitration. It was a process that HGEA followed on the books and it is one of those things that really tells us who we are in regard to our commitments to our public employees. So, I am glad we are passing it out today. Thank you Mr. Speaker."

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

"I appreciate the comments that were made by the Majority Leader.

"I guess for many of us who answered the questionnaire differently than Representative Stonebraker or the Representative who made the previous remarks, I guess it is a matter of fulfilling what we said. But I think there is a broader issue Mr. Speaker, and that is that Chapter 89 provides a multi-step process whereby arbitration when impasse is reached, is the means of resolving the dispute for the parties. Arbitration is the creation of the parties. They agree that that will be the mechanism to which final and binding resolution will be obtained.

"While there were questions about the legality of the arbitration award, it seems to me that when a party follows the process that is outlined by law, and then other questions are put in front of it, it raises a question of integrity. Not only of the personal integrity of the members on this floor, but a broader issue of integrity in the process. I believe and agree with the Majority Leader when he says he is glad it is before us, because hopefully by voting in support of this we will affirm that there is integrity in the process. Thank you."

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

"I would just like to comment that none of us probably could measure the monetary and social benefits that came from this arbitration process that would have otherwise been lost had we had a strike. Thank you."

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

"I just want to point out an inconsistency that I believe pervades this House floor. The previous Representative apparently is in support of a tax cut that would cost the State..."

Representative Thielen rose on a point of order, stating:

"Mr. Speaker, I think the speaker is going into another personal attack and I would like to ask that he stop that kind of debate. I don't think it adds to the dignity of this hall."

The Chair responded, stating:

"Representative Schatz, could you confine your remarks to the bill before us."

Representative Schatz continued, stating:

"I believe that one of the reasons that we are able to support this HGEA pay raise is that we opposed the tax cut that would have cost the State \$250 million. We have passed reform of the Health Fund that will save the State of Hawaii \$65 million."

Representative Pendleton rose on a point of order, stating:

"Is the gentlemen confining his remarks to the bill before us?"

The Chair responded, stating:

"Yes he is. He is explaining to the members of this House what took place in order to pay for the pay raises. The statement he made reflects the savings that have occurred in the two measures that he has referenced."

The Chair then recognized Representative Schatz who continued, stating:

"I would just like to finish my sentence if I may, state that the reason why we are able to support this arbitrated pay raise is because we have remained consistent and we are able to balance this financial plan and remain consistent in all of our positions even when they are unpopular. Thank you, Mr. Speaker."

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

"The item we are talking about in terms of reducing taxes is the food tax. I do not expect to be interrupted on this point."

The Chair then inquired, stating:

"Is this tied to the discussion of the HGEA pay raise?"

Representative Fox responded, stating:

"It is tied to the discussion of paying for the HGEA pay raise. The food tax in the first full year cost a \$130 million and that is a revised figure from the Department of Taxation. So, the figure we heard is incorrect. In the first year of actual usage it would be less than \$60 million. It would phase-in in January of the first year of the use. So in the first year of the two-year biennium in which it is phased in, \$60 million; \$130 million in the second year."

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

"I was just a little confused by the comments made the Majority Whip, Majority Leader and the Chairman of the Finance Committee. I thought and I agreed that the intent in funding this bill was based on integrity and not the ability to pay. Thank you."

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

"I want some clarification as we move along. I would like to say that I don't believe the financial plan was based on the projected savings of the health plan or of privatization. Thank you very much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 18, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR SALARY INCREASES FOR PUBLIC EMPLOYEES," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Rath and Stonebraker voting no, and Representative McDermott being excused.

The Chair directed the Clerk to note that S.B. No. 18, SD 1, HD 1, CD 1, passed Final Reading at 2:00 o'clock p.m.

Conf. Com. Rep. No. 123 and S.B. No. 1379, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 1379, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Case rose in support of the measure with reservations and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1379, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 50 ayes, with Representative McDermott being excused.

The Chair directed the Clerk to note that S.B. No. 1379, HD 1, CD 1, passed Final Reading at 2:00 o'clock p.m.

Conf. Com. Rep. No. 142 and S.B. No. 710, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted, and that S.B. No. 710, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Case rose in support of the measure with reservations and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 710, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 50 ayes, with Representative McDermott being excused.

The Chair directed the Clerk to note that S.B. No. 710, HD 1, CD 1, passed Final Reading at 2:01 o'clock p.m.

At 2:01 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:04 o'clock p.m.

S.B. No. 1048, SD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, S.B. No. 1048, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND," passed Third Reading by a vote of 31 ayes, with Representatives Arakaki, Bukoski, Djou, Gomes, Hamakawa, Hiraki, Kahikina, Marumoto, McDermott, Meyer, Morita, Ontai, Rath, Souki, Stonebraker, Takai, Takumi, Thielen, Whalen and Yoshinaga being excused.

The Chair directed the Clerk to note that S.B. No. 1048, SD 1, passed Third Reading at 3:05 o'clock p.m.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1354) recommending that S.B. No. 1126, SD 1, pass Third Reading.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1126, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL HISTORY," passed Third Reading by a vote of 37 ayes, with Representatives Bukoski, Djou, Gomes, Marumoto, McDermott, Meyer, Ontai, Rath, Stonebraker, Takai, Takumi, Thielen, Whalen and Yoshinaga being excused.

The Chair directed the Clerk to note that S.B. No. 1126, SD 1, passed Third Reading at 3:06 o'clock p.m.

At 3:07 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:08 o'clock p.m.

Conf. Com. Rep. No. 1 and S.B. No. 1193, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1193, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX ON NONPROFIT ORGANIZATIONS," passed Final Reading by a vote of 41 ayes, with Representatives Gomes, Hamakawa, McDermott, Meyer, Stonebraker, Takai, Takumi, Thielen, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 2 and S.B. No. 986, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 986, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AQUACULTURE," passed Final Reading by a vote of 41 ayes, with Representatives Gomes, Hamakawa, McDermott, Meyer, Stonebraker, Takai, Takumi, Thielen, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 3 and S.B. No. 606, SD 1, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 606, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RECYCLED WATER," passed Final Reading by a vote of 41 ayes, with Representatives Gomes, Hamakawa, McDermott, Meyer, Stonebraker, Takai, Takumi, Thielen, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 4 and S.B. No. 178, SD 2, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 178, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Ahu Isa rose to disclose a possible conflict of interest and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 178, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUM PROPERTY REGIMES," passed Final Reading by a vote of 41 ayes, with Representatives Gomes, Hamakawa, McDermott, Meyer, Stonebraker, Takai, Takumi, Thielen, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 5 and S.B. No. 1162, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1162, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC NOTICE

REQUIREMENTS FOR PUBLIC LAND DISPOSITIONS," passed Final Reading by a vote of 41 ayes, with Representatives Gomes, Hamakawa, McDermott, Meyer, Stonebraker, Takai, Takumi, Thielen, Whalen and Yoshinaga being excused.

The Chair directed the Clerk to note that S.B. Nos.: 1193, SD 1, HD 1, CD 1; 986, SD 1, HD 1, CD 1; 606, SD 1, HD 2, CD 1; 178, SD 2, HD 1, CD 1; 1162, SD 1, HD 1, CD 1 passed Final Reading at 3:09 o'clock p.m.

Conf. Com. Rep. No. 6 and S.B. No. 48, SD 1, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 48, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," passed Final Reading by a vote of 46 ayes, with Representatives Bukoski, McDermott, Takumi, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 7 and S.B. No. 221, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 221, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Final Reading by a vote of 46 ayes, with Representatives Bukoski, McDermott, Takumi, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 8 and S.B. No. 900, SD 2, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 900, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

Representative Hiraki's written remarks are as follows:

"Senate Bill 900 CD1 addresses the concerns of residents and business that may be adversely affected by the granting of a liquor license in their neighborhoods. These residents and businesses believe that they should have a meaningful opportunity for input during the liquor license application process.

"Currently a nude dancing bar, hostess bar, or cabaret nightclub can transfer a liquor license from one individual owner to another with relative ease. The numerous transfers of these liquor licenses perpetuate, and on occasion increase, the negative impact of these businesses on the surrounding neighborhood.

"Senate Bill 900 CD1 will allow individual counties to designate a "special liquor district" within their respective counties for purposes of restoration, preservation, redevelopment, or rejuvenation. Rather than impose statewide regulations which may adversely affect one or more counties, these "special liquor districts" will allow for the more stringent regulation of liquor license transfers, by the individual counties, to combat specific problem areas.

"Additionally Senate Bill 900 CD1, further defines the definition of "premises" with regards to a class 12 hotel license and a retail shopping complex, to include the entire

hotel or shopping complex rather than only the establishment which holds the liquor license. This will ensure that an entire shopping center or hotel is responsible for any establishment within its boundaries that holds a liquor license.

"Senate Bill 900 CD1 also takes significant strides towards protecting areas in which an elementary, intermediate, or high school, or public playground are located. Senate Bill 900 CD1 requires a mandatory denial of a liquor license by the liquor commission in one of these areas, where forty percent of the registered voters, or forty percent of the owners in an area, protest against the granting of the license.

"Senate Bill 900 CD1 will allow counties with specific problems to designate special districts with stricter standards for further liquor licensing and protect areas where our children play. Therefore, I urge you to vote yes on this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 900, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LIQUOR LICENSE APPLICATIONS," passed Final Reading by a vote of 46 ayes, with Representatives Bukoski, McDermott, Takumi, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 9 and S.B. No. 865, SD 1, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 865, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

Representative Ito's written remarks are as follows:

"Mr. Speaker, this bill amends the powers of the Executive Council to be advisory and not policy making.

"It is the intention of this bill to eventually phase out the Executive Council all together and have the school to work exist solely within the DOE. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 865, SD 1, HD 1, CD 1, entitled: "A FOR AN ACT RELATING TO SCHOOL-TO-WORK," passed Final Reading by a vote of 46 ayes, with Representatives Bukoski, McDermott, Takumi, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 10 and S.B. No. 1081, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 1081, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, and the report of the Committee was adopted and S.B. No. 1081, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 46 ayes, with Representatives Bukoski, McDermott, Takumi, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 11 and S.B. No. 1213, SD 2, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 1213, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

Representative Ito's written remarks are as follows:

"Mr. Speaker, I rise in support of SB 1213, "A Bill for an Act Making an Appropriation for the Establishment and Continuation of Professional and Development Schools," which is part of the National Commission on Teaching and America's Future (NCTAF) Hawaii policy group's legislative package.

"This bill will create Professional Development Schools (PDSs) in Hawaii's public schools to train preservice teachers for the classroom. Professional Development Schools refer to any public school, consortia of schools, or departments within schools that have entered into formal agreements with approved teacher education programs to address standards-based education, teacher preparation and professional development.

"In PDSs, classroom teachers and university faculty work as a team to educate K-12 students and college students studying to become teachers. Teacher education students are fully integrated into school life – it is a highly clinical experience. They teach classes with mentor teachers, participate in discussions with parents and review classroom problems at faculty meetings.

"Research indicates teachers who are trained in PDSs elicit superior student achievement. Students enrolled in these schools perform better in basic subjects and receive more hours of adult attention. The school district benefits because PDSs reduce recruiting costs and professional development needs.

"According to the National Center for Restructuring Education, Schools and Teaching, professional development schools are one of education's fastest growing reforms. Ten years ago, there were fewer than forty (40) professional development school partnerships across the country. Today, there are more than 300 partnerships. In Michigan and Minnesota, state licensing boards are reviewing proposals to require that all beginning teachers have experience at professional development schools.

"PDSs are another way to provide teachers with the instruction they need to become qualified teachers and to help our students achieve."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1213, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE ESTABLISHMENT AND CONTINUATION OF PROFESSIONAL DEVELOPMENT SCHOOLS," passed Final Reading by a vote of 46 ayes, with Representatives Bukoski, McDermott, Takumi, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 12 and S.B. No. 1236, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 1236, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

Representative Arakaki's written remarks are as follows:

"Mr. Speaker, I rise to speak in favor of Senate Bill 1236, HD 2, CD1 and the attached Conference Comm. Report 12. Mr. Speaker, I appreciate our Finance Chair, Vice-Chair and members to retain the Bridge to Hope provision and appropriation.

"We have been saying no to increases for financial assistance to those individuals most in need with the excuse that the economy and the revenues does not allow for increases. We were afraid, and perhaps still fearful, of public reaction to providing any increases. The poor are the ones who have struggled to keep their families together, to provide shelter and food on the table. Granted, there are a few who try to manipulate the system, and those who will "milk the system", even though able bodied.

"For the vast majority, however, there is the desire to pursue "the dignity of work" which they are force to weigh against the desire to provide their family, especially their children, a home, child care, health care and food.

"In many cases, families on assistance are spending 50% to 80% of their cash assistance on housing, leaving very little to provide nutritious meals and adequate clothing or transportation. For example, a family of three receives \$712 a month in financial assistance. The recommended percentage allowance for housing is 30%, which calculates to \$213 a month. Can anyone here find a home for a family of three children and a parent for that amount, when the market rate for a two-bedroom unit is \$1069?

"Now, with welfare reform and time limits on receiving benefits, it becomes a moral and economic imperative to lift people out of economic dependence and place them on the road to self-sufficiency. This has to be done by providing opportunities to improve educational achievements along with adequate assistance and supports. There is no denying that a college degree or certificate probably increases the person on welfare to find a job with decent pay.

"It would behoove us to provide more security to the many single parents, mostly who are women, to know that they will have enough to provide food and shelter, as encouragement to pursue higher education. If we want a work force and families that are qualified and self-sufficient, who will contribute to the economy and revenues of the state, then we must make those important short term investments. SB 1235 and the Bridge to Hope is such an investment. Thank you to all for supporting this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1236, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," passed Final Reading by a vote of 46 ayes, with Representatives Bukoski, McDermott, Takumi, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 13 and S.B. No. 118, SD 1, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 118, SD 1, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

Representative Luke's written remarks are as follows:

"This measure establishes a Breast and Cervical Cancer Treatment Program in the Department of Human Services for women who are not eligible to receive Medicaid benefits.

"The State currently has the Hawaii Breast and Cervical Cancer Control Program, which has screened approximately 2,000 women since its inception in 1997. However, one of the problems with the current program is that while the screening is free, there are no funds for treatment of certain individuals diagnosed with breast cancer in this State.

"This bill requires the Department of Human Services to provide cancer treatment to women diagnosed through the Hawaii Breast Cancer Control Program and who are: (1) resident aliens not eligible for Medicaid; or (2) eligible for Medicaid but have health care coverage that does not cover cancer treatment.

"Mr. Speaker and colleagues, many women without insurance that seek treatment face a tremendous burden. Many choose to deny themselves treatment to avoid financial catastrophe and in doing so put off much needed treatment that can save their lives. In the long run, diagnostic screening and early treatment of cancer will decrease medical costs and improve the survival rate of women. Therefore, on behalf of the countless numbers of women you will be helping, I thank you in advance for your support."

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

"Mr. Speaker, I would like to speak in support of this measure, not just because it is a women's issue or a Women's Caucus measure. It's also a measure of great importance to all of us, because I think this is an example of where to put our resources where it will really make a difference in terms of health care. If you think for a moment, women are the ones who may be the victims of breast or cervical cancer, but the health of women affects their whole family, the children and men of their family also.

"Try for a moment to imagine the terror of finding out that you have cancer, in this case, breast or cervical cancer. Then try to imagine what it feels like not to have health insurance. It is a ticket to death and financial ruin. Should this kind of terror and hopelessness occur in the United States of America, much less Hawaii – the Health State?

"If this person decides to seek treatment she faces huge debts and financial catastrophe. If she puts off treatment until the cancer reaches an advanced state, the intervention will be very expensive and will be paid for by the State, or other people.

"This is not only an important issue for women, it is an important issue for the whole community because early treatment of cancer decreases costs and results in improved outcomes. It helps women who are in the gap groups and not able to qualify for medical treatment under other programs.

"SB 118 appropriates funds to establish a Breast and Cervical Cancer Treatment Program in DHS for women who are not eligible to receive Medicaid benefits for treatment and who have been diagnosed through the Hawaii Breast and Cervical Cancer Control Program. This, by the way, started out as a federal program in 1990. It was a very good idea

because breast and cervical cancer, when diagnosed early can be treated very successfully. The problem was that the program left no means for people to be treated if they were uninsured, underinsured, or resident aliens. The appropriation is \$229,000 for FY 2001-2002 and \$243,000 for FY 2002-2003.

"Currently many women feel screening programs are useless if there are no treatment options open to them. They would rather not know they have cancer than have to endure knowing they have the disease and not be able to do anything about it.

"So this is really a wonderful bill we are passing today. This is a good investment and it is the humane thing to do. Thank you very much."

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

"This is one of the priority measures for your Health Committee and I am in strong support. As was mentioned, Congress did pass this Breast and Cervical Cancer Mortality Act in 1990 but there was no treatment, only diagnostics. Through the diagnostics, Hawaii has been able to screen about 2,080 women through this program. What they found is that Filipina and Hawaiian women have higher rates of cancer. They also have poorer outcomes when the cancer is discovered. I think one of the things it has to do with is the ability to pay for very expensive treatment programs.

"I wanted to relay one story that really moved me, and motivated me to make this a priority. This is the case of Charlotte Maxilum. She participated in the free screening and was diagnosed with breast cancer. This story was in the paper. Unfortunately she had no health insurance. She went ahead with the treatment. Halfway through, when the bills amounted to \$24,000, and she had no means of paying the cost, she decided to stop her treatment. She didn't qualify for Quest, and she was too young for Medicare. On November 6, 2000, five days after qualifying for Medicare, Charlotte Maxilum died.

"I think this is a real tragedy. But with this measure, and this appropriation, we will bring a lot of hope to women, and avoid the kind of tragedy that Mrs. Maxilum went through. And so, if I may, I would like to dedicate this bill to Mrs. Maxilum, and to all the women who have to go through this type of grief. Let this stand as a shining hope to all of them, for treatment and a cure. Thank you very much, Mr. Speaker."

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

"Mr. Speaker, I rise to speak very strongly for this particular measure. This morning, I had a valued aide, Bryna Akana, pass away from breast cancer. She was Hawaiian. I don't know if she could have benefited from this type of program, but I could certainly understand the need for treatment after you are diagnosed, and especially if you have no resources.

"She was only 34 years old and I thank all of you who were very kind to her in these last few months. I think she would very much appreciate this bill, and I think we should pass it in her memory. Thank you very much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 118, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CANCER," passed Final Reading by a vote of 46 ayes,

with Representatives Bukoski, McDermott, Takumi, Whalen and Yoshinaga being excused.

The Chair directed the Clerk to note that S.B. Nos.: 48, SD 1, HD 2, CD 1; 221, SD 1, HD 1, CD 1; 900, SD 2, HD 1, CD 1; 865, SD 1, HD 1, CD 1; 1081, HD 1, CD 1; 1213, SD 2, HD 2, CD 1; 1236, HD 2, CD 1; and 118, SD 1, HD 2, CD 1 passed Final Reading at 3:17 o'clock p.m.

Conf. Com. Rep. No. 14 and S.B. No. 1119, SD 2, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1119, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS," passed Final Reading by a vote of 47 ayes, with Representatives Bukoski, McDermott, Takumi and Yoshinaga being excused.

Conf. Com. Rep. No. 15 and S.B. No. 1385, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 1385, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

Representative Ito's written remarks are as follows:

"Mr. Speaker, I rise in support of SB 1385. This bill implements recommendation of the Legislative Auditor's report, Comparison Study of the Salary Structure of Educational Officers in the DOE.

"It was found that the DOE's classification and compensation of EO's raises questions of fairness. The classification system is outdated and the Department lacks a formal job evaluation methodology to ensure that employees' duties and responsibilities are accurately reflected.

"The Department's classification and compensation system was found to be inequitable. Although the Department's classification plan shows 17 separate classifications for principals, and 8 separate classifications for vice-principals, we found no actual class specification for these. Also, several classification series lack entry and journey levels; some supervisory positions do not actually supervise; and descriptive terms in class specifications are unclear and inconsistently defined.

"It was found that overall, EO's in the DOE are paid more than University of Hawaii or state civil service system employees in similar jobs even though the EO jobs do not necessarily entail a greater level of complexity.

"This bill requires that the DOE, DHRD and UH Office of Human Resources, in evaluating the DOE salary schedule for EOs. We must be fair and treat all of our civil service employees equitably. We want to pay our workers for the work that they do. An updated compensation and classification structure will enable us to reward those who excel. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1385, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE SALARY STRUCTURE OF EDUCATIONAL OFFICERS IN THE DEPARTMENT OF EDUCATION,"

passed Final Reading by a vote of 47 ayes, with Representatives Bukoski, McDermott, Takumi and Yoshinaga being excused.

Conf. Com. Rep. No. 16 and S.B. No. 1110, SD 2, HD 3, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 1110, SD 2, HD 3, CD 1, pass Final Reading, seconded by Representative Lee.

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

"This measure is entitled, 'Child Care Criminal History and Child Abuse Record Checks.' What this bill does is require child abuse checks for licensed child care providers and their staff. This bill helps the child care industry, and more importantly, it will protect our children from abuse and harm. I recommend all our colleagues support this bill. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1110, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD CARE," passed Final Reading by a vote of 47 ayes, with Representatives Bukoski, McDermott, Takumi and Yoshinaga being excused.

Conf. Com. Rep. No. 17 and S.B. No. 1390, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1390, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRADITIONAL HAWAIIAN HEALING PRACTICES," passed Final Reading by a vote of 47 ayes, with Representatives Bukoski, McDermott, Takumi and Yoshinaga being excused.

Conf. Com. Rep. No. 18 and S.B. No. 1123, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1123, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO VITAL RECORDS," passed Final Reading by a vote of 47 ayes, with Representatives Bukoski, McDermott, Takumi and Yoshinaga being excused.

Conf. Com. Rep. No. 19 and S.B. No. 1455, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1455, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CHILDREN'S ADVOCACY PROGRAM," passed Final Reading by a vote of 47 ayes, with Representatives Bukoski, McDermott, Takumi and Yoshinaga being excused.

Conf. Com. Rep. No. 20 and S.B. No. 1276, SD 1, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 1276, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

Representative Hiraki's written remarks are as follows:

"Senate bill 1276 is designed to prohibit the bad faith registration of domain names on the Internet, and to establish penalties for violation of the prohibition. Our ultimate goal is to protect Hawaii's people and businesses from others whose intent is to profit from or defame registered tradenames or trademarks.

"This bill is modeled after California's anticybersquatting legislation and is designed to work in conjunction with the federal Anticybersquatting Consumer Protection Act that was passed last year.

"Though critics insist that the existing federal protections are sufficient, we have received testimony that states otherwise. The Tony Group attempted to register the domain name "tonyhonda.com," only to discover that someone had appropriated it as well as another one of their trademarked names that is currently registered with the DCCA. Since Tony Honda is not involved in interstate commerce, it did not register with the federal government and had no trademark protection. As a result, it had no recourse against the cybersquatter.

"The Office of the Lieutenant Governor, Hawaii Automobile Dealers' Association, and Verizon Hawaii share similar concerns about adequate protection from and penalties for cybersquatters. I hope that with the passage of this bill, we will be able to implement further protections for our people and businesses from the growing epidemic of cyber-piracy and cybersquatting."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1276, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CYBERSQUATTING," passed Final Reading by a vote of 47 ayes, with Representatives Bukoski, McDermott, Takumi and Yoshinaga being excused.

Conf. Com. Rep. No. 21 and S.B. No. 1011, SD 1, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 1011, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

"I am in support with reservations, only because it is a special fund, and I have problems with special funds. Thank you."

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

"Reservations for me, Mr. Speaker. It is a new special fund."

Representative Gomes rose in opposition to the measure and asked that the Clerk record a no vote for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1011, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GEOGRAPHIC INFORMATION SYSTEMS," passed Final Reading by a vote of 42 ayes to 5 noes, with Representatives Fox, Gomes, Jaffe, Meyer and Pendleton

voting no, and Representatives Bukoski, McDermott, Takumi and Yoshinaga being excused.

The Chair directed the Clerk to note that S.B. Nos.: 1119, SD 2, HD 1, CD 1; 1385, HD 1, CD 1; 1110, SD 2, HD 3, CD 1; 1390, SD 1, HD 1, CD 1; 1123, SD 1, HD 1, CD 1; 1455, SD 1, HD 1, CD 1; 1276, SD 1, HD 1, CD 1; and 1011, SD 1, HD 1, CD 1 passed Final Reading at 3:19 o'clock p.m.

At 3:20 o'clock p.m., Representative Souki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:21 o'clock p.m.

Conf. Com. Rep. No. 22 and S.B. No. 683, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 683, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," passed Final Reading by a vote of 48 ayes, with Representatives McDermott, Stonebraker and Yoshinaga being excused.

Conf. Com. Rep. No. 23 and S.B. No. 1512, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1512, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PENAL CODE," passed Final Reading by a vote of 48 ayes, with Representatives McDermott, Stonebraker and Yoshinaga being excused.

Conf. Com. Rep. No. 24 and S.B. No. 1178, SD 2, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1178, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTROLLED SUBSTANCES," passed Final Reading by a vote of 48 ayes, with Representatives McDermott, Stonebraker and Yoshinaga being excused.

Conf. Com. Rep. No. 25 and S.B. No. 1102, SD 2, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 1102, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

"First of all, I'd like to extend my mahalo to you, Mr. Speaker, and the leadership of both houses, the Senate and the House. This is a bipartisan effort. I call it a 'canoe' that we are sailing now. Mr. Speaker and members, this vehicle amends the Hawaiian Homes Commission Act. It provides for a reaffirmation and more self-determination.

"In Public Law 106-569, subtitled, 'The Hawaiian Home Lands Ownership Act of 2000', the United States recognized and reaffirmed that Congress expand services to Hawaiians because of their unique status as the indigenous people of a once sovereign nation as to whom the United States has established a trust relationship.

"Congress has also delegated broad authority to administer a portion of the federal trust responsibility to the State of Hawaii. And in the area of housing, the United States has recognized and reaffirmed the political relationship with the native Hawaiian people through the enactment of the Hawaiian Homes Commission Act, 1920, as amended in 1921. This Act, Mr. Speaker, set aside approximately 200,000 acres of public land that became known as the Hawaiian Home Lands in the Territory of Hawaii that had been ceded to the United States for the homesteading by the native Hawaiians in order to rehabilitate a landless and dying people.

"At this time, Mr. Speaker, I would like to express a potential conflict. I was a born a native Hawaiian, as defined in this federal Act named the Hawaiian Homes Commission Act, and I am directly affected by these amendments."

The Chair ruled, "no conflict, because it is a class [of people]."

Representative Kahikina continued, stating:

"Thank you, Mr. Speaker. The enactment of the Act to provide for the admission of Hawaii into the Union, approved on March 18, 1959, ceded the State of Hawaii, title to the public lands formerly held by the United States and mandated that those lands be held in public trust for the betterment of the native Hawaiians, as defined in Section 201 of the Hawaiian Homes Commission Act.

"If you don't know, Mr. Speaker, that definition speaks of tracing your bloodline prior to Captain Cook, which is European contact, but you have to qualify and quantify fifty percent. That aspect, we see as an evil policy, that divides the native Hawaiians. The less than fifty-percenters, the forty nine-percenters, are screaming out loud, 'What about me? I'm Hawaiian.' And the fifty-percenters are saying, 'We are tired of waiting on the waiting list.'

"In this vehicle, we will give these people a chance at more empowerment. In transferring the United State's responsibility for the administration of Hawaiian Home Lands to the State of Hawaii, the Congress still retains the authority to enforce the trust.

"Mr. Speaker, there is a movement out in the community, of brothers and sister who want to address the issue. I want to say that this vehicle will not address the international concern. It will not address the international *mana'o* which says that they honor the Constitution of 1893, the year that our beloved Queen was overthrown. But this vehicle will address the federal United States Congress through a state-level vehicle. It would address the State and the Congress, but not the international, intervention, in hoping to address native Hawaiian issues. And perhaps to address this blood quantum is the priority that we need to address so that all indigenous people can be recognized.

"But having said that, Mr. Speaker. It does present a unique..."

Representative Lee rose to yield her time.

Representative Kahikina continued, stating:

"Thank you, Representative. It does present a unique situation where the fifty-percenters can claim recognition through this vehicle because it is a reaffirmation.

"Throughout the bill, Mr. Speaker, it speaks about the relationship between the State and the federal government,

that we do have unique relationship with the beneficiaries of the Hawaiian Home Lands Trust. In this vehicle, it does reaffirm that the native Hawaiian people are a distinct native indigenous people who have maintained their own language, culture and traditions, and have established Hawaiian Home Lands areas protected under federal and state laws. The United States has a unique trust responsibility to promote the welfare of the aboriginal, indigenous people of the State, and the United States has delegated broad authority to the State to act for the betterment.

"This vehicle also will give community-based governance if Hawaiian Home Lands is recognized democratically elected by community organizations. It also says who can participate. In the Hawaiian Homes Community, anyone who lives on Hawaiian Homes, no matter what blood quantum, they can be non-Hawaiian, married to a Hawaiian; a non-blooded can serve the organizations.

"We expanded the participation to allow those on the waiting list, who want to reside in the community, to participate in this democratically elected, bona fide representative body of those residents. What it would do is allow the Department to now, empower those communities, address their resources, and hopefully to address the intent of the federal Act, to 'rehabilitate' the native Hawaiian.

"May I say, Mr. Speaker, that it does not address the whole pie, or this one hull of this double-hulled canoe. It doesn't address the international concerns about the overthrow of the Queen, because, Mr. Speaker, Paul said, 'Render unto Caesar what is Caesar's. Render unto God what is God's.' Right now, this vehicle addresses Caesar, and that is the State of Hawaii's responsibility, given by contract with Congress at statehood, and Congress itself. Thank you, Mr. Speaker."

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

"I rise in strong support of the measure. I want to commend, first, the Hawaiian Caucus, for all the work that they did on this, and for what I consider, to have built and launched an excellent canoe. It doesn't have everything for everybody at this point, but perhaps that wasn't really the intent overall.

"It's an excellent bill. It helps at the very 'grassroots' level. I know it is very important to the people in my district, and I want to commend, again, the Caucus for putting this together, and the Speaker and the leadership in the House for the support. I truly believe that this particular piece of legislation is one of the larger, more significant pieces that we will be enacting this year. I certainly urge Congress, when the time comes, to consent to this bill. Thank you very much."

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

Representative Morita's written remarks are as follows:

"First of all, I would like to thank the co-chairs of the Hawaiian Caucus, the gentleman from Nanakuli and the gentleman from Kauai for their leadership in bringing together the members of the Legislature of Hawaiian ancestry. But more importantly, I want to thank the gentleman from Nanakuli for his courage and conviction to lead and serve the beneficiaries of Hawaiian Homestead Lands. He has educated the Hawaiian Caucus and this body as to the issue faced by the beneficiaries and the many shortcomings of our State to honor our trust obligations.

"For far too many years beneficiaries of Hawaiian Homestead Lands have been treated solely as 'wards' of the State without direct representation. This bill is a first step to empower Hawaiian Homeland communities to assist in the development and management of their communities in a participatory and democratic process.

"In early discussions of this bill there was misunderstanding as to the purpose of this measure, I believe Conference Committee Report No. 25 is clear in its intent that this measure should not be misconstrued as an attempt to support federal recognition solely for the beneficiaries of the Hawaiian Homes Commission Act, 1920. With that clarification, I ask that this body support this bill to empower beneficiaries of Hawaiian Homelands to build and develop leadership and teambuilding skills to involve its residents in a participatory and democratically run community governance."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1102, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED," passed Final Reading by a vote of 48 ayes, with Representatives McDermott, Stonebraker and Yoshinaga being excused.

Conf. Com. Rep. No. 26 and S.B. No. 1061, SD 1, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 1061, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Ahu Isa rose to disclose a possible conflict of interest and the Chair ruled, "no conflict."

Representative Ahu Isa continued in support of the measure, stating:

"I am in favor of the bill, but if you read it, it changes the broker experience requirement from having full-time experience as a real estate salesperson for the three preceding years prior to applying for a broker's license, to three of the five preceding years. It opens up the door a little bit.

"I think that section two should really be looked at because it repeals authorization of the Real Estate Commission to allow salespersons to take brokers examinations. This is scary because the Commission has to take a look if the broker comes in with reciprocity for experience in another state, they don't have to now go to the Real Estate Commission. They can just go and apply to a school. Sometimes in our zeal to deregulate, we forget about protecting the consumer. Thank you, Mr. Speaker."

Representative Souki rose to disclose a possible conflict of interest, stating:

"Like my neighbor here, I am also a real estate broker," and the Chair ruled, "no conflict."

Representative Leong rose to disclose a possible conflict of interest, stating:

"I am a broker also," and the Chair ruled, "no conflict."

Representative Chang rose to disclose a possible conflict of interest and the Chair ruled, "no conflict."

Representative Suzuki rose to disclose a possible conflict of interest, stating:

"Mr. Speaker, I might benefit from this bill. I am not a broker. I am a realtor associate, and under the rules of this bill, I would benefit by not having to have been full-time in real estate," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1061, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO REAL ESTATE BROKERS," passed Final Reading by a vote of 48 ayes, with Representatives McDermott, Stonebraker and Yoshinaga being excused.

Conf. Com. Rep. No. 27 and S.B. No. 1066, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1066, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Final Reading by a vote of 48 ayes, with Representatives McDermott, Stonebraker and Yoshinaga being excused.

Conf. Com. Rep. No. 28 and S.B. No. 1071, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 1071, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

"Mr. Speaker, the basis of this and what we have done here is a 'cookie-cutter', 'one-size-fits-all' type regulation when it comes to insurers and their bond requirements. Up until now, to today as a matter of fact, the Insurance Commission was suppose to look at the business or the person and establish the amount, if any, considering their business and volume, etc. What this bill does is mandates at least a certain amount and, I believe it is ten percent of their gross premiums, whichever is greater, generally speaking.

"To make things short, I won't go into specifics. However, my concern is that there is no need to use this 'one-size-fits-all'. The DCCA collects more than enough money to handle the amount of regulation that they do. I view this as an effort by the Insurance Commission to basically, 'shrug-off' a certain amount of work by saying, 'Look, here's what it says in the law.' We even changed the phrase, 'The Insurance Commissioner may...' to 'The Insurance Commissioner shall...' require, that this sort of bonds be set.

"In terms of being pro-economy, pro-business, I don't believe it is in our best interest to continue to shovel this type of regulation on to our businesses; requiring this type of blanket activity. If anything, we should be trying to encourage businesses, and people in business by allowing them to show why it is that they don't need to carry such a large bond, or whatever else. So for those reasons, my vote is no."

Representative Rath rose in opposition to the measure and asked the remarks of Representative Whalen be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

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

"Just to correct the impression that somehow, this was a bad business bill. I just want to state for the record that the regulated community is in favor of this because what they want is stability. They want predictability. They want a safe

harbor. They want to know what exactly their responsibilities are. With the bonding, right now, the Insurance Commissioner has wide discretion, unfettered discretion in fact, and that creates that uncertainty.

"And so, for the record, this was supported by the regulated community. Thank you."

Representative Whalen rose in rebuttal, stating:

"I didn't want to bring up the Conference Committee situation. That was told to me and that's why I went with reservations, because during the conference session, the regulated community said they were opposed to fixed percentages. The certain amount of money in there, they said they could live with because they were concerned about the unfettered discretion. But they said setting a percentage, whichever is greater, they were certainly opposed to. I double checked with them after this Conference Draft came out, and they are still opposed to this bill and the way it was formed. So I did double-check with them and they are opposed. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1071, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Final Reading by a vote of 35 ayes to 13 noes, with Representatives Auwae, Djou, Fox, Gomes, Halford, Jaffe, Leong, Marumoto, Meyer, Moses, Pendleton, Rath and Whalen voting no, and Representatives McDermott, Stonebraker and Yoshinaga being excused.

Conf. Com. Rep. No. 29 and S.B. No. 1079, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1079, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LIMITED LIABILITY PARTNERSHIPS," passed Final Reading by a vote of 48 ayes, with Representatives McDermott, Stonebraker and Yoshinaga being excused.

The Chair directed the Clerk to note that S.B. Nos.: 683, SD 1, HD 1, CD 1; 1512, HD 1, CD 1; 1178, SD 2, HD 1, CD 1; 1102, SD 2, HD 1, CD 1; 1061, SD 1, HD 1, CD 1; 1066, SD 1, HD 1, CD 1; 1071, HD 1, CD 1; and 1079, SD 1, HD 1, CD 1 passed Final Reading at 3:37 o'clock p.m.

At 3:37 o'clock p.m., Representative M. Oshiro requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:39 o'clock p.m.

Conf. Com. Rep. No. 30 and S.B. No. 1349, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1349, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MUTUAL BENEFIT SOCIETIES," passed Final Reading by a vote of 49 ayes, with Representatives Bukoski and Yoshinaga being excused.

Conf. Com. Rep. No. 31 and S.B. No. 1550, SD 2, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 1550, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

"I am rising to speak against SB 1550, the so-called, 'Privacy of Consumer Financial Information' measure. The Office of Information Practices had about four concerns with Conference Draft 1.

"First, there are no provisions requiring a company ensure that the financial information of the consumer is protected. The consumer has lost rights to prevent the financial institution from using personal information for marketing. In other words, if the company follows the notification requirements, you've lost your ability to 'opt-out' of the company using your information for marketing. There's no requirement that the companies tell you how they use your information, and there is no limit on how they use your information except for redisclosure. There is a limit on redisclosure to someone else, which is good, but not on how they use it internally, or among affiliated companies, which is bad. For those reasons, I oppose the bill. Thank you."

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

"The prior speaker has set forth the objections with which I concur. But I think I want to take a little longer to talk about this issue.

"As I think I have said too many times now on the floor of this house, if we are looking at the issues that the voters are going to be increasingly concerned about over the next couple of years, if we look at those concerns versus where the industries are going in this world today, there is no question that the information industry is rapidly accelerating and the concerns of voters with that industry are rapidly accelerating.

"I also want to say what I have said before. We have, in our State, an extra concern with privacy, which arises from our Constitution. We have another level above the national level, whether we agree with what the rest of the country is doing, or whether we agree with what the U.S. Congress is doing, or whether we agree with what the industry wants us to do in this State.

"Let me just say that this bill looks good on its face. In fact, many of the privacy bills that are coming out throughout the rest of the country and the world are modeled somewhat like this bill. Essentially what they say, and what this bill says, is that with information that is personal in nature which is non-public, that a reasonable person would have a reasonable expectation of privacy in, that when that information is collected for business purposes, the company has to do one thing. The company has to ask the consumer whether the company can use that information for purposes other than the direct purposes for which it is collected. It can be health information. It can be financial information. It can be personal information. It can be all kinds of information. Anything you really don't want people to know or want them, at least, to control access to.

"The mechanism for asking the consumer is either to 'opt-in', in which case the consumer has to affirmatively give his or her permission, or 'opt-out', which means that the consumer at least has the option to say that they don't want them to use their information for those purposes. If the consumer doesn't do one or the other, frankly, that company is going to use that information for any purposes under the sun that is related to

making a profit. And those purposes are multiple at this point. This is a billion-dollar industry. People make a lot of money on the gathering, collating and selling of information.

"This bill has an 'opt-out' provision, which is good. That's fine. If you have a good 'opt-out' provision, it can work. Where this bill fails, and where I have to vote against this bill is in the scope of information that can be traded, so-called, 'in-house'. This is always a big deal for companies.

"Members that participated in the medical records bill recall that the health care providers stated that they wanted to be able to have information flow from one doctor to another without the consumer having to say yes. Now that makes perfect sense in the health care provider situation, especially in the era of managed care. Much of the debate in the course of developing that particular bill had to do with what is a legitimate reason for which personal health information can be sent from one doctor to another; from one office of a managed care company to another. What was developed, I thought, was a good zone of privacy exchange where essentially the health care provider had the ability to determine that, that information could flow, and that was related to the provision of health to that particular consumer. And yet, they obviously did not have the ability to do it for reasons unrelated to health care provision, nor beyond the scope reasonably necessary to allow for good care.

"What this bill does it to take that concept and apply it to non-health information. We aren't talking about saving somebody's life. We're not talking about health-related information which is either going to accentuate the provision of care to patients, or for that matter, to be utilized, collated, and developed for research purposes. We are talking about information that really, you don't need to use for anything else. We are talking about financial and insurance information.

"The key part of this bill, which is what lawyers sit around and worry about if you're into this industry in one way or another, is what is that zone in which you basically have the right to free trade of information. Now, we're not talking about what the consumer has 'opted in' or 'opted out' of, or done anything else. The bottom line here is that what we are talking about is information gathered by a company, personal, financial, or lifestyle information, which can be traded, whether or not the consumer says yes or no. This is a free zone. This is what these companies want when they come in with these bills. They don't mind the 'opt-in' and 'opt-out'. They can debate that. What they want is a free flow."

Representative Hamakawa rose to yield his time.

Representative Case continued, stating:

"Thank you. Now what this bill basically says is that this free flow has to do with any affiliate. There is where the rub of this bill is, one word, one definition: 'affiliate'. You find that definition on page 2, line 13 and 14. "Affiliate" means any company that controls, is controlled by, or is under common control of another company. "When you go and review this bill, from start to finish, you find numerous restrictions against the exchange of personal, financial and other related information to other non-affiliated entities. But if you're an affiliate of a company that gathers information about someone, you get this for free. You don't have any restrictions right now. You can trade it across whenever you want.

"Now obviously, in this day and age, we are dealing with multi-national companies. We're not just dealing with the local neighborhood bank that has just one office. We're

dealing with multiple offices. We are dealing with an industry that has successfully broken down the barrier between banking and insurance. We are dealing with the consolidation of the banking industry, nationally and internationally.

"Let's take an extreme example, but nonetheless a very real example. We have a bank that is a multi-national concern. It runs various industries. It has banking. It has insurance. Let's even throw in entertainment. Let's throw in whatever you want. Now that company operates through affiliates, as defined in this bill, throughout the world. Information about me is gathered here in Hawaii, information about my bank account. Under this bill, that information, it doesn't matter if I 'opt-in' or 'opt-out', that information can be given to any affiliate worldwide. Any office. Any affiliate. Anybody. For any purpose for that matter, as long as they keep it within the free flow zone. They can market it across half the world if they want. That is simply too broad. That's why this bill fails ultimately.

"The other concerns were stated by somebody else, but really, that is where the game is being played on personal and financial information. I simply think the public expects much more of us. Thank you."

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

Representative Thielen continued, stating:

"I am doubly opposed to the bill after listening to the previous speaker. Mr. Speaker, the concern, when you couple that with high technology and the use of high tech for marketing, for transferring information, I think we have done a serious disservice to our consumers. It's not going to protect their financial information because, as the previous speaker indicated, there are too many instances in which that information can be transmitted and used. Basically, I feel this is an anti-consumer bill.

"The difficulty sometimes with the Consumer Protection Committee is that it has to deal with something coming over from the Senate, and that is the case in this instance. That bill is certainly more favored toward the industry, not toward the consumer. I'm sorry that our side didn't do its normal job, which is to say put the consumer first. I would suggest that we go back and rectify this situation next session or maybe take a recess and allow members to turn in green slips and pink slips. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1550, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Final Reading by a vote of 39 ayes to 10 noes, with Representatives Case, Davis, Halford, Kanoho, McDermott, Meyer, Morita, Pendleton, Suzuki and Thielen voting no, and Representatives Bukoski and Yoshinaga being excused.

Conf. Com. Rep. No. 32 and S.B. No. 643, SD 2, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 643, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DOGS," passed Final Reading by a vote of 49 ayes, with Representatives Bukoski and Yoshinaga being excused.

Conf. Com. Rep. No. 33 and S.B. No. 185, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, notwithstanding the report of the Committee, S.B. No. 185, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FISHING," was recommitted to the Committee on Conference, with Representatives Halford, Luke, McDermott, Meyer, Moses, Rath, Stonebraker, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 34 and S.B. No. 1199, SD 2, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1199, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONCESSIONS ON PUBLIC PROPERTY," passed Final Reading by a vote of 49 ayes, with Representatives Bukoski and Yoshinaga being excused.

Conf. Com. Rep. No. 35 and S.B. No. 950, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 950, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DIAMOND HEAD," passed Final Reading by a vote of 49 ayes, with Representatives Bukoski and Yoshinaga being excused.

Conf. Com. Rep. No. 36 and S.B. No. 589, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 589, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DENTAL INSURANCE," passed Final Reading by a vote of 49 ayes, with Representatives Bukoski and Yoshinaga being excused.

Conf. Com. Rep. No. 37 and S.B. No. 796, SD 1, HD 2, CD 1:

Representative M. Oshiro moved that notwithstanding the report of the Committee, S.B. No. 796, SD 1, HD 2, CD 1, be recommitted to the Committee on Conference, seconded by Representative Lee.

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

"Mr. Speaker, I understand that the intent of you and the Senate President is that there be interim work on this measure so something can pass very quickly next session. My concern is that if the beaches have to remain unstaffed, if there are no county lifeguards on them, we may see some people die in the water because we don't have lifeguards there.

"I would have preferred to move ahead with an amended version and join the Senate on that. I just pray to God that there are no deaths in the interim before we get this moved out next session. I also would say they we have to pass out a measure that will have some meaning to it, not like the Conference Draft now. If we just do something like the Conference Draft now, the beaches will not be staffed with lifeguards. Thank you."

The motion was put to vote by the Chair and carried, and notwithstanding the report of the Committee, S.B. No. 796, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT

RELATING TO STATE AND COUNTY TORT LIABILITY," was recommitted to the Committee on Conference, with Representatives Arakaki, Luke, McDermott, Meyer, Moses, Rath, Stonebraker, Whalen and Yoshinaga being excused.

The Chair directed the Clerk to note that S.B. Nos.: 1349, SD 1, HD 1, CD 1; 1550, SD 2, HD 1, CD 1; 643, SD 2, HD 1, CD 1; 1199, SD 2, HD 1, CD 1; 950, SD 1, HD 1, CD 1; and 589, SD 1, HD 1, CD 1 passed Final Reading at 3:53 o'clock p.m.

Conf. Com. Rep. No. 38 and S.B. No. 224, SD 1, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 224, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PINEAPPLE RESEARCH," passed Final Reading by a vote of 48 ayes, with Representatives Halford, Rath and Souki being excused.

Conf. Com. Rep. No. 39 and S.B. No. 638, SD 2, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 638, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE MOLOKAI IRRIGATION SYSTEM," passed Final Reading by a vote of 48 ayes, with Representatives Halford, Rath and Souki being excused.

Conf. Com. Rep. No. 40 and S.B. No. 981, SD 1, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 981, SD 1, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

"Mr. Speaker, very brief comments in support of SB 981, Conference Committee Report No. 40. Senate Bill 981 is being passed to deal with an automatic approval problem on the crucial State Board of Land and Natural Resources. Under existing law a judge ruled that four votes were needed to either approve or disapprove a conservation district permit. The bill that we're passing this Session allows a simple majority to take action, preventing situations where four votes are not present or unable to vote because of conflicts of interest and the automatic approval deadline passes.

"Such as situation occurred with the Keahole Power Plant Conservation District application and a house at Lanikai on Oahu. This new law will add a seventh member to the Board of Land and Natural Resources to help ensure that enough board members are present to take action on our permits."

The motion was put to vote by the Chair and carried, and he report of the Committee was adopted and S.B. No. 981, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BOARD OF LAND AND NATURAL RESOURCES," passed Final Reading by a vote of 47 ayes to 1 no, with Representative Espero voting no, and Representatives Halford, Rath and Souki being excused.

Conf. Com. Rep. No. 41 and S.B. No. 1435, SD 1, HD 1, CD 1:

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

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

"Thank you Mr. Speaker, I rise in support of this measure. This bill and House Bill 173 form the centerpiece of your Committee on Energy and Environmental Protection's work this Session. This bill truly moves Hawaii into a new century with a vision of building a sustainable economy and a healthy environment for our children and grandchildren.

"Hydrogen is the fuel of the future and I just happened to be thumbing through the most recent copy of *Business Week* and there's an ad for the Toyota Prius which is a electric gasoline hybrid car. But the ad goes on to say, 'The next step, a hydrogen powered fuel cell vehicle whose only emission is pure water.'

"In the 1970's there was much discussion on how to develop an undersea cable system to move electricity from geothermal heat throughout the island chain. Now, thirty years later, the discussion will be on how do we maximize our use of renewable energy to send an electrical current through water to manufacture hydrogen. And how will we store and transport this hydrogen between the islands or out of the state to generate electricity or run automobiles or buses? The strategy set out in this bill will help Hawaii on this path of energy self-sufficiency and clean air.

"This is an economic development bill whose main beneficiary is the environment. Currently, the market capitalization of fuel cell companies that rely on hydrogen as a fuel source for fuel cells is in excess of \$10 billion. The University of Hawaii is already recognized by the U.S. Department of Energy as a center of excellence in hydrogen research. With this bill as the first step, Hawaii will play an important role and become the key in unlocking the potential in marrying fuel cell technology with renewable energy to produce a hydrogen-based economy.

"Hawaii will become the center of hydrogen excellence of the Pacific. Unfortunately, we cannot claim the world because the island nation of Iceland has already declared its goal to become the first hydrogen based economy. But more importantly Mr. Speaker, as an island state, we need to be cognizant of what is being faced by other small Pacific Island nations. We can ignore, but we cannot separate their fate from ours. Global warming brings Pacific Island nations disruption in weather patterns and increase in catastrophic storms, rising sea levels, increased disease and the threat of salt water intrusion into fresh water supplies and the destruction of coral reef systems.

"This bill is a moral obligation we owe to other Pacific Islanders to lead and to do what is 'pono', to do what is right. And also to sustain Hawaii's fragile environment and to stabilize and diversify our economy. When we vote for this bill, we vote for economic development and clean air. Thank you."

Representative M. Oshiro rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in strong support of this measure. Mr. Speaker, first of all, I'd like the record to reflect that I adopt the remarks of the prior speaker as my own. Mr. Speaker, I have nothing but praise for the Chair of the Environmental Protection Committee and the work that she has done this past year. She has really moved the State ahead several light years,

in this era of renewable energy, she has several other bills being considered right now, and it's all because of her due diligence and her patience with this body, Mr. Speaker.

"She last mentioned the fact that this ties into the whole issue of global warming and how we affect the rest of the world by our energy policies here in the United States. Just last week Sunday, after being reminded by the Chairperson of the Energy and Environmental Protection Committee, I watched Public TV and I saw a special on global warming and the effects on the nation state in the South Pacific.

"And to my shock, they dealt with one particular nation state called Kiribas or Kiribati in the Gilbert Islands. Mr. Speaker, I was there in 1991 with my father and a friend on a fishing trip and in this video tape that I watched on Public TV, we saw several of the fishing areas that I did go to fish for papio. To my shock, those areas are now under water. So the reality of global warming and the affects that we have upon our world around us is apparent to me. And I thank the Chair and commend her for excellent insightful and foresightful work. Thank you Mr. Speaker."

Representative Lee rose to speak in support of the measure and asked that the remarks of Representative M. Oshiro be entered into the Journal as her own, and the Chair "so ordered." (by reference only.)

Representative Lee continued, stating:

"I would like to add my congratulations to the Chair. She's really leading us into the future. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1435, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HYDROGEN RESEARCH AND DEVELOPMENT," passed Final Reading by a vote of 48 ayes, with Representatives Halford, Rath and Souki being excused.

Conf. Com. Rep. No. 42 and S.B. No. 498, SD 1, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 498, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

One motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 498, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE NANAKULI HOMESTEAD CEMETERY," passed Final Reading by a vote of 48 ayes, with Representatives Halford, Rath and Souki being excused.

Conf. Com. Rep. No. 43 and S.B. No. 105, SD 1, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 105, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

"Mr. Speaker, I rise to support Conference Committee Report No. 43 and S.B. 105, SD 1, HD 1, CD 1 which should tell you how complicated this bill was. It's the so-called Kikala-Keokea Housing Revolving Fund Infrastructure Development Fund bill.

"Mr. Speaker, first of all, I wanted to thank all the members of the Water and Land Use and Finance Committees for their support of HB 1026 which 'morphed' into this version, and the members of the Conference Committee for their understanding of the issues involved and the cooperation in particular of my Co-Chair representing the Finance Committee, Representative Espero.

"Mr. Speaker, it has been ten years since the Legislature first tried to ameliorate the hardships suffered by the victims of the 1983 lava flow that destroyed the historic village of Kalapana, one of the last Hawaiian settlements on the Island of Hawaii.

"Act 314, Session Laws of Hawaii 1991 authorized the creation of a residential sub-division to enable the former residents of Kalapana to recreate and continue their traditional way of life, by raising small animals, planting sustenance crops, growing herbal medicines and gathering food resources from the nearby oceans and uplands. For many and varied reasons the completion of this project has failed over the years.

"By working together with our Senate counterparts, the Department of Land and Natural Resources, the Housing and Community Development Corporation, the Attorney General and the Office of Hawaiian Affairs, we believe we have finally solved the problems that have stymied this project.

"Mr. Speaker, this measure does not impact our general revenues because it uses special funds which have been lying around for ten years. Special credit goes to the Office of Hawaiian Affairs for matching the funds for infrastructure on a 'dollar for dollar' basis. Mr. Speaker, I urge my colleagues to pass this legislation unanimously, to prove to our constituents that the Legislature is working to solve long-standing problems to benefit the residents of this Island. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 105, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO KIKALA-KEOKEA," passed Final Reading by a vote of 48 ayes, with Representatives Halford, Rath and Souki being excused.

Conf. Com. Rep. No. 44 and S.B. No. 927, SD 1, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 927, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

"Mr. Speaker, I don't understand this measure. I guess that I'm against it until I'm clear on exactly what's going on here. It calls for the Research Corporation of UH to provide \$300,000 for a free-standing facility that deals with adult health care issues. I'm not clear as to why the Research Corporation of the University of Hawaii is involved. I'm not clear as to why \$300,000 is going to fund that kind of facility. And then in addition, in the bill itself, and this I really don't understand, it calls for innovative strategies for research that include programs addressing the underlying causes of morbidity.

"Now we're dealing with forty frail and elderly people and we're financing a study of how they die. I think that is how this reads, so I'm very perplexed. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 927, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ADULT DAY HEALTH CARE CENTERS," passed Final Reading by a vote of 35 ayes to 13 noes, with Representatives Auwae, Djou, Fox, Gomes, Jaffe, Leong, Meyer, Moses, Ontai, Pendleton, Stonebraker, Thielen and Whalen voting no, and Representatives Halford, Rath and Souki being excused.

Conf. Com. Rep. No. 45 and S.B. No. 493, SD 2, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 493, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SCHOOLS," passed Final Reading by a vote of 48 ayes, with Representatives Halford, Rath and Souki being excused.

Conf. Com. Rep. No. 46 and S.B. No. 1209, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 1209, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

"Thank you Mr. Speaker, I'm rising in opposition to this measure, S.B. 1209, CD 1. This bill is relating to claims against the University of Hawaii and provides appropriations for them.

"What caught my eye in this ordinarily routine legislation to settle claims against the University of Hawaii, was the line item that appropriated \$400,000 for, 'estimated expenditures for waste minimization and pollution prevention as required by the Department of Health and the Environmental Protection Agency for improper storage and disposal of hazardous materials.' If I remember the story correctly, the EPA and the State Department of Health found hundreds of hazardous chemicals and explosives improperly stored in corroding and leaking containers at the University of Hawaii locations in Manoa, Kauai and Hilo. As a result of this negligence, the University of Hawaii was penalized over a half million dollars; \$120,000 was to go to the EPA and \$385,000 in penalties to our own Department of Health.

"It seems to me, that the University should not be coming to the Legislature to bail them out of troubles of their own making, especially when it appears we are merely 'robbing Peter to pay Paul' when the Legislature appropriates dollars to pay the fines to the Department of Health. If the University is truly autonomous, they should have to cover their own misdeeds. If they are really in trouble and looking for \$400,000 I would suggest that they should have arranged to install an acting President for one year after President Mortimer leaves his post. They could save \$400,000 before hiring the new President. Thank you Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1209, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CLAIMS AGAINST THE UNIVERSITY OF HAWAII AND PROVIDING APPROPRIATIONS THEREFOR," passed Final Reading by a vote of 43 ayes to 5 noes, with Representatives Djou, Jaffe, Leong, Meyer and Ontai voting no, and Representatives Halford, Rath and Souki being excused.

At 4:08 o'clock p.m., Representative Pendleton requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 4:13 o'clock p.m.

The Chair directed the Clerk to note that S.B. Nos.: 224, SD 1, HD 2, CD 1; 638, SD 2, HD 1, CD 1; 981, SD 1, HD 2, CD 1; 1435, SD 1, HD 1, CD 1; 498, SD 1, HD 1, CD 1; 105, SD 1, HD 1, CD 1; 927, SD 1, HD 1, CD 1; 493, SD 2, HD 2, CD 1; and 1209, HD 1, CD 1 passed Final Reading at 4:15 o'clock p.m.

Conf. Com. Rep. No. 47 and S.B. No. 1211, SD 2, HD 2, CD 1:

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

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

"Mr. Speaker, I rise to speak in favor of this measure. Just wanted to point out that there was some concern regarding this bill and the fact that there is no expending agency for the appropriations amount. I just wanted to assure the members that with this particular measure, in terms of the tax check-off, it won't go into effect until next January. In fact, we can come back next year to make sure that the expending agency for this Fund is made very clear. So I hope that with this clarification, that the members can support this bill and the Governor does not veto it. Thank you Mr. Speaker."

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

"Thank you Mr. Speaker, in opposition to Conference Committee Report No. 47. Again Mr. Speaker, my opposition is based, first off, on my concerns about the mass proliferation of special funds and putting too much of our budget on 'auto pilot'.

"Second Mr. Speaker, as the Tax Department pointed out in their opposition of this particular measure, it sets a dangerous precedent of too many check-off boxes on our income statement and ceding too much of the Legislature's control over our State budget in creating a very dangerous precedent.

"I agree with the statements made by the Department of Taxation and for these reasons oppose this measure. Thank you."

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

"Mr. Speaker, I rise in support of the same measure. I understand the concern expressed by the previous speaker about the proliferation of special funds and I think it's a valid concern. As a former member of the Finance Committee I was frustrated at the extent to which our discretion over the budget seemed to be limited to the general fund. Generally, I think that special funds make it more difficult for us to make adjustments and policy changes with the swiftness that the new economy requires.

"To a paraphrase a wise man, 'Consistency is the hobgoblin of feeble minds, unless we be consistent at the expense of making good policy.' I think that this particular special fund is a worthy one. To enable ordinary citizens to give a portion of

their tax refund to school facilities maintenance is smart policy. And this would be impossible without a special fund and if we don't open up a separate accounting system for this purpose, then there's no way to ensure that these contributions would go to our neighborhood schools.

"There are other provisions in this bill that demonstrate an innovative partnership-based approach to addressing our apparent maintenance backlog without engaging in deficit spending and I think this represents a responsible and creative bill. Thank you."

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

"Thank you Mr. Speaker, I rise in opposition and my opposition is with the special funds also. But additionally, I don't think we should start down the road to check-off boxes on tax forms for every time we have somebody that has some special need or something that somebody really wants. The option then becomes, put it on the tax form and pretty soon it's going to look like a test, with little check-off boxes where your money goes. In this republic, that is what we're elected to do, to make those fiscally responsible decisions. And when you look at those minor repair and maintenance special funds for schools, that is something we can allocate very simply. It's one of the basics I was speaking to earlier in the budget that we should be taking care of. And maybe if we eliminated some of the 'froufrou' stuff we passed, we could take care of the schools. Thank you Mr. Speaker."

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

"Mr. Speaker, this is another special fund as you've heard and we as a Legislative body abrogate our responsibilities every time we lose control over any funding mechanism. Also because this is a tax write-off for this very worthy reason, I believe the Legislature may determine that if the taxpayers don't want to donate their money for this purpose, then, we won't donate their money for it either. And then we have no repair and maintenance fund, or very much reduced, as we do of course this year too. But I just think it's a way of abrogating our responsibilities Mr. Speaker."

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

"Although I disagree with some in this body that we tax our people enough already, I think it's almost a crime the amount of money that we tax our people as we've heard earlier today Mr. Speaker. That our State, per capita, as compared to the rest of the states in the union, taxes its people higher than everybody else.

"I feel like this bill is kind of like being burglarized by a burglar and being awakened in the middle of the night to hear somebody tinkling through your jewelry and catching them. And as they run out of the house you chase them, and then on the street, they ask you for a \$2.00 donation to their cause. I feel like the government is taxing the people enough. It's already a burden and now we're asking for an extra donation, a handout if you will. We've become the thieves and the paupers at the same time. And so, I have to vote against this."

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

"Mr. Speaker, I rise in support. Mr. Speaker, this bill relates to the repair and maintenance of our schools. There's a backlog right now in R&M projects for public schools across the State and it's estimated at more than \$640 million. In

recent years, an average of only \$22 million a year was appropriated for the upkeep of elementary, middle and high school campuses even though they required an estimated \$66 million in maintenance each year.

"This bill addresses this problem by establishing a school-level minor Repairs and Maintenance Special Fund. Taxpayers may donate, let me repeat Mr. Speaker, may donate through a check-off on their income tax return to the special fund. Some may ask why there needs to be a special fund. A special fund is needed as a mechanism for the deposit and appropriation of funds. If there were no special fund, the check-off would go directly to the general fund and not be dedicated to the school R&M.

"This bill also allows taxpayers who will not be able to donate time or 'sweat equity' and can help directly with the repair and maintenance. There are 800,000 single and joint tax filers and if half use the check-off or about 425,000 then the redirection to the special fund could be about \$850,000 each year.

"There have been some questions about the expending agency. We would like the House Journal to reflect that because this special fund would be in Section 302A of the HRS, the expending agency will be the Department of Education. Thank you."

Representative Stonebraker then rose in rebuttal, stating:

"Brief rebuttal Mr. Speaker. This question is one of basic fundamental philosophies of government and as the previous speaker mentioned, it seems that some members of this body are totally oblivious to the fact that higher taxes are wrong. To increase the amount of money that you require of people is wrong.

"Now this bill doesn't require anything, but basically it's our government reaching its hand out and begging for more money. And so when you bring it into this argument, the issue of how much money could we make, it simply reflects a philosophy of government that we'll get anything that we can take and I think it's reprehensible. I think it's wrong to treat our government as a tool or instrument of warfare against people and their hard work. And to hear people talking about we're for the worker and we're for the working class, it's 'baloney'. What it comes down to is how much money can we gouge this money for and when we're done gouging them, let's see if they want to make a donation but let's put it on the basis of school repair. I'm for school repair.

"But this bill basically reflects the fact that we have mismanaged the money that we've stolen from the people in the first place. I think that we should probably, rather than continue to beg and plead for money that belongs to the people, why don't we just manage what we have in the first place?

"And this bill just basically reflects the irresponsible actions of the past of this body. And so to comply and to go along with this is basically to capitulate and say, 'Yeah, we've squandered your money and now we're asking for a donation. We need a little more.' And so, I urge the members of this body not to be duped into the idea that if you vote against this bill, you're voting against school maintenance and repair. I believe that if you vote for this bill, you're complying to the fact that this body has been irresponsible. And if you vote against this bill, you're basically saying it is our responsibility to manage our money properly and rather than beg for more."

Representative M. Oshiro rose to speak in support of the measure, stating:

"I rise in strong support of this measure. Mr. Speaker, I'm glad that the Chair of Education Committee reminded me that this was a voluntary check-off on my tax returns and I hope it passes because I know that my wife and I would easily check off and contribute \$2.00 to the repair and maintenance of our schools.

"Although it's voluntary, I think it's the right thing to do and I think it's similar to what we did recently with the food drive. I know that was voluntary, I know that each year I participate in the Salvation Army bell ringing outside the shopping centers, ringing those bells. People throw money into the kettles there, and that's voluntary. I'm not forcing anyone to do that. And also Mr. Speaker, when I go to a church and they pass the plate to me, I throw in a few bucks and that's voluntary. Thank you Mr. Speaker."

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

"Thank you Mr. Speaker, in opposition. Briefly, there've been arguments already that explain why a no vote is appropriate here but I would like to take this opportunity to bring an additional point. I think because of the smallness of the amount, the \$2.00 amount, I can make my point that I've tried to make on other bills that we should have, as a matter of policy when we make law, an economic and social impact statement that goes along with the law.

"In this case, with this bill, we're going to have to develop the additional line on the tax form, get our tax preparers up to speed. And I think this is all generally small money. It's an item that our taxpayers, our citizens will pay attention to. It's an item that the Tax Department will have to keep track of. And perhaps the whole cost of this thing might only be 50-cents for all of the money we take in, for all of this process that we're asking for, in order to make work a project that we're giving the community when we do this.

"And if in fact it was 50-cents, that's 25% of all the money that we might get in and that just seems like a waste of the resources, considering what we would get in. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1211, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL FACILITIES," passed Final Reading by a vote of 40 ayes to 9 noes, with Representatives Djou, Gomes, Halford, Jaffe, Leong, Meyer, Ontai, Rath and Stonebraker voting no, and Representatives Souki and Takumi being excused.

Conf. Com. Rep. No. 48 and S.B. No. 1212, SD 1, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 1212, SD 1, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

"The history of the Hawaii Teachers Standards Board provides an interesting commentary on how things happen in our State. Since at least 1920, the Department of Education established standards and issued certificates to teachers. No one could teach in our schools without having a teaching certificate.

"In 1996, the Legislature passed Act 122 that established the Hawaii Teachers Standards Board to come up with licensing

and credentialing standards for teachers. The HTSB was also to set the fees for obtaining a teaching license or certificate, but the DOE would continue to actually issue the teaching certificate but would charge a fee.

"The new teaching credentials would be good for five years. The previous certificates were good for life or until revoked. This bill, that's before us today, marks the next step in the process, vesting the Hawaii Teachers Standards Board with the authority to issue, renew, or revoke a teaching license or certificate.

"What concerns me Mr. Speaker, is that we have birthed a new bureaucracy here, the Hawaii Teachers Standards Board. And of course this new bureaucracy requires money, which is provided by Section 11 of the Act. In fact, it appropriates \$434,000 for the next two years. I expect to see a request for staff from the Hawaii Teachers Standards Board next Session.

"The size and cost of state government continues to grow. I question whether the tax money being thrown at this supposed problem will improve our schools. I support having qualified teachers. We all do. But I question whether we really need to create a new agency to issue and revoke teaching licenses. I am also concerned that at a time when teachers have just come back from a strike, we are coming up with new fees for them to pay to keep their jobs.

"One of the major complaints of the HSTA has been the difficulty of recruiting new teachers. I am at a loss to understand how making it more difficult and costly to obtain a license to teach will help us to attract new teachers. The Hawaii Teachers Standard Board is also authorized to approve teacher preparation programs. I am worried that this may lead to only programs in Hawaii being approved and making it difficult for mainland graduates to teach in Hawaii. There's nothing unique about teaching in Hawaii; a degree from any accredited institution should be sufficient.

"Another issue is that creating the Hawaii Teachers Standards Board further diffuses responsibility for the quality of education in our State. No one is in charge of our schools, not the Governor, not the Legislature, not the Board of Education and not the Superintendent of Education. At the very least, we will now have one more body to point our fingers at when things go wrong.

"My final concern is the membership of the Hawaii Teachers Standards Board; it is all teachers or educators. There really should be a number of ordinary citizens on the Board to make sure we get results. Taxpayers, parents and former students also have an interest in teacher standards and should be represented on this Board. Those are my concerns with this measure Mr. Speaker. Thank you."

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

"Mr. Speaker, I rise in support. Mr. Speaker this bill, relating to education, is part of the National Commission on Teaching and America's Future. The acronym is NCTAF and this is the Hawaii policy group's legislative package.

"The purpose of this bill is to make the Hawaii Teachers Standards Board HTSB, rather than the Department of Education DOE, responsible for the licensing of quality teachers. This bill will strengthen the teaching profession by making it self-governing and accountable to those who become licensed to teach in Hawaii. Like its professional counterparts – the Board of Medical Examiners for doctors and the Hawaii State Bar Association for lawyers – the Hawaii Teacher Standards Board will be authorized to issue, renew,

revoke, suspend and reinstate licenses for individuals desiring to teach in our State. The Hawaii Teachers Standards Board is guided by the philosophy that educators will create higher standards for preparation, practice and conduct for their profession and that they will work rigorously to uphold these standards.

"Also, this bill will transfer the licensing duties from the DOE to the Teachers Standard Board, whereby removing the inherent conflict of interest faced by the DOE in its current role as employer and licensing agent. This creates an inherent conflict of interest within the DOE because it must serve both as employer and licensor. As employer, the DOE is obligated to get teachers into vacant classrooms. However, as the licensor, they must also ensure teachers are meeting the licensing standards set forth by the Standards Board. The Standards Board meanwhile, sets the licensing standards, but has no authority to license them. The entity that sets the standards should also issue the licenses.

"Right now, there are sixteen states with Teacher Standard Boards. Of those sixteen, eleven require their Teacher Standards Boards to perform the duty of licensing. This is the direction we need to go to eliminate the inherent conflict in having the DOE both hire and license teachers. Thank you."

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

"Mr. Speaker, I stand in opposition to this measure. Mr. Speaker, I don't know if someone said it before, but this is akin to having 'the fox guard the hen house'. The teachers have a conflict of interest in monitoring themselves. It just doesn't make sense. During the strike, we heard a lot about how we don't have enough qualified and certified teachers. Someone with a Ph.D. in electrical physics is not qualified to teach basic mathematics 101, addition and subtraction in our schools, unless they go through this educational 'kabala mish-mash' college, they're not qualified. They're not certified as qualified. They're electrical engineers, they can develop the space shuttle and do all this other stuff but they can't teach addition and subtraction. So that's the flaw I see with this bill Mr. Speaker. Thank you."

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

"Thank you Mr. Speaker, I have to stand in support of this bill. I really feel that teachers can handle themselves, I know they can. And I know that the Dental Board monitors their own dentists, the physicians monitor their physicians and the real estate board has it's own Commission, and the legal board, they handle their own attorneys. Why not the teachers? I think teachers are the ones that would prepare these people to be future leaders; therefore, don't put them down. They're capable of handling themselves. Thank you Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1212, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 48 ayes to 1 no, with Representative McDermott voting no, and Representatives Souki and Takumi being excused.

Conf. Com. Rep. No. 49 and S.B. No. 1214, SD 2, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 1214, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

Representative Ito's written remarks are as follows:

"Mr. Speaker, I rise to in support of SB 1214, CD 1, relating to national board certification for DOE teachers.

"Basically, this bill authorizes the Hawaii Teacher Standards Board to develop and implement a monetary support system for those who go through the process of becoming a nationally certified teacher.

"Nationally certified teachers are the most qualified and best trained teachers. They must go through rigorous training adding on to the many hours they already spend teaching. These are teachers we can be of.

"This bill will encourage more of our teachers to undergo this process. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1214, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NATIONAL BOARD CERTIFICATION FOR DEPARTMENT OF EDUCATION TEACHERS," passed Final Reading by a vote of 49 ayes, with Representatives Souki and Takumi being excused.

Conf. Com. Rep. No. 50 and S.B. No. 1362, SD 2, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 1362, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Thielen rose to declare a potential conflict of interest, stating:

"Thank you Mr. Speaker, I wanted to disclose a potential conflict. My daughter-in-law is a tennis coach at Kalaheo High School."

The Chair ruled "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1362, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COACHES," passed Final Reading by a vote of 49 ayes, with Representatives Souki and Takumi being excused.

Conf. Com. Rep. No. 51 and H.B. No. 1339, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1339, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WATER SUPPLY BOARDS," passed Final Reading by a vote of 49 ayes, with Representatives Souki and Takumi being excused.

Conf. Com. Rep. No. 52 and H.B. No. 118, HD 3, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 118, HD 3, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FAMILY CHILD CARE," passed Final Reading by a vote of 48 ayes to 1 no, with Representative Halford voting no, and Representatives Souki and Takumi being excused.

Conf. Com. Rep. No. 53 and H.B. No. 646, HD 1, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 646, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

"Mr. Speaker, I think the intent of this measure is a good one and I don't question the motives of the introducers. I have contemplated ways in which we can protect people who have, perhaps, destructive lifestyles or engage in health practices that may be dangerous. I strongly support us moving toward rehabilitation and drug treatment and those kinds of things.

"The concern I have here with this measure is we may be finding ourselves saving people or sparing people from infection which may be related to dirty needles only to find out that they end up being killed due to an overdose. So there are certain risks in terms of people saying that the State is facilitating practices which could be harmful or perhaps even the State is somehow liable or culpable if not in a legal sense, a moral sense. So for those reasons, I'm voting no on this measure. Thank you."

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

"Thank you Mr. Speaker. I'd like to inject some comments in favor of this measure. Some of the opponents of this bill don't get the point of the needle exchange program. We've had a needle exchange program for several years now and the research has shown that increased access to sterile syringes does not lead to increased drug use, but does reduce transmission of deadly bloodborne diseases. And during the past decade, many thousands of sterile needles have been given to intravenous drug users throughout the State in an effort to limit the spread of HIV and other pathogens due to needle sharing. And as a result, Hawaii has only half the rate of HIV infection due to needle use and it's a record we can be proud of.

"Now the Hawaii HIV Prevention Committee Planning Group has designated injection drug users as a priority population for HIV prevention and is supportive of interventions which are designed to reduce HIV, viral hepatitis and bloodborne transmission disease among this at-risk population. But access to sterile syringes continues to be problematic for people who cannot or will not use the needle exchange system. And it is time for Hawaii to take the next step, as several other states have done, and legalize the purchase of syringes through pharmacies or other authorized health care providers.

"And I think in response to the concerns about disposing of these needles, the House especially in this position, has been careful to include some provisions to develop and implement a system to dispose of used syringes. To develop and implement a system to track syringes purchased in accordance with this Act, and also to ask for a report to the Legislature by the beginning of next Session as far as how this disposal and tracking system is working.

"So I'm pretty confident that this program will work and will work as a public health measure to reduce the spread of infection and disease. Thank you Mr. Speaker."

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

"Thank you Mr. Speaker, I'd like to inject a few comments here in opposition. Mr. Speaker, I'm afraid that the State may find itself liable if somebody is high on drugs and gets in a car accident or passes out on the street and gets run over or something. They come back to haunt us just like a manufacturer of cigarettes, he doesn't cause the person to smoke or get cancer, but you know he finds himself liable and we may find ourselves liable too.

"And if this is such a problem, to make it safe, why don't we just take the alcoholics off the street, set them down at a bar, give them liquor and just watch them to make sure they don't get hurt or something. They wouldn't get in any trouble as long as the State was monitoring. We don't do that because we do believe that drug addiction is by choice. Nobody injected them for the first time, they chose to do it. We do have programs to try to help them rid themselves from the 'monkey on their back', if you will, but I don't think we should be helping them to shoot up more. Thank you Mr. Speaker."

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

"Mr. Speaker, I am opposed to this measure. There was an implication from an earlier speaker that if you're opposed to the sale of syringes that you're against the sterile needle program. That is not the case. I have been a strong supporter of the sterile needle program and I think that is a better way to go because you're actually able to get some needles in return, and to be able to perhaps counsel some of the people who are using them. To me, it's just selling needles and getting more access to them as a drug dealer's delight. I think it will increase the use of drugs and the disposal program and the tracking program is going to cause a whole lot more government than is needed than if we just prohibit the sale of sterile needles. So I am strongly against more access to needles and I think it will just increase our drug problem. Thank you."

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

"Mr. Speaker, I'd like to speak in favor of the measure. I'd like to just stick in my two cents here. As a health care professional, I'm acutely aware of the significant health concerns associated with access to sterile syringes in our community and the dangerous and often life threatening consequences of drug addiction.

"However, extensive research by the federal government has conclusively revealed that increased access to sterile syringes does not lead to increased drug use. On the contrary, it seriously reduces the transmission of dangerous and often fatal bloodborne diseases. The serious risk of transmitting these diseases is a vitally urgent reason for strengthening public health and community efforts. And when we're talking about bloodborne diseases, we're not just talking about the danger of these diseases to the person who uses the syringes, we're talking about the risk of transmission to children and to sexual partners; wives and girlfriends, boyfriends, etc. So you're talking about a public health measure here that's really very important.

"Representative Arakaki spoke about the safeguards that had been put into the bill related to the Department of Health developing and implementing a system of tracking. In addition, this bill further clarifies and ensures that immunity from prosecution would not be provided for violation of any law regulating the use, possession, dispensing, distribution or promotion of controlled substances.

"The passage of this bill will also effectively serve to educate the general public including sellers through the production and distribution of educational preventive materials. And that's what we're really looking at here, too, is prevention rather than after-the-fact action. Education can become a strong weapon in preventing drug addition.

"The bottom line is, the passage of this bill will strongly assist not only in our primary goal of treating and rehabilitating drug users but also in the ultimate goal of prolonging life. Hepatitis B, Hepatitis C, HIV and these things are really serious chronic diseases that can go on for years and years, and extract tremendous cost not only in human life, but of our resources. So I urge the members to support this bill."

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

"Thank you Mr. Speaker, I rise in opposition to this measure. My concern is that H.B. 646 will undermine the needle exchange program that we have now. The existing needle exchange program is based on face-to-face contact with addicts that have to get their sterile syringes from a person with training and counseling and substance abuse treatment, not from a pharmacist on the other side of the cash register.

"Addicts know how to get sterile needles now. They know where the exchange centers are. They know they have to bring in contaminated syringes in exchange for sterile ones. It would certainly be easier for them to be able to drop used needles where they may without worrying about having to obtain new ones. It would certainly be more comfortable for an addict to not have to face a social worker each time they need some new equipment, much easier to just hand over a few dollars.

"Mr. Speaker, Longs [Drugs Stores] doesn't need the extra business that the sale of sterile syringes would bring, but the needle exchange centers do. Every addict that comes through their doors is a candidate for treatment, not a customer. A permanent solution to the problems of intravenous drug use, the health and infection problems as well as associated social ills is available to Hawaii through treatment for addicts. We need to support efforts like the existing needle exchange program that provide face-to-face counseling contact to get addicts into treatment.

"I have real concerns that HB 646 will undercut those efforts and I urge my colleagues here today to join me in voting no on this measure. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 646, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE SALE OF STERILE SYRINGES FOR THE PREVENTION OF DISEASE," passed Final Reading by a vote of 34 ayes to 15 noes, with Representatives Auwae, Bukoski, Davis, Djou, Jaffe, Leong, Marumoto, McDermott, Meyer, Moses, Ontai, Pendleton, Rath, Stonebraker and Whalen voting no, and Representatives Souki and Takumi being excused.

Conf. Com. Rep. No. 54 and H.B. No. 1556, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1556, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL LOANS," passed Final Reading by a vote of 49 ayes, with Representatives Souki and Takumi being excused.

The Chair directed the Clerk to note that S.B. Nos.: 1211, SD 2, HD 2, CD 1; 1212, SD 1, HD 2, CD 1; 1214, SD 2, HD 1, CD 1; 1362, SD 2, HD 1, CD 1; and H.B. Nos.: 1339, HD 1, SD 1, CD 1; 118, HD 3, SD 2, CD 1; 646, HD 1, SD 2, CD 1; 1556, SD 1, CD 1 passed Final Reading at 4:49 o'clock p.m.

Conf. Com. Rep. No. 55 and H.B. No. 503, HD 2, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 503, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Thielen rose to speak in support of the measure with reservations and asked that her additional remarks be inserted into the Journal, and the Chair "so ordered."

Representative Thielen continued, stating:

"Thank you Mr. Speaker, I'm rising to speak in favor, but with very serious reservations. Mr. Speaker, Hawaii's Thousand Friends has faxed in some information and I'd like to share it with the members.

"The organization states that turning a month-to-month lessee into a long-term, ten to twenty year lease gives the revocable lessee the advantage of not going through the eleven criteria in section 171-14.5 Hawaii Revised Statutes. Those would include auction pre-qualification, agricultural and pastoral leases and other environmental processes such as an environmental assessment and possibly a CDUA. And under this House Bill, the permittees or the lessees could skirt this environmental review. For an example, Martin Knott in the Windward District is on a month-to-month revocable permit. If he goes to a long-term lease, a twenty-year lease, that land would be lost for future public access to Kawainui Marsh and this would be done without any real environmental analysis.

"The Hawaii's Thousand Friends also suggest that if the bill goes through, that a continual public notice should run in the Office of Environmental Quality Control bulletin, 'The OEQC Bulletin', to explain that public lands are available for leasing from time to time and saying how to apply. This, I think, is only a fair situation.

"I have substantial other reservations Mr. Speaker but I'd like to ask that those be put into the Journal so our Chair of Water and Land Use can have a chance to read them when he gets the Journal. Thank you."

Representative Thielen's additional written remarks are as follows:

"Mr. Speaker, I rise to speak with serious reservations on HB 503. Intended to provide some certainty to farmers with state agricultural leases, this bill goes the other direction, creating more problems than it solves. This bill would make decades-old land use decisions permanent, and not allow for new enterprises, which may make better use of our public land resources.

"The State government is supposed to steward public lands in the best interest of the actual owners – the people of Hawaii. If renewing the present tenant's lease is in the public's interest, renew the lease, but we shouldn't make that decision blindfolded. Getting the most economic value from the land is a legislative mandate.

"Perhaps, most importantly, this bill hinders the development of new, diverse, and possibly more profitable

forms of agriculture restricting the use of public lands. If the Mainland's antebellum South had adopted a similar policy, it may have never have progressed beyond cotton and tobacco cash crops. Older countries around the world have realized the wisdom of adopting land reforms policies – making public lands more accessible to all people, and here we are in the United States restricting the use of the land to favor those who have been there for years. Isn't that how Europe ended up with castles and serfs?

"Public leases should be handled like private sector leases. Private landlords consider how well a tenant is taking care of their property prior to lease termination and can renegotiate extensions without putting the property on the market, but uninvestigated, across-the-board extensions are unwise. This Legislature should realize that granting blanket extensions for one group is not only unfair, but it is precedent setting. If lease exceptions are made for agriculture, all other land uses will expect the same "unequal" treatment.

"The Hawaii Forest Industry Association and the Board of Land and Natural Resources presented testimony in opposition to this bill. The Hawaii Forest Industry Association has suggested an amendment that would ensure that any other viable agriculture proposals for the use of public lands is investigated before the present lease is automatically renewed.

"This Legislature has its priorities backwards. We want to diversify our economic base, so we shut out viable new agricultural businesses from using public lands. A high school economics class could do better."

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

"Thank you Mr. Speaker. I appreciate the comments rendered by the Representative from Kailua; however, on the month-to-month revocable permits, there are certain restrictions and it is not the intent of the Department to overlook or to usurp or to not abide by these restrictions. This is intended entirely to address those situations where lands have been used for farming. There could be month-to-month revocable in those cases where a farm lease has expired, and if we've run into some difficulty on what to do with those. So those lessees may indeed be on a month-to-month revocable, but those restrictions do not apply as it was pointed out. So I have no reservations and do ask support of this measure. Thank you."

Representative Thielen then rose on a rebuttal, stating:

"Thank you Mr. Speaker, I would just refer the members to page 6 of the bill and you'll find in there that, the Board, without public auction can enter into a lease extension or a new lease. That's the situation that we could have with the Knott ranch where a new lease could be entered into. No public auction and I just don't think that that is a good way to proceed. I am sympathetic to the farmers who are concerned because their existing leases are running out.

"But you know Mr. Speaker, those existing leases could have been up for a term of 55 years, they can be renewed if the original lease was a shorter period of time. Now they would get an additional twenty years. That original farmer would have to be a centenarian to have gone onto the land at age 25 and then see himself or herself all the way through for a 75-year period.

"I think what we're doing is taking the agricultural land away from many of the younger generation that want to get onto the land for farming purposes and we're leaving it not just with the original farmer, but the descendants and sometimes

the two-generations down from that farmer's family. That's in essence, taking public land out of the public arena. Thank you."

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

"Thank you Mr. Speaker, I rise in support. Briefly, I did vote with reservations on this measure as it came through the first time. And do believe that the measure has ended up as a much stronger bill intended to address a very specific situation and does have some good built-in controls, so I commend the Chair for that.

"I do want to note that my understanding remains, that substantial effort will be devoted to the interim to the underlying problem here, which is to complete the work of identifying our valuable agricultural lands, which is what we have to do in order to really try to make a bill like this work. We have to finish that job. Thank you."

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

"Thank you Mr. Speaker, rise in support of the bill. And really, I do urge everyone to support this, as I'm sure you all will. And I think it's a smart bill for the State, from the State's perspective. While it may be beneficial for an ongoing farmer who meets the criteria to bid for a renewed lease, it makes sense for us because the 55-year lease restrictions that are presently in place seems to me to be arbitrary at best; where we have an ongoing concern that's profitable, that's making money, that's paying wages, that's adding tax revenue to our tax base. And it seems to be the last thing the State wants to do is arbitrarily end that.

"And we want to allow for our interest, for that enterprise to continue and not just merely hand it off to an unproven entity who may or may not be as successful as the last one at the end of that previous term. So, for those reasons and for some of the comments just made by the speaker from Manoa in terms of tightening. I also concur with the concerns of the speaker from Kailua with regard to the month-to-month tenant at the Kawaiinui Marsh. However, I think the bill is going to address those concerns and I certainly wouldn't want to see this bill used by an entity like that. That, to me, doesn't seem to benefit our State and the purpose of what this bill is set out for.

"So, for those reasons, I think it's a good bill and we should support it and hopefully encourage the Governor to sign off on it. Thank you very much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 503, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE LEASES," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Morita voting no, and Representative Rath being excused.

Conf. Com. Rep. No. 56 and H.B. No. 638, HD 1, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 638, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ASSISTANCE," passed Final Reading by a vote of 50 ayes, with Representative Rath being excused.

Conf. Com. Rep. No. 57 and H.B. No. 731, HD 1, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 731, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," passed Final Reading by a vote of 50 ayes, with Representative Rath being excused.

Conf. Com. Rep. No. 58 and H.B. No. 16, HD 2, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 16, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Ahu Isa rose to disclose a potential conflict of interest, and the Chair ruled "no conflict."

Representative Ahu Isa then rose in support of the measure, stating:

"I'd like to speak in support of the bill. Mr. Speaker, HB 16 HD 2, SD 2, CD 1 exempts a timeshare interest owner from licensing. This allows a timeshare owner to receive non-monetary compensation for not more than a \$1,000 during a 12-month period for a referral or a prospective buyer.

"Right now they do receive compensation in the form of a dinner certificate, a \$100 certificate to buy or to shop or an airline fare or a free hotel room. I would also like to point out Mr. Speaker, that this is an industry that has contributed more than \$1 billion towards Hawaii's economy through construction projects, retail sales and repeat tourists visiting our Islands.

"I would also like to hope that during the interim and the next Session, we look at working on another bill that failed to pass this year which dealt with raising the ceiling on the Hawaii Tourism Authority. Because I think our visitor industry needs the amount of marketing dollars here. And hopefully our fragile economy can stand this bill not passing out this Session. Thank you Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 16, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO REAL ESTATE BROKERS AND SALESPERSONS," passed Final Reading by a vote of 50 ayes, with Representative Rath being excused.

Conf. Com. Rep. No. 59 and H.B. No. 896, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 896, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE REVISED UNIFORM COMMERCIAL CODE ARTICLE 9 - SECURED TRANSACTIONS," passed Final Reading by a vote of 50 ayes, with Representative Rath being excused.

Conf. Com. Rep. No. 60 and H.B. No. 945, HD 1, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 945, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Whalen rose in opposition to the measure, stating:

"Thank you Mr. Speaker, I rise in opposition to this measure. Mr. Speaker, I would draw your attention and the members of the House to the bill itself, and would point out to them that what we're doing now is granting social workers the ability to do clinical diagnosis or psychotherapy for people who have not actually been certified, although we are calling them certified. They don't take a test. They don't show any expertise in the area. They just merely do it because they already have what they call a qualified social worker. And you basically get that by being a social worker for a period of time and paying your dues to the National Association of Social Workers.

"Mr. Speaker, for those who weren't a part of the Conference Committee, you should know that there was a tremendous discussion between the Chairs of the House and the Senate in terms of the process we should use. There was a major discussion about the three-tiered approach to actually add another level for social workers so that they could show their expertise in this area through their education, and pass a competency test and having so many hours, that they've actually practiced social work in this type of environment so that the public is protected. But that failed.

"And so, what we have is basically, they get this title, 'Clinical Social Worker'. So that's the State, through our Department of Health, and these individuals as individual people, can start collecting from the federal government and from insurance companies for work that's being done; from what I understand, primarily from the Felix Consent Decree treatment.

"And I would draw the attention of my colleagues to the fact that this sunsets on January 1, 2003. Why, I ask. Well, the committee report itself points out the fact that both sides could not agree and I don't want to get anyone upset because there are people who feel strongly that we should protect the public and others who feel strongly, that they support the National Association of Social Workers.

"The problem is, as I see it, it's not in the hands of the social workers, Department of Health and National Association of Social Workers to come together and agree on what bare minimums of protection there will be. I think that's what our job is all about Mr. Speaker. In this particular case, the Senate Chair of Health was quite adamant that he did not want to allow social workers to begin this clinical practice unless they showed that they were competent in it.

"There's another group of people there who wanted to allow it based on their allegiance or affiliation with the social workers union, so to speak. Mr. Speaker, I would remind us that what allows us to regulate businesses, and that's what this is - and medicine included - is in the beginning of our statutes to deal with regulations, all of our regulatory stuff. And it says that we are regulating this, because by nature of public welfare and safety, it's necessary for the public good.

"Mr. Speaker, the only reason we are granting these social workers the title of 'Clinical Social Worker' is so that they can get money and we can get money. I see no connection as to protection of the public that we're doing this sort of thing. And I really question our motivation in allowing people to take on this expanded scope of their operation merely because they belong to a certain group of social workers without showing any sort of expertise in this area.

"And for those reasons I'm voting no."

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

"Thank you Mr. Speaker, I'd like to speak in favor of it. Mr. Speaker, the previous speaker was correct that, I think we do have a long-term vision in terms of licensing the professional social worker. However, as my colleague on the right knows, as well as Representative Kawakami and Chair Hiraki, there was tremendous conflict even within the profession, and they were not able to, come to an agreement on what form the bill should take.

"And so, as the conference committee report states, we did try to pass a measure that created a three-tiered licensure system for social workers and that is a vision for the future. We could not get agreement from DCCA on how that should be done nor on what kind of examination should be included.

"It is a work in progress and during the interim we do plan to look at a new bill. And I did agree with my counterpart on the Senate, that we would look at it during the interim. And that's the reason why we have that sunset provision. However, also in the interim, we did want to at least come up with a definition for the scope of practice, especially for the clinical social workers. And it was very important not only to their practice but I think in the provision of services, especially in the light of the Felix Consent Decree.

"And so, I would ask everyone to support this measure and if you have any concerns about the social work profession to please inform us as we work on this during the interim. Thank you Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 945, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SOCIAL WORK," passed Final Reading by a vote of 43 ayes to 7 noes, with Representatives Auwae, Bukoski, Gomes, Jaffe, Leong, Stonebraker and Whalen voting no, and Representative Rath being excused.

Conf. Com. Rep. No. 61 and H.B. No. 614, HD 2, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 614, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII STATE PUBLIC LIBRARY SYSTEM," passed Final Reading by a vote of 50 ayes, with Representative Rath being excused.

Conf. Com. Rep. No. 62 and H.B. No. 868, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 868, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BOARD OF EDUCATION," passed Final Reading by a vote of 50 ayes, with Representative Rath being excused.

The Chair directed the Clerk to note that H.B. Nos.: 503, HD 2, SD 2, CD 1; 638, HD 1, SD 2, CD 1; 731, HD 1, SD 2, CD 1; 16, HD 2, SD 2, CD 1; 896, HD 1, SD 1, CD 1; 945, HD 1, SD 2, CD 1; 614, HD 2, SD 1, CD 1; and 868, HD 1, SD 1, CD 1 passed Final Reading at 5:06 o'clock p.m.

Conf. Com. Rep. No. 63 and H.B. No. 1111, HD 1, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 1111, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

"Thank you Mr. Speaker, I'd like to speak in favor of Conference Committee Report 63. Assistance for this unique intergenerational care center in Ewa will help with needed help facilities for our children and our elderly population. Specifically this intergenerational 24-hour specialized health care facility will care for medically fragile children and frail elderly adults.

"This facility will bring construction and health care jobs to Ewa and more importantly, will be an important facility for the Second City region. I thank you colleagues for your support of this measure. Thank you."

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

"I am rising in support Mr. Speaker. I just have to say it was a beautiful location that they picked for this intergenerational center. Thank you Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1111, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR AN INTERGENERATIONAL CARE CENTER AT EWA VILLAGES," passed Final Reading by a vote of 47 ayes, with Representatives Djou, McDermott, Ontai and Takumi being excused.

Conf. Com. Rep. No. 64 and H.B. No. 77, HD 1, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 77, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

Representative Lee's written remarks are as follows:

"A modest effort to honor Hawaii's women veterans has been launched at the State Legislature this year in the form of House Bill 77 which requests a donation on behalf of the state of Hawaii to the Women in Military Service for America Memorial. Serving as the gateway into Arlington National Cemetery, the Memorial reminds us of the personal sacrifices made by women in defense of our country. It is the only major national memorial that honors the nearly 2 million women who have served in the country's armed services -- past, present, and future. The Memorial also recognizes women who served in direct support of the armed services in organizations like the Red Cross, USO, Special Services, and the Public Health Service Cadet Nurse Corps.

"Because many do not realize the contributions that women have made to our nation's defense, the Memorial is an important step in recognizing the value of women to our society. When the Memorial was dedicated in October of 1997, Hawaii's 7,700 women veterans of the armed services were well-represented at the Arlington National Cemetery ceremony. As indeed they should be since the numbers show that women's contributions to our defense were and continue to be significant. In fact, in 1994, 24 percent of the Air Force's recruits were women, including 18 percent of its junior officers; for the Army, it was 19 percent and 16 percent,

respectively; for the Navy, it was 17 percent and 14 percent; and it was 5 percent and 3.4 percent for the Marine Corps.

"While numbers don't lie, they don't tell the whole story either. The missing piece that the Memorial provides is specific stories of the brave service women that have touched the lives of others. The Memorial features an interactive database documenting the individual experiences that make up the collective history of America's servicewomen.

"Since its inception, the Memorial has been run by a non-profit organization that doesn't receive a penny of federal funds. It relies on outside sources for income. Hawaii is conspicuous by the fact that it is the only state that has yet to make a monetary donation for operation and maintenance of the facility. This is an unsavory distinction and an affront to Hawaii's women veterans. We have an opportunity to make things right.

"Hawaii shares a long relationship with the military, which maintains a vital presence in the Islands. H.B. 77 gives us an opportunity to correct this embarrassing oversight and demonstrates that we truly value the contributions of all women in uniform -- not just pay them lip service. The cost of freedom is high, and this Memorial is a permanent reminder that women have helped to pay the price.

"The passage of this bill will mean that Hawaii now joins 50 other states who have made contributions to this Memorial. I would like to thank the Chair of Public Safety and all the others who helped make this possible."

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

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

"Mr. Speaker, I stand in strong support of the same Conference Report 64 and as a male veteran, we stand in full support as a demonstration of our gratitude to the women serving side-by-side for this great nation, America."

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

Representative M. Oshiro's written remarks are as follows:

"Since Hawaii has historically been at the forefront of women's issues throughout the 20th Century, it is only fitting that we recognize the many unsung sacrifices women have made in defense of their country. Not only will this Memorial at Arlington National Cemetery honor women's past contributions, it will represent the ever-increasing dynamic and vital role that women play in national service today.

"Today's military is a far cry from what it was even twenty years ago. Whereas women were once generally resented and openly derided by their male comrades-in-arms, today they serve as an integral part of our armed services at all levels and ranks, which frankly would be hard-pressed without them. Whereas women were once relegated to traditional female roles such as nurses and office clerks, today they serve as drill instructors, infantry commanders, and carrier pilots. Here in Hawaii, women serve as commanding officers of important installations and facilities, like Tripler Army Medical Center and the Naval Communications Center in Whitmore Village, which is located in my own 40th Representative District. On a personal note, the memorial will honor the bravery and

sacrifice of my two aunts, Phyllis Tsuruko Oshiro and Patsy Yoshino Oshiro Stearns, who nobly served their country as nurses during the Vietnam War from 1965 to 1970.

"Indeed, many now take for granted women's current roles in the military and civilian society, often forgetting that the opportunities afforded women today weren't always available. The "Women in Military Service for America Memorial" will be a living reminder to all Americans of our foremothers' sacrifices for their country, and will inspire our daughters and granddaughters as they seek to achieve their greatest potential in realizing their own American dreams.

"For these reasons, I stand in strong support of HB 77."

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

Representative Meyer's written remarks are as follows:

"Mr. Speaker, I rise in strong support of Conference Committee Report 64, House Bill 77, Conference Draft 1.

"This bill appropriates \$7,800 to pay Hawaii's share of the cost for the Memorial in Arlington National Cemetery dedicated to Women in Military Service for America.

"This bill should make us think about our shared burdens. The burden of defending our nation and its values is shared by both women and men, and has been for all our history. Too many have had to pay the ultimate price for our liberties.

"While women and men have shared the sacrifice, the State of Hawaii has not shared in the burden of honoring all that have served. Forty-nine of the fifty states have contributed to the cost of the Women in Military Service for America Memorial. Only Hawaii has so far failed to contribute to honoring women who have served and sacrificed for our nation.

"It pleases me to be a member of this 21st Legislature that is finally correcting this situation.

"Freedom is not free. Just as these women did their share for Hawaii, Hawaii must do our share to honor them at the national level."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 77, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL," passed Final Reading by a vote of 47 ayes, with Representatives Djou, McDermott, Ontai and Takumi being excused.

Conf. Com. Rep. No. 65 and H.B. No. 702, HD 2, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 702, HD 2, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 702, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONAL HEALTH CARE," passed Final Reading by a vote of 47 ayes, with Representatives Djou, McDermott, Ontai and Takumi being excused.

Conf. Com. Rep. No. 66 and H.B. No. 236, HD 1, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 236, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

"Mr. Speaker, in support. I'd like, on behalf of all of us on this side of the room, to express our appreciation to the Majority and all of those who have been involved in moving this bill through. It's not a perfect bill, particularly the problem is the drop-dead date of 2003 but it's a real step forward for the young people of Hawaii. Thank you."

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

"Mr. Speaker, as you know, this is the first measure that the Republicans pulled to the floor and we're very grateful to the Committee for passing it out and for getting it this far and through all the committees and back to us on the floor.

"This is a very difficult issue and I'm glad we had the gumption to deal with it. This bill does not punish teenage experimentation but it's clearly aimed at the adult predators who prey on our young. Soon the age of consent for Hawaii's young people will be 16, up from 14, which has been up 'to now, the lowest age of consent in the nation; not something to be proud of.

"If there is one concern that I have Mr. Speaker, it's the same concern you just heard a moment ago that this bill sunsets on June 30, 2003. I know the date was set to coincide with the filing of a task force report to this Legislature containing your findings and recommendations. My concern Mr. Speaker is that this task force is composed of twenty-four members from throughout the State. It's hard to imagine that they can get together enough times to create a valid report within this two-year deadline. Perhaps Mr. Speaker, we're going to have to revisit this drop-dead date and extend it for a few more years. Nevertheless Mr. Speaker, I'll vote yes on this measure. Thank you."

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

"Mr. Speaker, I speak in favor of the measure. Age of consent, no doubt, is one of the most sensitive and emotional issues with which the 2001 Legislators had to deal. Hawaii is the only state in the country to place the age of consent at 14; however, this bill was not created to criminalize consensual teenage sex.

"Concerns in the community that some young people have been sexually exploited, these brought this to the Legislature. Disparity in age between sexual partners, especially when one partner is very young is troubling and problematic. We have made a step in the right direction by addressing the issue of age disparity in sexual relationships by specifically creating the age differential of 5 years which creates criminal penalties for adults who have sexual relations with a minor.

"This bill criminalizes sexual penetration and sexual contact with a minor who is at least 14 years of age but less than 16 years old if the other person involved is 19 years or older and not married to the minor regardless of gender.

"To aid in the further understanding of this issue, the bill also requires that the prosecuting attorney of each county

maintain a record of all sexual assault cases in the first degree and in the third degree which were received and prosecuted during an 18-month period.

"Also, we're asking the Legislative Reference Bureau to review the effectiveness and impact of this Act based on the data provided by the Prosecuting Attorney of the City and County of Honolulu and report its findings to the Body. A comprehensive study related to the age of consent will allow us to better address these issues in future Legislative Sessions by requiring the Attorney General, with the aid of the Coalition for the Prevention of Sexual Assault, to convene a task force to conduct a comprehensive review.

"Mr. Speaker, there is no doubt that this is an issue about which reasonable people can disagree. Despite the disparate views on this sensitive subject, we've had the opportunity to hear testimony and public discussion on this issue from parents, women's advocacy groups and social service and religious groups. All with a point of view and all very well meaning. We have crafted this bill as a meaningful response to these concerns.

"With this bill, we've begun a process of dialogue in our community which should lead to effective decision making that is factually based. For these reasons, I urge that we pass House Bill 236. Thank you very much."

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

"Thank you Mr. Speaker, I rise in support but with some concerns. Of course the number one concern is what has already been addressed over here, the drop-dead date of June 30, 2003. It creates this confusion. Today it's not a crime to have sex with a 14 year-old. Tomorrow after this bill passes or whatever the date is, a Class A felony punishable by 20 years in prison. And then it's not a crime again as of June 30, 2003. This is problematic and I wish this wasn't in the bill. I believe we should protect the young people from adult sexual predators with a permanent law.

"My other concern is that the bill creates a task force to study this issue. Do we really need a task force to tell us whether a 40 year-old man should or should not be able to have sex with a 14 or 15 year-old girl? Everyone in my district seems to understand that it is not appropriate for adults to have sex with children and they did not need a task force to help them figure it out.

"This bill is far from perfect but it will protect our young people from sexual predators for at least the next few years. I thank the Judiciary Chair for hearing the bill and for seeing it out of the Conference Committee. Thank you Mr. Speaker."

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

"Mr. Speaker, I rise in support of this motion. I'd just like to clarify some of the previous concerns that have been stated, primarily that of the task force. Actually, there was a coalition that was already set up, the Coalition Against Sex Assault and they voluntarily have gathered all of these interested parties in the effort of trying to look at this complex law.

"People think it's simple but it really is not. What you have to understand is anyone that's subjected to this, has the potential for 20 years of life in prison and beyond that, for the rest of their life, they're going to be on the sex offender registry, for the rest of their life. And that, I think, is why we tried to put in the latter and the age disparity because we don't want to be subjecting someone that's 19 or 20 years old to

something where for twenty years they're going to be in jail, and for the rest of their life thereafter, be on this registry.

"And people need to understand that although we have the age of consent at 14, in comparison to other states, while the age of consent may be higher, it really is a misdemeanor and really, what's the purpose in that? That hardly deters anyone if the only punishment is a misdemeanor. And based on that what the coalition and the Attorney General are going to be doing is trying to gather all of the information necessary to take a look at this complex issue. They're going to be doing it anyway. The coalition has gathered \$20,000 and they plan to meet and gather all these people to take a look at the issue.

"All we're doing here is incorporating it into the bill and say this is a wiser approach. Why don't we put a sunset date on it, have the report come to us and then at the proper time, we can re-evaluate the issue. And I think that's really the prudent approach. That's why we've taken the measures that we have because although there has been a lot of propaganda out there about the 40 year old soccer coach taking advantage of his players, the Prosecuting Attorney has come in and said that is really not a problem.

"So, what we're trying to do is address this concern that people think is out there, this perception that the field is out there, but we want to do it in a measured approach and for that reason, I stand in support. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 236, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SEXUAL ASSAULT," passed Final Reading by a vote of 47 ayes, with Representatives Djou, McDermott, Ontai and Takumi being excused.

Conf. Com. Rep. No. 67 and H.B. No. 123, HD 1, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 123, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

"I think the \$250 fine is a little too high. When we passed the Passenger Bill of Rights I complained that the \$250 first-time violation is too rich and I feel the same way on this particular measure. Thank you very much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 123, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SPEEDING," passed Final Reading by a vote of 45 ayes to 2 noes, with Representatives Ahu Isa and B. Oshiro voting no, and Representatives Djou, McDermott, Ontai and Takumi being excused.

Conf. Com. Rep. No. 68 and H.B. No. 135, HD 2, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 135, HD 2, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

"I believe, I support this measure. I liked it when it first came out of the House Transportation Committee. I would have preferred the requirement for booster seats be limited to

the age 6 rather than age 8 as right now. But I respect the intent of the bill, and will be supporting it. Thank you."

Representative Whalen rose to speak in opposition of the measure, stating:

"I rise in opposition to the same measure Mr. Speaker. Mr. Speaker I would again call this one of those 'feel good' measures. And I've spoken before so I will try to keep it extremely brief.

"If our intention really is to solve the problem of children who do not fit properly in the seat belts with the booster seats, then weight is totally irrelevant, age is irrelevant. It goes totally to size because that is the factor that determines whether or not you're too short, and the, shoulder strap goes across your neck, etc.

"And the way the CD 1 came out, it even illustrates my point even further because if you're 60 pounds and you're in the back seat and the back seat doesn't even have a shoulder strap, well then you don't have to be in a booster seat. What does that have to do with anything? I have no idea. No one can explain it to me. And it just illustrates the fact that with our desire to protect everyone in the State from themselves and our attitude of being that we are the parents of the children of Hawaii, not their biological ones that gave birth to them but we are the parents. We have to decide what's best, we have to protect them from all harm, we're making these rules and regulations.

"And just as a side point, I live on the Big Island as all you know, and I won't go on and on. But one of the reasons why I moved there, so that I could have a quality life with my kids, take them camping and fishing, and things like that. That's difficult over on this island.

"So one of the things that I did is I bought a truck with those extended cabs so my kids could fit behind the seat even before we passed that law. I didn't want to put them in the back. I wanted to make sure they could sit. But with this law now, it won't work for me because the booster seats don't go back there and my kids, as you know, my family, they're young. So now if I want to go camping I have to take two vehicles which will waste non-renewable energy. And drive and make all these trips to do the things because I have to have one kid at a time in the front. Oh great, my wife will ride in the back; she's not going to do that.

"So in our desire to tell everyone what to do, we have once again in my opinion, over regulated to the point of exhaustion. My vote's no."

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

Representative Marumoto's written remarks are as follows:

"The Chairs of the House and Senate Transportation Committees are to be commended for this legislation that will prevent many injuries and a few deaths in Hawaii. The use of keiki booster seats for children up to 8 years or 80 pounds will make adults more cognizant of the inappropriateness, and in some cases danger, of regular seat belts for young children.

"Though inconvenient for some families, the health and safety of our precious keiki is at stake. Because educational efforts are not always successful in getting grownups to understand the benefits of booster seats, it is necessary to enact legislation to protect children.

"Hats off also to the Keiki Injury Protection Coalition, concerned pediatricians and various caring members of our community that supported this important bill. Mahalo nui loa!"

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 135, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD PASSENGER SAFETY," passed Final Reading by a vote of 37 ayes to 10 noes, with Representatives Auwae, Bukoski, Gomes, Halford, Jaffe, Leong, Meyer, Moses, Rath and Whalen voting no, and Representatives Djou, McDermott, Ontai and Takumi being excused.

Conf. Com. Rep. No. 69 and H.B. No. 728, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, notwithstanding the report of the Committee, H.B. No. 728, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INCREASING DEVELOPMENT FLEXIBILITY OF PUBLIC LANDS," was recommitted to the Committee on Conference, with Representatives Rath, Takumi and Yoshinaga being excused.

Conf. Com. Rep. No. 70 and H.B. No. 1685, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1685, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Final Reading by a vote of 46 ayes to 1 no, with Representative Rath voting no, and Representatives Djou, McDermott, Ontai and Takumi being excused.

At 5:22 o'clock p.m., Representative Arakaki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 5:26 o'clock p.m.

The Chair directed the Clerk to note that H.B. Nos.: 1111, HD 1, SD 2, CD 1; 77, HD 1, SD 1, CD 1; 702, HD 2, SD 1, CD 1; 236, HD 1, SD 1, CD 1; 123, HD 1, SD 1, CD 1; 135, HD 2, SD 1, CD 1; and 1685, HD 1, SD 1, CD 1 passed Final Reading at 5:27 o'clock p.m.

At 5:28 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

Upon reconvening at 5:43 o'clock p.m., the Vice Speaker assumed the rostrum.

Conf. Com. Rep. No. 71 and H.B. No. 624, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 624, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED," passed Final Reading by a vote of 45 ayes, with Representatives Bukoski, Marumoto, Rath, Stonebraker, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 72 and H.B. No. 986, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 986, HD 1, SD 1, CD 1, entitled:

"A BILL FOR AN ACT RELATING TO IDENTIFICATION DOCUMENTS," passed Final Reading by a vote of 45 ayes, with Representatives Bukoski, Marumoto, Rath, Stonebraker, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 73 and H.B. No. 1004, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1004, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ORIGINAL JURISDICTION OF THE HAWAII SUPREME COURT," passed Final Reading by a vote of 45 ayes, with Representatives Bukoski, Marumoto, Rath, Stonebraker, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 74 and H.B. No. 1115, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1115, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ADMISSIBILITY OF PAID BILLS IN COURT," passed Final Reading by a vote of 45 ayes, with Representatives Bukoski, Marumoto, Rath, Stonebraker, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 75 and H.B. No. 1668, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1668, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO REHIRING RETIRED TEACHERS IN THE DEPARTMENT OF EDUCATION," passed Final Reading by a vote of 45 ayes, with Representatives Bukoski, Marumoto, Rath, Stonebraker, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 76 and H.B. No. 161, HD 2, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 161, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL HISTORY RECORD CHECKS," passed Final Reading by a vote of 45 ayes, with Representatives Bukoski, Marumoto, Rath, Stonebraker, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 77 and H.B. No. 1211, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1211, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FIREARMS," passed Final Reading by a vote of 43 ayes to 2 noes, with Representatives Arakaki and Takumi voting no, and Representatives Bukoski, Marumoto, Rath, Stonebraker, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 78 and H.B. No. 1255, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1255, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MINORS," passed Final Reading by a vote of 45 ayes, with Representatives Bukoski, Marumoto, Rath, Stonebraker, Whalen and Yoshinaga being excused.

The Chair directed the Clerk to note that H.B. Nos.: 624, SD 1, CD 1; 986, HD 1, SD 1, CD 1; 1004, HD 1, SD 1, CD 1; 1115, SD 1, CD 1; 1668, HD 1, SD 1, CD 1; 161, HD 2, SD 2, CD 1; 1211, HD 1, SD 1, CD 1, and 1255, HD 1, SD 1, CD 1 passed Final Reading at 5:45 o'clock p.m.

Conf. Com. Rep. No. 79 and H.B. No. 583, HD 1, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 583, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CODE OF FINANCIAL INSTITUTIONS," passed Final Reading by a vote of 50 ayes, with Representative Whalen being excused.

Conf. Com. Rep. No. 80 and H.B. No. 600, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 600, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BUSINESS REGISTRATION," passed Final Reading by a vote of 50 ayes, with Representative Whalen being excused.

Conf. Com. Rep. No. 81 and H.B. No. 644, HD 1, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 644, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS," passed Final Reading by a vote of 50 ayes, with Representative Whalen being excused.

Conf. Com. Rep. No. 82 and H.B. No. 653, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 653, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SUBSTANCE ABUSE TREATMENT INSURANCE BENEFITS," passed Final Reading by a vote of 50 ayes, with Representative Whalen being excused.

Conf. Com. Rep. No. 83 and H.B. No. 1243, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1243, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE," passed Final Reading by a vote of 50 ayes, with Representative Whalen being excused.

Conf. Com. Rep. No. 84 and H.B. No. 204, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 204, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PLANNED COMMUNITY ASSOCIATIONS," passed Final Reading by a vote of 50 ayes, with Representative Whalen being excused.

Conf. Com. Rep. No. 85 and H.B. No. 271, HD 1, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 271, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

"Madame Speaker, this bill is anti-consumer, anti-tourism as well. The bill will allow indirect commissions for selling collision damage waivers. Well what is an indirect commission? It is really what we prohibited from being direct, can now be done indirectly but it is the same result. The same result is that the employee hyping this collision damage insurance will be benefited and will be compensated but indirectly.

"I think this is just going to continue to give us a bad name among tourists. I think it will give us a bad name among residents. I know I have been before to one of those rental car agencies where they really try to leave you believing that you are going to be sued for every last cent if you don't buy this collision damage insurance. This is just going to spur them on even more. I think the indirect idea is merely direct but covertly rather than overtly.

"I would encourage members to vote against this. I think we could stop the measure right now, right at this point if we could get enough green slips on your side and pink slips on our side. It's a bad consumer bill. It's certainly bad for the Neighbor Islanders. I think those Neighbor Island Representatives should take a very hard look at this and realize that you're not doing your Neighbor Island tourism industry any favor by supporting this bill. Thank you."

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

"House Bill 271 CD1 allows for the indirect commissions for selling collision damage waivers (CDWs) in the rental vehicle industry.

"In 1990, the Legislature barred the payment of these commissions on the sale of rental vehicle CDWs because of lessee confusion about the nature of collision damage waivers and the potential abuse relating to their sale. At the time, there were over thirty-five rental companies operating in Hawaii, which created fierce competition. Currently there are fewer than fifteen companies and thus a less competitive environment to aggressively push these CDWs.

"Even the DCCA admits there are currently very few complaints, if any, on the sale of CDWs. To set the record straight, Hawaii is the only state which bars vehicle rental companies from compensating their employees on an indirect basis. Therefore, Hawaii's employees in the vehicle rental industry are at a disadvantage when evaluated and compensated in comparison to their mainland counterparts.

"The past problem was that companies were 'directly' compensating their employees on the sale of CDWs. House Bill 271, CD1 would maintain the direct ban on such direct compensation. However, it would allow employees to be evaluated on an indirect basis, and allow for the sale of CDWs to be included among many factors in compensating an employee, thereby eliminating the mainland comparison inequality.

"To prevent abuses of this compensation system, a sunset provision has been added to the measure to repeal the changes on June 30, 2003. This will allow the Legislature to review any problems that may arise during this trial period. Additionally it should be noted that under present law it would

remain an 'unfair and deceptive trade practice violation' under HRS 480-2, for a company to 'directly compensate' its employees as was done in the past. Such a violation would subject a rental company to severe penalties including but not limited to 'treble damages' and payment of attorney's fees and costs.

"Based on the foregoing, I urge you to vote yes on this measure. Thank you."

Representative Thielen rose in rebuttal, stating:

"Madame Speaker, I am glad the Chair of the Consumer Protection and Commerce Committee brought up the DCCA. I am in receipt of a letter from the head of the Complaints and Enforcement Division, that is the section that would have to enforce this. It states: 'The Department continues to strongly oppose this bill', and they are talking about three different points here. 'The definition of direct in the bill is vague and unenforceable. Even though the bill purports to retain the ban against direct commissions, the practical affect of this vague definition, is to negate the ability to enforce whatever ban remains. The notwithstanding language in the bill permits commission on CDW sales is an exception that swallows the rule. To shift from a pro-active law to a punitive one increases the potential of harm to consumers and increases reliance on government enforcement agencies.'"

"That probably means that they will have to be back next year for more money to get more enforcement people to deal with the issue. I think it is a bad bill, Madame Speaker, and I think we could stop it right now if people would recognize that it is a bad bill. The other thing about the sunset provision, we still haven't sunsetted the provision that takes away money from businesses to provide some technical training to a few people in a community. I mean the sunset provision that is always dangled out there is, 'oh look don't worry about it, let this go ahead and be in force for two or four years.' Sunset comes and sunset goes and the bill lives on and on and on. Thank you Madame Speaker."

Representative Hiraki rose in rebuttal, stating:

"Madame Speaker, one of the things that we tried to do in the Consumer Protection Committee is try to look at an industry and to see if the state laws have to be upgraded as the industry changes. A good example is the timesharing industry.

"At one time the timeshare industry was aggressively selling. We put all these provisions in there. You have to wear a badge that says, 'I am a timeshare salesman, beware.' That was our response to protecting the consumer. But as you know we have passed previous bills on timeshare. The industry has changed and we've had to upgrade our state business laws to maintain that change and to encourage business to thrive here in Hawaii.

"So in correspondence to the vehicle rental industry, the industry has really cleaned up its act. As I said there are fewer than fifteen companies and they formed an organization that self-polices their practices. In fact one of the frustrations that they had with DCCA, is that DCCA is unwilling to give them the opportunity to respond to consumer complaints if there are complaints about the sale of CDWs and DCCA says 'Well, we have to protect the information as confidential information.'

"So as a result the industry doesn't have a chance to examine if any of their members are involved in unfair practices. So as part of this two year period we have asked DCCA and the industry to come together to sort of examine the whole issue of the sale of CDWs and to provide, when necessary,

information from DCCA to the industry about complaints. Because they want to police themselves because they believe that they are a very valuable business entity here in the State and they want to maintain their high quality status in serving not only residents but also tourists.

"I can only add that with this particular bill and others that you will or have voted on, our intent here is to protect the consumer but at the same time we want to make sure that our business laws are the most modern and up to date and reflect the current nature of what is going on out there in the community. This bill as well as some of the other bills that we will be voting on fits into that same business philosophy. Thank you."

Representative Meyer rose to speak in opposition to the measure and asked that her remarks be inserted into the Journal, and the Chair "so ordered."

Representative Meyer's written remarks are as follows:

"Mr. Speaker, I rise in opposition to Conference Committee Report No. 85, House Bill No. 271.

"In 1990, this Legislature voted to prohibit the paying of commissions for selling collision damage waiver (CDW) insurance to people who rent cars. Every one of us has rented a car. We know the high cost of this coverage, and that we likely are already covered under our credit card or by our existing car policy. In other words, most people do not even need this coverage, and are wasting their money if they purchase it.

"After recognizing that car rental company employees were using high-pressure tactics to sell this unnecessary and expensive insurance to us and to our visitors, we prohibited paying direct commissions on these sales.

"This bill allows paying indirect commissions to rental car employees for selling CDW policies. I would be much more comfortable with this bill if it required disclosing to customers that the agent may receive additional compensation by selling CDW coverage. This would put the customer on notice to think carefully about whether they really need coverage.

"The car rental industry should compete on value – price and service quality. Relying upon hard sell tactics at the counter to sell high profit, unnecessary insurance coverage gives the industry a bad name. Think about the last time you rented a car. You probably called around to get the best rate. Then you get to the counter and find out about all the add-ons that were not previously disclosed: taxes, CDW, fuel, etc. We need to get consumers the information they need to compare car rental prices before they arrive at the counter.

"Hard sell tactics at car rental companies can reflect negatively on our tourism industry. An unpleasant experience renting a car can ruin a person's vacation. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 271, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE RENTAL INDUSTRY," passed Final Reading by a vote of 34 ayes to 16 noes, with Representatives Arakaki, Auwae, Davis, Fox, Gomes, Halford, Jaffe, Leong, McDermott, Meyer, Morita, Moses, Ontai, Pendleton, Takai and Thielen voting no, and Representative Whalen being excused.

Conf. Com. Rep. No. 86 and H.B. No. 594, HD 2, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 594, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTINUING EDUCATION COURSES AND COURSE PROVIDERS FOR INSURANCE LICENSEES," passed Final Reading by a vote of 50 ayes, with Representative Whalen being excused.

The Chair directed the Clerk to note that H.B. Nos.: 583, HD 1, SD 2, CD 1; 600, HD 1, SD 1, CD 1; 644, HD 1, SD 2, CD 1; 653, HD 1, SD 1, CD 1; 1243, HD 1, SD 1, CD 1; 204, HD 1, SD 1, CD 1; 271, HD 1, SD 1, CD 1; and 594, HD 2, SD 2, CD 1 passed Final Reading at 5:56 o'clock p.m.

Conf. Com. Rep. No. 87 and H.B. No. 469, HD 2, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 469, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL PERSONNEL," passed Final Reading by a vote of 48 ayes, with Representatives Saiki, Schatz and Whalen being excused.

Conf. Com. Rep. No. 88 and H.B. No. 498, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 498, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DOMESTIC VIOLENCE," passed Final Reading by a vote of 48 ayes, with Representatives Saiki, Schatz and Whalen being excused.

Conf. Com. Rep. No. 89 and H.B. No. 526, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 526, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD SUPPORT ENFORCEMENT," passed Final Reading by a vote of 48 ayes, with Representatives Saiki, Schatz and Whalen being excused.

Conf. Com. Rep. No. 90 and H.B. No. 645, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 645, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENDANGERING THE WELFARE OF INCOMPETENT PERSONS," passed Final Reading by a vote of 48 ayes, with Representatives Saiki, Schatz and Whalen being excused.

Conf. Com. Rep. No. 91 and H.B. No. 201, HD 1, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 201, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

"I've opposed the repeal of what I've viewed as a landmark piece of legislation protecting privacy rights in the health care industry throughout this session. One of the reasons that I gave early on was that I didn't believe that the federal

government would in fact allow privacy regulations to go into effect. As it turned out, I was wrong about that.

"The point remains that I don't trust the federal government to protect the privacy of Hawaii citizens, and they certainly do not have to live up to the same standard of privacy protection as we are supposed to be living up to under our Constitution here. So, I just cannot in good conscience bring myself to repeal this particular law. I think we are going to have to go back to the drawing boards on this within two to three years. Thanks."

Representative Hiraki rose to speak in support of the measure and asked that his additional remarks be inserted into the Journal, and the Chair "so ordered."

Representative Hiraki continued, stating:

"Last year in Special Session we passed a law delaying the effective date of Act 87, the Medical Information Privacy Act of 1999 to July 2, 2002. However, this year in Conference we reported out HB 201, CD 1, a bill that would repeal Act 87. So I am rising to address questions about the reason for this change in our position.

"Madame Speaker, when the Legislature passed the Act 87 in 1999, there was an increasing need to protect medical information privacy. Science has made great strides toward tracing illnesses to the genetic basis and it was a growing concern that employers and insurers would attempt to reduce cost by using medical information to make hiring, promotion and insurance coverage decisions. At the same time, Hawaii was moving along with the rest of the world toward transmitting information through the internet. Concerns were then raised about unnecessary sharing of, and unauthorized electronic access to, the sensitive medical information. These concerns were known to the federal government however, Congress had repeatedly tried and failed to enact legislation to implement medical information privacy protections. It was in this context that Hawaii acted to protect medical information privacy by developing Act 87 to the efforts of a task force composed primarily of representatives of the regulated industry.

"When the Legislature passed Act 87 in 1999, the Act had the support of the regulated community. To give the community time to make the transition to compliance, implementation of the Act was delayed to July 1, 2000. As that effective date drew increasingly near, certain portions of the regulated community discovered that the Act needed an amendment. In August 2000, the Legislature met in Special Session to further delay Act 87 to July 1, 2001. The Medical Privacy Task Force then began revising the Act to address the problems discovered. Meanwhile in the federal area, Congress had by default, allowed the federal Department of Health and Human Services to develop medical privacy rules. After delay caused by the unprecedented number of comments in the rules, DHHS issued the rules on December 20, 2000. It was in this context that we began examining the disposition of Act 87 once again, this time during the current Legislative Session.

"At the beginning of the Session with the final disposition of the DHHS regulations still unclear, we took a 'wait and see' attitude that would delay the effective date of Act 87 to the year 2004. Only recently, Madame Speaker, has it become certain that there will be federal protection for medical information privacy. On April 12, 2001, President Bush directed DHHS Secretary Thompson to allow the new privacy of medical information rules to become effective without amendment. Meanwhile here in Hawaii, Act 87 had lost the support of the regulated community. This seems to have

occurred because of uncertainty about the extent which the new federal rules would preempt Act 87. That uncertainty raised concerns that Act 87 would impose unnecessary costs of due compliance, both federal and state compliance on the regulated industry.

"Now that it is fairly certain that there will be protection for medical information privacy, the new consensus is to use the federal rules, the HIPA rules as they call it, as a baseline. The state may then add additional privacy protections as needed by applying to the federal government for exemptions to the HIPA rule for state regulation. In light of the new effective federal protection for medical information privacy this seems to be the wisest course of action.

"Madame Speaker, Hawaii's experience with Act 87 will keep us in a good position as we work toward understanding and complying with the federal rules. The regulated community has been given an early 'wake-up' call and a 'dry-run' in implementing privacy restrictions. Lawmakers, the regulated industry and concerned private citizens are now better able to evaluate the new federal rules. Where the federal rules are lacking, Hawaii in the future will be better able to develop legislation protecting the medical information privacy of its citizens.

"Colleagues for these reasons, I ask for your support of HB 201."

Representative Hiraki's additional written remarks are as follows:

"Sections 334-5 and 622-52 were amended by Act 87, Session Laws of Hawaii 1999, with an effective date of July 1, 2000. Subsequently, Act 1, Second Special Session Laws of Hawaii 2000, amended Act 87, SLH 1999, by retroactively delaying the effective date of Act 87 from July 1, 2000 to July 1, 2001. Because Act 1 was made retroactive in effect, Sections 334-5 and 622-52, Hawaii Revised Statutes, reverted to the form in which they existed on June 30, 2000. With the repeal of Act 87 by this measure, H.B. No. 201 HD1 SD2 CD1, Sections 334-5 and 622-52 will continue to exist unamended as if Act 87 and the amendments to Act 87 never existed, i.e., Sections 334-5 and 622-52 remain in the form in which they existed on June 30, 2000."

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 201, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PRIVACY OF HEALTH CARE INFORMATION ACT," passed Final Reading by a vote of 46 ayes to 2 noes, with Representatives Case and Thielen voting no, and Representatives Saiki, Schatz and Whalen being excused.

Conf. Com. Rep. No. 92 and H.B. No. 599, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 599, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NONPROFIT CORPORATIONS," passed Final Reading by a vote of 48 ayes, with Representatives Saiki, Schatz and Whalen being excused.

Conf. Com. Rep. No. 93 and H.B. No. 1234, HD 1, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1234, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO QUEST," passed Final Reading by a vote of 48 ayes, with Representatives Saiki, Schatz and Whalen being excused.

Conf. Com. Rep. No. 94 and H.B. No. 284, HD 1, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 284, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

"This was a priority issue and appropriation for the Health Committee. Basically it is because our experiences have shown that the health needs of our children in our public schools have been growing. Even with the growing complexity of these student health needs, they all have to be cared for by school health aides. This bill recognizes that we do need professionals and with this measure we are providing for, and granted their new positions and new funding, but they will be providing for additional health nurses to work with the public health nurses and the health aides to provide for the health needs of our students.

"I really want to thank the Finance and Ways and Means Committees for seeing this as a priority to really meet the needs of our students. Thank you, Madame Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 284, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 48 ayes, with Representatives Saiki, Schatz and Whalen being excused.

The Chair directed the Clerk to note that H.B. Nos.: 469, HD 2, SD 1, CD 1; 498, HD 1, SD 1, CD 1; 526, HD 1, SD 1, CD 1; 645, HD 1, SD 1, CD 1; 201, HD 1, SD 2, CD 1; 599, HD 1, SD 1, CD 1; 1234, HD 1, SD 2, CD 1; and 284, HD 1, SD 2, CD 1 passed Final Reading at 6:05 o'clock p.m.

Conf. Com. Rep. No. 95 and H.B. No. 786, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 786, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR DONATED DENTAL SERVICES," passed Final Reading by a vote of 50 ayes, with Representative Souki being excused.

Conf. Com. Rep. No. 96 and H.B. No. 429, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 429, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

"Madame Speaker, the purpose of this bill is to appropriate some funds to bring in federal funds to establish four rehabilitation teacher positions for teachers to teach blindness skills to enable individuals ages 55 or older with severe visual impairment or blindness to live as independently as possible.

"The \$25,000 in general funds will draw down \$225,000 for this purpose. Much mahalo to the Committees on Finance and Ways and Means in seeing that this was a priority for the Committee on Human Services. Thank you."

Representative Ahu Isa rose to strong speak in support of the measure, stating:

"I just want the House to know that there are 1,913 persons over the age of 55 on the Department of Human Services blind register. These numerous persons who are blind or have a visual impairment need to learn these skills to be able to live independently on their own. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 429, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR BLINDNESS SKILL TRAINING," passed Final Reading by a vote of 50 ayes, with Representative Souki being excused.

Conf. Com. Rep. No. 97 and H.B. No. 1233, HD 1, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 1233, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

"This addresses the youth service centers which work out of the Office of Youth Services.

"Madame Speaker, I just want to say thank you to the Finance and Ways and Means Committees for seeing this as a priority in Human Services to address the needs of our youth. Especially those who are incarcerated and try to prevent others from being incarcerated. Mahalo."

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

Representative Yonamine's written remarks are as follows:

"Act 375, which established the Office of Youth Services in 1989, envisioned an office through which all services to youth at risk would flow. It essentially called for a comprehensive continuum of care for youth at risk. The cornerstone of this service delivery system was intended to be a network of youth service centers throughout the State. I am pleased to note that we are finally moving in that direction. I am also pleased to support the statutory change that requires the youth service center to be responsive to the immediate community in which it exists. Although we are all residents of the State, there are significant differences among the counties and even within the counties. It is therefore essential that the youth service center reflect a continuum of care that is consistent with the community in which it operates.

"When enacted in 1989, Act 375 said in part, "...The State of Hawaii has the responsibility to provide its youth a fair and full opportunity to reach their full potential and become law-abiding citizens of our community..." With the passage of this measure, I believe we are at last beginning to move in that direction. The youth of today represent our future - the future of the State. If we are committed to the long term prosperity of our state, then we must equally commit ourselves to the development of our youth.

"While I strongly support this measure, I reiterate that this is just the beginning. I look forward to receiving the master plan from the Office of Youth Services as required by H.B. 1233, HD 1, SD 2, CD 1.

"Thank you Mr. Speaker."

Representative Kahikina rose to declare a potential conflict of interest, stating:

"Madame Speaker, I work for the Boys and Girls Club of Hawaii and they are one of the service centers that may be selected through the funding source in HB 1233."

The Chair responded, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1233, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO YOUTH SERVICES," passed Final Reading by a vote of 50 ayes, with Representative Souki being excused.

Conf. Com. Rep. No. 98 and H.B. No. 962, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 962, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Garcia rose to speak in support of the measure and asked that his additional remarks be inserted into the Journal, and the Chair "so ordered."

Representative Garcia continued, stating:

"Madame Speaker, we must balance the needs of public safety with our financial resources. My fellow lawmakers are well aware of this.

"In recent years, two widely divergent sentencing proposals have been presented for our consideration but neither measure was enacted. First the law enforcement coalition advocated for 'truth in sentencing' aimed at insuring that those who victimize the community serve a significant portion of their sentence. Second, Governor Cayetano asked us to consider mandatory probation with treatment for non-violent offenders convicted of personal possession of drugs. Both of these measures were worthy of our thoughtful consideration. They failed in large part due to our inability to determine how these proposals would impact probation, corrections and parole. We know this information is needed in order to make fiscally responsible decisions yet it is unavailable to us.

"Other states also recognize the need for impact information when evaluating the merit of sentencing proposals. Minnesota and North Carolina law require fiscal impact statements be attached to any sentencing legislation. Agencies providing corrections programs such as, jails, probation, prisons and parole, currently use relatively unsophisticated projection methods to predict their future populations. Assumptions should be made so that policies and practices in past years will continue into the future with the actual growth rate experienced in the same timeframe used to provide estimates of the future population.

"What is more is that these projections are done independent of other criminal justice agencies. The Department of Public Safety does not have in its data base information of offenders sentenced to probation. The Judiciary does not have access to electronic information on offenders sentenced to prison in subsequently released on parole.

"What has been missing, Madame Speaker, is the capacity to apply proposed changes to sentencing policy and forecast how those changes will affect future correctional population growth, including probation, jail, prison and parole. The inability to provide this information impedes the decision making process. This situation is being remedied with an implementation of a computer sentencing simulation program that can model the impact of proposed policy changes. Therefore, HB 962, appropriates state matching funds with the sentencing simulation model project. This federally funded initiative is under the auspices of the Corrections Population Management Commission which is administratively attached to the Department of Public Safety.

"Sentencing simulation modeling is a computer based technique that can evaluate the impact of current policies and examine the likely outcome of proposed policy changes. It uses data from many agencies in the criminal justice system, integrates sentencing policies, and produces estimates of the outcome of those interactions in terms of correctional resources. The first phase of the project is examining felony criminal policies. The electronic case information from the Judiciary, the Department of the Attorney General, the Department of Public Safety and the Hawaii Paroling Authority will be migrated to a common server and converted into one interactive data base. The integrated data base will not only include crime and sentencing information but also characteristics unique to each case.

"Therefore Madame Speaker, I urge my colleagues to approve this legislation which will greatly assist our efforts to make informed policy decisions. Thank you."

Representative Garcia's additional written remarks are as follows:

"It is the responsibility of legislative branch of government to determine appropriate sanctions for those who violate the law. The Legislature is also responsible for funding state programs to ensure compliance with legislative mandates. Yet, these two responsibilities sometimes clash. Sentencing mandates are too often passed without consideration of the cost of implementation, under the implied assumption that current resources are adequate to meet the needs of expanded correctional populations.

"Hawaii has already experienced the consequences of such assumptions. In the early 1980's, a growing crime rate resulted in a tougher stance on criminal behavior. Class A felons were excluded from consideration for probation, the number of crimes subjected to mandatory minimums was greatly expanded, and parole policies became more restrictive. These policy changes had significant impact on the incarcerated population. In fiscal year 1980, the average daily population in Hawaii's correctional facilities was 730 inmates. Five years later, the inmate population had grown to 1,818—a 150% increase. Despite this trend, the appropriations for corrections did not keep pace with the increases in admissions to correctional facilities and extended lengths of stay. Inmates sued over the conditions caused by overcrowded correctional facilities, resulting in the *Spear* Consent Decree. Today, the Department of Corrections is responsible for over 5,000 inmates

"Mr. Speaker, we must balance the needs of public safety with our financial resources. My fellow legislators are well aware of this. In recent years, two widely divergent sentencing proposals have been presented for our consideration, but neither measure was enacted. First, the Law Enforcement Coalition advocated for 'truth-in-sentencing' aimed at ensuring those who victimize the community serve a significant portion of their sentence.

Second, Governor Cayetano asked us to consider mandatory probation with treatment for non-violent offenders convicted of personal possession of drugs. Both of these measures were worthy of our thoughtful consideration. They failed, in a large part, due to our inability to determine how these proposals would impact probation, corrections, and parole. We know this information is needed in order to make fiscally responsible decisions, yet it is unavailable to us.

"Other states also recognize the need for impact information when evaluating the merit of sentencing proposals—Minnesota and North Carolina law require fiscal impact statements be attached to any sentencing legislation.

"Agencies providing corrections programs (probation, jails/prisons, and parole) currently use relatively unsophisticated projection methods to predict their future populations. That is, assumptions are made that policies and practices in past years will continue into the future, with the actual growth rate experienced in the same time frame used to provide estimates of the future population. What is more, these projections are done independent of other criminal justice agencies. The Department of Public Safety does not have in its database information on offenders sentenced to probation. The Judiciary does not have access to electronic information on offenders sentenced to prison and subsequently released on parole. What has been missing, Mr. Speaker, is the capacity to apply proposed changes to sentencing policy and forecast how those changes will effect future correctional population growth, including probation, jail, prison, and parole. The inability to provide this information impedes the decision-making process. This situation is being remedied through the implementation of a computer sentencing simulation program that can model the impact of proposed policy changes.

"House Bill 962 appropriates state matching funds to the Sentencing Simulation Model Project. This federally funded initiative is under the auspices of the Corrections Population Management Commission, which is administratively attached to the Department of Public Safety. Sentencing simulation modeling is a computer-based technique that can evaluate the impact of current policies and examine the likely outcome of proposed policy changes. It uses data from many agencies in the criminal justice system, integrates sentencing policies, and produces estimates of the outcome of those interactions in terms of correctional resources. The first phase of the project is examining felony criminal policies. Electronic case information from the Judiciary, the Department of the Attorney General, the Department of Public Safety, and the Hawaii Paroling Authority will be migrated to a common server and converted into one interactive database. The integrated database will not only include crime and sentencing information, but also characteristics unique to each case (criminal history, time served as a result of a conviction, previous experience under supervision, offender demographics, etc.).

"We will soon have a single source from which to request sentencing policy analysis and impact. The staff of the Sentencing Simulation Model Project has already begun gathering data from agencies and is being trained by Dr. Pablo Martinez of the Texas Criminal Justice Policy Council in simulation modeling techniques. By the convening of the 2001 Hawaii State Legislature, the staff will be able to provide basic policy impact analysis. As the project expands over the next two years, the analysis will become more detailed and precise.

"I urge my colleagues to approve this legislation which will greatly assist our efforts to make informed policy decisions.

"Thank you, Mr. Speaker."

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

"As our Chair of Public Safety has indicated, this model is going to be necessary for us to make the decisions, not only in the Public Safety Committee and Finance Committee, but before the entire body. We have hard decisions to make. They remain before us but we don't have the data necessary to quantify our decisions. Thank you Madame Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 962, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO A SENTENCING SIMULATION MODEL," passed Final Reading by a vote of 50 ayes, with Representative Souki being excused.

Conf. Com. Rep. No. 99 and H.B. No. 1667, HD 2, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 1667, HD 2, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

At this time, Representative Moses offered the following amendment to H.B. No. 1667, HD 2, SD 1, CD 1:

SECTION 1. House Bill No. 1667, HD 2, SD1, CD 1 is amended by amending section 2 to read as follows:

"SECTION 2. Chapter 304, Hawaii Revised Statutes, is amended by creating a new section to be appropriately designated and to read as follows:

"§304- Hawaii educator loan program; special fund. (a) There is created the Hawaii educator loan program to be administered by the [University of Hawaii,] Hawaii teachers standard board (hereinafter HTSB) for the purpose of providing financial support to students who complete [a state-approved] an accredited teacher education program in the United States and who agree to teach in the Hawaii public school system. Eligibility shall be awarded by the [University of Hawaii] HTSB to students on a competitive basis. The amount to be loaned to a student shall be determined by the [board of regents] HTSB based on need for financial aid and proof of acceptance into [a state-approved] an accredited teacher education program in the United States.[at the University of Hawaii.] The maximum amount of loans that a student may receive under this program shall be an aggregate amount equivalent to tuition payments and costs of textbooks and other instructional materials necessary to complete [a state-approved] an accredited teacher education program[.] in the United States.

(b) There is created in the treasury of the State, the Hawaii educator loan program special fund, for the purpose of providing loans pursuant to subsection (a). All loans made under this section shall bear interest at five per cent simple interest. Repayment of principal and interest charges shall commence one year after graduation or three months after a borrower ceases to be enrolled in the [state-approved] accredited teacher education program and shall be paid in periodic installments within a ten-year period. The [university] HTSB may charge late fees and all other reasonable costs for the collection of delinquent loans. All interest and payments received on account of principal shall be credited to the special fund.

(c) Upon a showing of proof that the individual has completed [a state-approved] an accredited teacher

education program in the United States and is employed as a full-time teacher in the Hawaii public school system, one-tenth of the total amount of the loan and interest shall be waived for every year that a loan recipient teaches in a Hawaii public school in a hard-to-fill position as determined by the superintendent of education, including special education, regular education shortage categories, or Title I schools, and in one of the following capacities:

(1) As an elementary school teacher teaching in the field of elementary education who has met standards as set forth by the Hawaii teacher standards board; or

(2) As a secondary school teacher teaching in the subject area that is relevant to the loan recipient's academic major as certified by the department of education who has met standards as set forth by the Hawaii teacher standards board.

Liability for repayment of a loan shall be canceled upon the death or permanent total disability of the borrower.

(d) If a loan recipient subject to this section fails to teach in the Hawaii public school system for a minimum of ten consecutive years from the loan recipient's original date of employment with the department of education, excluding sabbatical and other forms of temporary leaves of absence, then the loan recipient shall repay any remaining loan balance at the rate of ten per cent simple interest.

(e) In accordance with chapter 103D, the [university] HTSB may enter into written contracts with collection agencies for the purpose of collecting delinquent student loans. All payments collected, exclusive of a collection agency's commissions, shall revert, and be credited, to the loan fund. A collection agency that enters into a written contract with the [University of Hawaii] HTSB for the collection of delinquent student loans pursuant to this section, may collect a commission from the debtor in accordance with the terms of, and up to the amounts authorized in, the written contract."

SECTION 2. House Bill No. 1667, HD2,SD1,CD1 is amended by amending page 5, lines 19 and 20 to read as follows:

"The sum appropriated shall be expended by the [University of Hawaii] department of education for the purposes of this Act."

Representative Moses moved that the amendment be adopted, seconded by Representative Djou.

At 6:20 o'clock p.m., Representative Kanoho requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 6:20 o'clock p.m.

Representative Moses rose to speak in support of the amendment, stating:

"The purpose of the underlying measure is to create the Hawaii Educator Loan Program and special fund as a tool to recruit college students to become educators and to ensure that these graduates teach in our public schools. The program is to grant potential teachers low interest loans, if they complete a State approved teacher education program at the University of Hawaii and teach on our public schools. It even has a provision for forgiveness of part of the loan if the teacher takes a hard to fill teacher position.

"The concept of the bill Madame Speaker is good. It will give incentives to become a teacher in our public school system. However, the bill does not go far enough. It is limited to University of Hawaii programs. I offer the floor amendment to include any accredited teacher education program and not just a program at the University of Hawaii. This will provide equity for persons who may wish to attend another school's program, particularly the many fine programs in other states.

"Additionally the floor amendment makes the Hawaii Teachers Standards Board, the entity that oversees this loan program, as opposed to the University of Hawaii.

"In closing Madame Speaker, I would like to emphasize although the concept of the bill as currently drafted is good, it needs to include schools other than the University of Hawaii to be fair and equitable and to present a diverse educational program to choose from as long as the new teacher teaches in Hawaii. Thank you Madame Speaker."

Representative Takumi rose to speak in opposition to the amendment, stating:

"I must admit to a little 'befuddlement' if you will. I am a little 'baffled' at the nature of why the floor amendment has come about simply because the introducer of the floor amendment voted for the bill all the times that it was on the floor and also when in the Finance Committee. The introducer has also not spoken to either the Education or Higher Education Chairs as to some of the concerns that he has. I am sure that we are all more than willing to work with him on this issue and indeed the main reason why this bill is somewhat limited is simply because we were advised by the Attorney General that to expand the bill in the direction that the introducer wants it to, would only result in a veto by the Governor and therefore all the effort which we had put into the bill this session will go by the wayside.

"I have a letter here dated May 1, 2001, by the Attorney General. Let me read some of the language that he laid out concerning the proposed amendment: "Substituting the Hawaii Teachers Standards Board for the University of Hawaii does not cure the Article 10, Section 1 prohibition of using public funds to support a benefit sectarian or private educational institutions. The bill allows students in an accredited teacher education program in the United States with no restriction as to sectarian or private schools. Furthermore, Hawaii Revised Statutes, Chapter 302A-803, which describes the power and duties of the Hawaii Teachers Standards Board does not include the authority to administer loan programs such as this."

"There you go Madame Speaker, we have several problems with this floor amendment, not to mention its unconstitutionality, but also the administering portion of it, the HTSB does not have the authority to do so. The appropriating agency has changed from the University of Hawaii to the Department of Education and again, this is clearly outside the purview of the HTSB's authority. Furthermore the DOE does not have a system in place to be the expending agency at present and there is no appropriation for the DOE to take this on in the floor amendment. While the University of Hawaii not only has the system in place, they do it for other programs.

"Additionally, Madame Speaker, the Conference Committee as well as the Lieutenant Governor's office, as you know, the Lieutenant Governor has been a part of the Hawaii Policy Group of the National Commission on Teaching in America's Future, which is really the group that spearheaded this legislation and followed it closely. Well, obviously the

Conference Committee as well as the Lieutenant Governor's office listened closely to the coalition of private institutions because it is not our intent, in fact, I wish we could allow Chaminade and HPU and so on and so forth, to receive these types of loans so that students who want to teach in the public schools would be allowed to do so. It is the intent of the Hawaii Policy Group and your Education Chairs to seek a way in which we can do that prior to next session.

"However, unless we want the bill to get vetoed, this is the vehicle that we have and the amendment would fatally flaw it. The committee report for this measure specifically states and I quote: "Your Committee on Conference acknowledges the concerns of private universities and colleges voiced regarding their eligibility to receive funding as this program is currently structured and it is hoped that efforts will be made to investigate the feasibility of expanding the program to be more inclusive." I can assure you that the Education Chairs are looking forward to working with the Hawaii Policy Group to make sure this happens.

"In conclusion, Madame Speaker, I think it is better to have this bill go forward rather than to completely sink the bill and kill it and deny much needed incentives to current students when making the career choices to teach in the public schools and we will revisit this next year. Lastly, the appropriations of \$100,000 is only for one fiscal year; we would have to come back and revisit it anyway to appropriate additional funds to make sure that this program continues.

"So I would invite the introducer of the floor amendment to work with all of us and the Hawaii Policy Group to ensure that this happens. Thank you, Madame Speaker."

Representative Kanoho rose to speak in opposition to the amendment, stating:

"If we acted on this amendment it would kill this bill unless the exact floor amendment was acted on in the Senate. As I understand it, there is no effort to do that.

"I doubt whether the Senate would act on it anyway. Thank you."

Representative Halford rose to speak in support of the amendment, stating:

"As the Chairman of the Higher Education Committee correctly pointed out, including helping students go to HPU or Chaminade or other schools is a constructive idea and many reasonable minds believe that also. He pointed out that the reason not to do it is because the Governor has threatened to veto it. This is another instance Madame Chair, where the Governor is writing our legislation for us. If we have the courage to override a veto, then an idea like this is good enough where most of the reasonable minds in this legislative body would favor it. If we would deny good legislation just because we are afraid that the Governor would veto it, we have the mechanism to override the veto.

"So I don't think that the fear of a veto is a constructive argument against a good proposal. Thank you."

Representative Moses rose in rebuttal, stating:

"I'd like to address some of the points from the other side that were earlier made. I would say that first of all, this does not benefit the schools but the student. It is the student that gets the money back from the loan. It is the student that can spend the money anyway they want. I believe this is still America.

"It is amazing that we got an Attorney General's opinion within a very few hours since this amendment has been before you. It usually takes us months to get an AG opinion. I guess you guys are connected. We sure aren't.

"The reason why I supported the earlier versions of this bill as it moved through, and now I offer this amendment, is I listened to our teachers during the just-ended strike. And I am trying to insure that we have good teachers and qualified teachers in our schools. This amendment would help that.

"Lastly, we heard about a possible veto by the Governor. I thought we were co-equal branches of government. I didn't believe that this body would fear the threat of a veto. We should have the gumption as a body to pass out over a veto, any measure that we believe is good for the people. So I don't think that should scare us off.

"With this measure as amended, we could have students from BYU, Chaminade, HPU, the mainland, anywhere, even India. I understand the mainland is going to India and Pakistan and other places for math and science teachers. But we can't do that can we? Or we can't offer many incentives to come here. I think that this goes in the face of all we heard about the teachers and their plight and the plight of our children in Hawaii without adequate and qualified teachers. Thank you Madame Speaker."

Representative Takai rose to speak in opposition to the amendment, stating:

"I speak against this amendment and yet I am in favor, and I believe we are all in favor, of good qualified teachers in our schools. But I am concerned because as the Chair of the Water and Land Use Committee has already stated, the Senate intends to or has already voted on this bill in CD 1 form. If we make any changes to this bill, this bill is, in effect, dead. If their amendments don't match our amendments we kill the bill.

"If you take a look at the original CD 1, the intention of the Chair of the Committee on Higher Education as well as the Chair of the Committee on Education, is to move this forward because we want to create incentives for those thinking about and contemplating teaching as a profession.

"In addition, I don't think the concern regarding the possible veto should distract us, however. The Attorney General's letter states specifically that he believes that this proposed amendment poses constitutional problems. So, I think the issue is not necessarily with the executive but more so with the judicial branch. Because even in the event of the Governor signing this bill or letting this bill become law, we risk and run the chances of someone going to the State courts and finding this law invalid.

"Finally Madame Speaker, I want to point out one other thing that makes this floor amendment invalid and why I strongly urge my colleagues to vote against it. Section 304 of the Hawaii Revised Statutes is for the University of Hawaii. The amendment changes all references to the University of Hawaii, to the Department of Education and to the Hawaii Teachers Standards Board. The Hawaii Teachers Standards Board and the Department of Education in our statutes are in Section 302A. So, I think already, by making these slight changes we render this amendment invalid because it doesn't fit the confines of our current law and statutes. Therefore I urge my colleagues to vote against this amendment. Thank you."

Representative Gomes rose to speak in support of the amendment, stating:

"Just with regard to the Attorney General's opinion proclaiming that this would somehow be in violation of the Constitution. I would take exception with that and I would like to read the provision that is applicable under Article VII, Section 4, Appropriations for Private Purposes Prohibited: "No tax shall be levied or appropriation of public money or property made, nor shall the public credit be used, directly or indirectly, except for a public purpose. No grant shall be made in violation of Section 4 of Article I of this constitution." Well first of all, this amendment would not be a grant made in violation of Section 4, Article I, of our State Constitution which is our Establishment Clause and prohibition of any establishment of religion or prohibition of the free exercise thereof of speech.

"Secondly, included in our Hawaii Revised Statutes version are annotated cases and Attorney General Opinions. One in particular is apropos, because the key language here is 'except for a public purpose.' Our Supreme Court, I don't have the case name, but it is cited as 56 H. 566, 545 P.2d 1175 which the annotation says that, "It is generally for the Legislature to decide what is a 'public purpose', and the courts should not void the determination unless manifestly wrong." There is also an annotation here regarding the Attorney General Opinion 64-51, which states: the "State's appropriation to eleemosynary hospital considered for public purpose." Another one here is, "Subcontracting by the HVB of a part of its work under a contract with the department of planning and economic development to the Maui County Visitors Association, a private non profit agency, was not in violation of this section." That's Attorney General Opinion 81-5. So, that's really not the case with the regard to the Attorney General's opinion and I don't think they stand on solid ground to issue such an opinion with regard to whether or not this particular amendment would violate the Constitution.

"On another matter, with regard to the fact of the Senate not passing a version of the bill that is exactly or incorporates these amendments. Madame Speaker, they can come back in Special Session. If we think it is worth it, if we want to create incentives for schools and educators, then it is worth it. It's worth a few bucks to have them come back for a few more hours on Friday. Or if need be, we can wait until next year and we can pass that bill out and they can pass it out first thing with the start of the 2002 Session.

"So, I think we should go forward. I think it is a good idea and I think we are all interested in providing as many incentives as possible to create the best teachers as possible. I think this is a good thing to do and we should vote up on it. Thank you Madame Speaker."

At this time, Representative Saiki called for the previous question, seconded by Representative B. Oshiro.

Representative B. Oshiro rose in support of the amendment and asked that his remarks be inserted into the Journal, and the Chair "so ordered."

Representative B. Oshiro continued, stating:

"The actual constitutional provision should be Article X, Section 1, which states that: "...nor shall public funds be appropriated for the support or the benefit of any sectarian or private educational institution..." So I think that the prior speaker when he was speaking to Article VII, was inappropriate. Thank you."

Representative B. Oshiro's additional written remarks are as follows:

"Article X, §1 of the State Constitution prohibits appropriation of any state funds for support or benefit of sectarian or private educational institutions.

"Despite misleading references to other sections of the Constitution regarding "public purpose," this is the applicable constitutional provision and clearly prohibits State support for private education.

"Further arguments have been made that we should not fear an executive veto, that we are a co-equal branch, and that we should act when within the public purpose. That misses the point.

"We must act within the bounds of the Constitution, as set forth above, regardless of an executive veto. An opinion by the Attorney General indicating a veto and its basis is merely a harbinger or omen on probable action unless we can address the constitutional infirmity.

"This amendment does not pass the constitutional muster, and therefore should not be supported."

Representative Halford rose and stated:

"I would just like to briefly correct the exaggeration that passing an amendment tonight will kill a bill. In fact an amendment tonight will live throughout the duration."

Representative Garcia rose on a point of order, stating:

"There is a motion on the floor to call for the question and it was seconded. Thank you."

The Chair responded, stating:

"A motion has been made but it is up to the Chair to recognize the motion of calling for the previous question. At this time I am going to ask Representative Halford to finish up and we will be moving for a vote."

Representative Halford then rose on a point of clarification, stating:

"I just simply want to point out that an amendment passed tonight will live through the duration of this Legislature, another eighteen months or so. Thank you."

Representative Hale rose on a point of information, stating:

"I would just like to know how much a special session would cost?"

Representative Gomes requested a roll call vote.

The request for a roll call vote was put to vote by the Chair and upon a show of hands, the request was granted.

Representative Takai rose on a point of information, stating:

"Is the roll call vote to move the previous question or is it on the amendment?"

The Chair addressed Representative Gomes, stating:

"Representative Gomes the roll call you called for is for the floor amendment, right?"

Representative Gomes responded, stating:

"The roll call vote requested is for the up or down vote on adopting the amendment."

Representative B. Oshiro rose to clarify his vote, stating:

"I think I need to correct the record to reflect the change of my initial vote to stand in support. I stand in opposition. Thank you."

Roll call having been requested, the motion that the amendment to H.B. No. 1667, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STUDENT LOANS FOR TEACHERS," be adopted was put to vote by the Chair and failed to carry on the following show of Noes and Ayes:

Noes, 32: Abinsay, Ahu Isa, Arakaki, Cabrereros, Case, Chang, Espero, Garcia, Hale, Hamakawa, Hiraki, Ito, Kahikina, Kanohe, Kawakami, Lee, Luke, Magaoay, Morita, Nakasone, B. Oshiro, M. Oshiro, Saiki, Say, Schatz, Souki, Suzuki, Takai, Takamine, Takumi, Yonamine and Yoshinaga.

Ayes, 19: Auwae, Bukoski, Davis, Djou, Fox, Gomes, Halford, Jaffe, Leong, Marumoto, McDermott, Meyer, Moses, Ontai, Pendleton, Rath, Stonebraker, Thielen and Whalen.

Main Motion

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1667, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STUDENT LOANS FOR TEACHERS," passed Final Reading by a vote of 50 ayes, with Representative Souki being excused.

Conf. Com. Rep. No. 100 and H.B. No. 1686, HD 1, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 1686, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

"Traffic jams and traffic congestion are a big growing problem throughout our State. Alternative forms of transportation must be seriously considered by this Legislature. This measure will assist a private company to come and bring a ferry system..."

Representative Meyer rose on a point of order, stating:

"Don't we then have to go back to the previous bill?"

The Chair responded, stating:

"We have already passed that."

The Chair then recognized Representative Espero to proceed with his remarks.

Representative Espero continued, stating:

"This measure will allow and assist a private company to come to Hawaii and attempt to establish a ferry system. Specifically, we are looking at an interisland system and an intrainland system. With the growth in many areas we need to look at ways to getting vehicles off the road and we need to look at utilizing our natural resources, our waterways and the ocean.

"I urge my members to see the vision and support this measure. Thank you."

Representative Halford rose on a point of information, stating:

"I would like to answer the question posed by the Representative from the Big Island regarding the cost of a special session."

The Chair responded, stating:

"Representative Halford that would not be in order at this time. I will allow you to speak to the Representative from the Big Island during our next recess. Is there any further discussion on CCR No. 100?"

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

"The Kapolei area, which to anyone who lives in Leeward Oahu realizes, also includes what we have always called Ewa. The traffic out there is becoming Horrendous. The ferry system if it is up and running, would do a tremendous amount of good to relieve the congestion on our highways. Thank you Madame Speaker."

Representative Meyer rose in opposition to the measure and asked that her remarks be inserted into the Journal, and the Chair "so ordered."

Representative Meyer's written remarks are as follows:

"This bill authorizes the issuance of \$88 million in special facilities revenue bonds for improvements to harbor facilities to be used by Rainbow Island Express Company, Inc., for an inter-island and intra-island ferry system. Lease payments by Rainbow Island Express will be used as the means to repay the revenue bonds.

"This session we have considered several bills and resolutions that would establish or study inter-island and intra-island ferry operations. My concerns regarding those measures related to whether the operations would be economically viable. Based on past history, and even with federal and state subsidies, these ferry operations will lose money.

"For example, the DOT Report on the Express Commuter Ferry Demonstration Project (Wikiwiki Ferry) required by Act 221 of 1998 states that permanent intra-island operations would require a subsidy. Estimates indicate a subsidy of between \$3.48 to \$5.34 per passenger will be necessary for a minimum of \$156,000 per month.

"The financial analysis in the DOT report is based upon some very optimistic assumptions. The first is that the ferries (3 in number) will have 90% ridership, or about 180 people on each trip. As I remember, this is about what the total daily ridership was in past demonstrations with one ferry. The second questionable assumption is that each rider will spend \$1 in the snack bar on each trip. On board sales are forecast to be about 20% of total revenues. Finally, taking the ferry will cost more than twice as much as taking the bus (\$2.10 each way). The ultimate stumbling block to the success of this ferry may be that people will be reluctant to pay twice as much for the same commute.

"In addition to a subsidy for each passenger, we also have to make \$88 million in improvements to harbor facilities for ferry operations. I fear we are throwing good money after bad. If the ferry operation collapses, someone will have to pay off \$88 million in bonds. That someone is usually the

taxpayer. The history of ferry operations is bad, and there is real possibility it will fail once again.

"Hopefully these facility improvements will be useful for the cruise ship industry since they will likely be the ones who use them after the ferry system collapses."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1686, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF REVENUE BONDS FOR INTER-ISLAND MARITIME TRANSPORTATION," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Meyer voting no, and Representative Souki being excused.

Conf. Com. Rep. No. 101 and H.B. No. 862, HD 1, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 862, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative M. Oshiro rose to speak in strong support of this measure, stating:

"This measure establishes two full-time equivalent social worker positions for the Department of Public Safety Intake Service Centers. It does however increase the size of government. Thank you."

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

"I will be voting 'no' on this measure for the very reason that the Majority Leader said."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 862, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE ESTABLISHMENT OF SOCIAL WORKER POSITIONS," passed Final Reading by a vote of 45 ayes to 5 noes, with Representatives Gomes, Jaffe, Meyer, Rath and Whalen voting no, and Representative Souki being excused.

Conf. Com. Rep. No. 102 and H.B. No. 840, HD 2, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 840, HD 2, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

"Someone said that it is hard to reach a destination if you don't know where you are going. I just wanted to highlight this bill because I think for all of us there is a potential, as representatives and community leaders to really focus on some of the problems in terms of our children and families in our community.

"Although it doesn't set forth in the bill that there is a real potential, in fact I would like to request that for all of you, if you want to participate in this process of developing indicators, data sets and benchmarks which are important to your children and families in your communities, the Hawaii Performance Partnership Board would welcome your input. Just by drawing attention to some of these issues and by focusing resources there is a real potential for changes in your communities. This is a tool that can be used by each and

everyone of us to really mobilize the forces within our communities.

"So, take a look at this bill and see how it could benefit your community. Thank you Madame Speaker."

The motion was put to vote by the Chair and carried, and he report of the Committee was adopted and H.B. No. 840, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," passed Final Reading by a vote of 50 ayes, with Representative Souki being excused.

The Chair directed the Clerk to note that H.B. Nos.: 786, HD 1, SD 1, CD 1; 429, SD 1, CD 1; 1233, HD 1, SD 2, CD 1; 962, SD 1, CD 1; 1667, HD 2, SD 1, CD 1; 1686, HD 1, SD 1, CD 1; 862, HD 1, SD 2, CD 1; and 840, HD 2, SD 1, CD 1 passed Final Reading at 6:42 o'clock p.m.

Conf. Com. Rep. No. 103 and H.B. No. 11, HD 2, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 11, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

Representative Ito's written remarks are as follows:

"This Revolving Fund will allow the DOE to collect revenues generated by commercial ventures.

"The Revolving Fund will then be used to research and develop various innovative programs, products, and services. This bill will encourage entrepreneurs and increased fiscal autonomy for DOE, while helping to develop better educational tools and services.

"Your Committee on Conference has amended this bill by authorizing the expenditure of \$1,000,000 from the Revolving Fund for each year of the fiscal biennium 2001-2003."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 11, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 48 ayes to 1 no, with Representative Fox voting no, and Representatives Bukoski and Stonebraker being excused.

Conf. Com. Rep. No. 104 and H.B. No. 480, HD 1, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 480, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

"This measure would create and fund three new district business specialist positions in the Department of Education. The Department eliminated these very positions a few years ago in the name of efficiency and consolidation and folded their duties into the Office of Business Services. While I have no doubt that the workload of school principals and vice principals has increased over the years, I don't think that adding three positions at the district level is necessary or would give them the relief they want.

"There are currently over 400 positions at the state and district administration level which includes the Office of Business Services. Instead of continuing to add positions and spending more taxpayers' money, the DOE should be looking at how to make better use of its already very sizable workforce. This bill takes the standard government approach of adding more positions to the existing bureaucracy instead of taking a look at how we can make better use of the people we already have. This bill appropriates \$150,000 a year for these positions and to me it looks like a case of throwing more money at a problem without any guaranteed results.

"I sympathize with the position of the school principals who are struggling to do their best while coping with an ever increasing workload. But simply giving the Department of Education more money and more positions is not the answer. Thank you Madame Speaker."

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

"These positions are very much needed by the three district offices on the Neighbor Islands. The reason is, five years ago when the Department took down some of the resource teachers and some of the district personnel, these positions went down. These positions do all the related matters on financial problems including procurement, and all the fiscal responsibilities in the district, building, CIP, etc. The District Superintendent has to do it now, and some of the principals. So when new schools come on line they have a difficult time because we do not have these positions, and the people from Honolulu have to come out.

"They are very much needed and we would like to see them back in the districts. The other reason is, the Department of Education has asked for assistant business specialists for all of the districts. Well those are supplementary to these core positions and I would like to see these positions back in our districts. Thank you very much."

Representative Ahu Isa rose to speak in strong support of the measure, stating:

"I don't know how the DOE has managed to even complete fiscal transactions without these business specialists. When I was with the Community College I was a fiscal officer and above me we had a Director of Administrative Services that did a lot of these things. They prepared the budget, worked with all the departments, did the CIP's, made sure we got the accounts receivable, the accounts payable, your petty cash account, working with federal grants and working with the city projects. I don't know how the DOE did it all this time without these added positions.

"One night I saw on television a huge warehouse with all this inventory which is really not fiscally responsible. You can buy things at cheaper discount places. I think it is very wise of the authors of this measure, Representatives Kawakami, Ito, Morita, Hale, Takamine and Chang that these people did introduce this measure and I commend them for it. Thank you Madame Speaker."

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

Representative Ito's written remarks are as follows:

"The purpose of this bill is to enable schools to expedite their administrative responsibilities relating to business-related matters by appropriating funds to hire three business

specialists to be assigned to the Hawaii, Kauai, and Maui school districts.

"This bill also specifies the duties of the business specialists; and includes these positions in Bargaining Unit 6 which may not require school or teaching experience.

"Business specialists are needed especially when the other school administrators are so busy with the educational aspect of their job.

"Clerical and other business aspects of the job are better left to those who are trained in these areas."

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

"I don't doubt the Representative from Kauai's representation that the bureaucracy and the amount of the paperwork and logistics to get the basic supplies, rooms painted, things repaired and pencils to the classrooms is so extensive that they need three people in charge of it for the various islands.

"But instead of increasing the bureaucracy, perhaps we should look at reducing the paperwork side of it. Again referring back to an earlier statement that I made in speaking with teachers, they said that is the very problem. There is so much paperwork and so many forms that need to get filled out to do anything that it is ridiculous. The principals in my discussion with the them and the SCBM is the same thing. I can understand what the Representative is talking about and with the amount of volume they have as well as trying to run a quality school is very difficult for the principals. But instead of hiring more bureaucrats to run the paperwork why don't we get rid of the paperwork. I think that would be the direction in which we should move. Thank you."

The motion was put to vote by the Chair and carried, and he report of the Committee was adopted and H.B. No. 480, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR BUSINESS SPECIALIST POSITIONS," passed Final Reading by a vote of 44 ayes to 5 noes, with Representatives Gomes, Jaffe, Meyer, Rath and Whalen voting no, and Representatives Bukoski and Stonebraker being excused.

Conf. Com. Rep. No. 105 and H.B. No. 1391, HD 1, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 1391, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

"Similar to the remarks just made by the speaker from Kona, and earlier the speaker from Kahaluu. I think this particular bill is symptomatic of an 'all things to all people' approach. Rather than creating new positions, I think this creates twelve new full-time positions and \$800,000 in appropriations over the next two years. Rather than creating that additional cost, even though these art resource teachers might be a valuable resource and even though we're all in favor, and certainly I am, of a strong arts program, I believe that the Department of Education administration is overly staffed as it is. There are resources there that ought to be reallocated and maybe talent there that ought to be reallocated. If they can't be art resource teachers then convert those to others that can.

"But I don't think we should be adding more money and more positions to the existing problem that we have. Again, this is symptomatic of our larger approach which is deficient to now, which is basically to throw more money at the problem. The problem is not money. The problem is resources and it is reallocating what we have and we shouldn't be doing this.

"For those reasons, even though I like art and I'm for a strong art program, I am voting 'no'. Thank you."

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

"Madame Speaker and members, this is a good example of the monies that we are putting into education this year. Implementing these positions recognizes that children respond in various ways to their creative impulses. With these specialists available to Hawaii schools, more avenues for creativity and appreciation of the arts will be open to our children enhancing their lives in our communities in the future.

"The 1999 State Legislature mandated the Arts First plan and recognized that the arts a vital component in our lives. Whether it is spent as an active participant in some art format at the professional level or as a spectator. The presence of these arts specialists in our schools gives weight to the idea that the arts in whatever kind, enrich our lives and make us aware of ourselves as persons who appreciate others creativity and our own. It also nurtures in us ways to enhance our lives and the life of our community as a whole.

"This bill is the first step towards implementing the six year Hawaii Arts Education Strategic Plan 2001, Arts First. This plan was mandated by the Legislature as Act 80 in 1999. This partnership known as the Hawaii Arts Education Partners has begun their work on the strategies on advocacy, research, teaching and standards. It includes the State Foundation on Culture and the Arts, the University of Hawaii at Manoa College of Education, the University of Hawaii at Manoa College of Arts and Humanities, the Hawaii Department of Education, the Hawaii Association of Independent Schools and the Hawaii Alliance for Arts Education. These groups have established goals and visions to devote arts education and the fine arts standards. One part of the plan recognizes a strong need to provide teachers, especially the elementary school teachers, staff development to implement the fine arts standards.

"For these reasons Madame Speaker, I support this."

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

"My reasons for voting against this is that this was not a priority for the Department of Education. It was not a priority of the Superintendent of Education.

"This bill will require an appropriation of \$400,000 in each year of the biennium. That's almost a million dollars and it creates twelve new positions and I just don't think it's appropriate at this time. Thank you."

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

"As I understand this bill these teachers are 'salted away' in the administrative level of the DOE. They are not at the school level. This just adds more to the bureaucracy despite whatever talents or creativity they may have. It is \$800,000

that could be going elsewhere, right to the teacher or to the classroom.

"We don't need additional bureaucrats. Thank you."

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

"Not long ago I was fortunate to hear Eric Booth, Faculty Chair of the Empire State Partnership, the largest arts and education experiment in the United States. It was a really uplifting experience and others of you may have shared it. I am sorry many of you missed it. His message was one that I know very well how, arts education is so valuable to our youth and how we must encourage it in all aspects of life.

"He encourages the development of a strategic plan for arts education. This bill was to support fine arts as a fundamental component of a child's education and directs the State Foundation on the Culture and the Arts to fully implement the terms of the Hawaii Strategic Arts Plan.

"I strongly support this measure because I believe that arts education may be the key to solving many of the problems we face in our public schools. The arts, especially theatre and the performing arts such as band and orchestra, develop the qualities in students that helps them succeed in other academic endeavors such as lifeskills. There are also qualities better developed such as self discipline, self esteem, self confidence and self reliance.

"I strongly support this measure and I hope that you all see that \$800,000 is a drop in the bucket when it comes to encouraging these skills in children."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1391, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ARTS," passed Final Reading by a vote of 46 ayes to 3 noes, with Representatives Gomes, Meyer and Whalen voting no, and Representatives Bukoski and Stonebraker being excused.

Conf. Com. Rep. No. 106 and H.B. No. 210, HD 1, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 210, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Final Reading by a vote of 49 ayes, with Representatives Bukoski and Stonebraker being excused.

Conf. Com. Rep. No. 107 and H.B. No. 175, HD 2, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 175, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

Representative Schatz rose to disclose a possible conflict of interest, stating:

"I believe this bill may help my company."

The Chair ruled "no conflict."

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

"This is the only hallmark legislation that came out of the Economic Development Committee to help businesses since

HB 502, the professional employment bill died. I feel that it is only right that I stand to speak on my only bill.

"This is a bill that encourages the continued growth and development of high technology businesses in our State. It really clarifies what last year's omnibus bill did. We have added Technology Infrastructure Renovation Income Tax Credit equal to 4% of the renovation cost incurred during a taxable year to provide commercial buildings with technology enabled infrastructure.

"We've also added a general excise and public service company tax exemption for IDCs or internet data centers which are facilities available for the public to use to house data servers. We also clarify the income tax treatment of allocations of NOL net operating loss sales. We have also provided for the recapture of an equal credit equal to 10% of the amount of the total tax credit claimed in the preceding two taxable years of the business if it no longer qualifies or has been sold.

"Madame Speaker, at this time I just want to thank my Co-Chair, Representative Suzuki as well as my Vice-Chair, Representative Magaoay and my Committee Members for supporting me this year as the Chair of the Economic Development Committee for their support."

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

"I'd like to echo the remarks of the Chair from the Economic Development Committee. But I would like to just make one correction, instead of calling this a "hallmark bill" it should be a "landmark bill". Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 175, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Final Reading by a vote of 49 ayes, with Representatives Bukoski and Stonebraker being excused.

Conf. Com. Rep. No. 108 and H.B. No. 160, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 160, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FRAUDULENT CLAIMS," passed Final Reading by a vote of 49 ayes, with Representatives Bukoski and Stonebraker being excused.

Conf. Com. Rep. No. 109 and H.B. No. 1216, HD 1, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 1216, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

Representative Schatz's written remarks are as follows:

"I am honored to join Vice Speaker Luke in her support of HB 1216 CD1 which appropriates funds to the Korean Centennial Celebration Commission.

"Since the arrival of the first Korean immigrants to Hawaii in 1903, the rich culture and proud heritage of the Korean people have been and continues to be a positive influence upon life in Hawaii.

"In addition to sponsoring the usual cultural events, such as art exhibits, sports exhibitions, and dance and music performances, the Commission intends to reach out to the over 2 million Koreans living on the Mainland United States as well as the millions in Korea, Japan and other parts of the world to visit our State and participate in this celebration.

"Already, the Commission has been approached by a number of international organizations informing them of their intention to visit Hawaii from now through the year 2003. For example the International Association of Korean Lawyers has committed to holding its annual conference in Honolulu next year. In addition, the Korean Teachers Association and the Korean Law Association have planned on holding their meetings here as well.

"Since this celebration of Korean immigration is a nation-to-nation celebration, the Commission is planning on hosting the President of the Republic of Korea, Dae Jung Kim. The presence of the President, who is also a Nobel Prize winner, will bring not only the usual entourage of Korean media and business people to Hawaii, but also national and international media as well. Their coverage will not be limited to President Kim but to all of Hawaii.

"Mr. Speaker and colleagues, this celebration will reach far beyond our State and will attract attention from around the world. Thank you colleagues for your support of this bill."

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

"This bill appropriates funds to the Korean Centennial Celebration Commission in preparation for its celebration in the year 2003.

"The first Korean immigrants arrived in Hawaii in 1903 looking for work and opportunity like other ethnic groups. Most found jobs on the sugar and pineapple plantations gaining reputations as diligent and hard workers. Korean picture brides enticed by photos sent from Hawaii soon joined single men leaving the poor country behind to pursue the American Dream. Over the years Korean immigrant parents told their children to keep their noses to the grindstone, strive for independence and make something of themselves.

"Hawaii received the bulk of the second wave of Korean immigrants starting in 1965. The Korean community has contributed to our island heritage in many ways. Notable figures of Korean ancestry include: Chief Justice Ronald Moon, Police Chief Lee Donahue, former UH Board of Regents Chair, Donald Kim and past and present Legislators, Jackie Young and you Madame Speaker. These Korean residents have paid their share of taxes and this is a good return on investments that they have made in our State.

"This measure allows and appropriates \$250,000 provided that none will be released unless it is matched dollar-for-dollar by private contributions. The 2003 Korean Centennial will be a momentous event in Hawaii and Korea and I believe will bring many tourists here to the State. HB 1216 will help ensure that the Centennial Celebration will be memorable. Thank you Madame Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1216, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE KOREAN CENTENNIAL CELEBRATION COMMISSION," passed Final Reading by a vote of 49 ayes, with Representatives Bukoski and Stonebraker being excused.

Conf. Com. Rep. No. 110 and H.B. No. 632, HD 3, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 632, HD 3, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

"Madame Speaker I would like to thank my Co-Chairs and especially the Chair of the Health Committee for helping me with HB 632. In this measure, Madame Speaker, we establish a home and community-based case management agency to certify more community care foster family homes to address a real dire need of more foster homes or long-term care for our elderly.

"In it we establish two demonstration projects, one on the outerislands and one here on Oahu. I believe through the efforts from Representative Arakaki we have a vehicle here that addresses the neighbor islands needs as well as the island of Oahu. We have a sunset date and a report from the Department to tell us if this program should remain permanently. Our suspicion is that this will definitely address the capacity needs in this area of long-term care, and it is more then likely that it will prove that this program is very viable. Not only for the outside islands but also for Oahu.

"I would like to thank those who were very concerned about this bill and everyone else for helping out. Thank you."

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

"I just wanted to extend my gratitude and my thanks to the Chair of Human Services, as well as the Chair of Health for their firm, fair and courageous efforts on behalf of all the people of Hawaii in respect to the outcome and the resolution that produced the conference committee report and the conference draft. I know that they had to go through a lot in order to get this measure passed and I do appreciate the efforts on their behalf. I look forward to the demonstration project that is forthcoming from this project. Thank you."

Representative Souki rose to disclose a potential conflict of interest, stating:

"I am a trustee of a long-term care institution."

The Chair responded, "no conflict."

Representative Souki then continued in support of the measure, stating:

"First of all I think that this is a badly needed program for the Neighbor Islands. It is certainly going to assist the Hale Makua in Maui, a long-term care institution there and other long-term care institutions in the State and especially in the Neighbor Islands. I want to thank the Chairman, the Vice Chairman and the Co-Chairmen. I also want to thank the very quiet one, Representative Nakasone, who had a lot to do with it in working with both Chairmen here. Thank you all very much for this bill. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 632, HD 3, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES," passed Final Reading by a vote of 49 ayes, with Representatives Bukoski and Stonebraker being excused.

The Chair directed the Clerk to note that H.B. Nos.: 11, HD 2, SD 2, CD 1; 480, HD 1, SD 2, CD 1; 1391, HD 1, SD 2, CD 1; 210, HD 1, SD 2, CD 1; 175, HD 2, SD 2, CD 1; 160, HD 1, SD 1, CD 1; 1216, HD 1, SD 1, CD 1; 632, HD 3, SD 2, CD 1 passed Final Reading at 7:04 o'clock p.m.

Conf. Com. Rep. No. 111 and H.B. No. 186, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 186, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC LAND TRUST," passed Final Reading by a vote of 45 ayes, with Representatives McDermott, Rath, Souki, Takumi, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 112 and H.B. No. 860, HD 1, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 860, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

"This bill falls under the category of, 'no good deed goes unpunished'. By way of brief background, in 1989 and 1990, we enacted a measure which essentially allowed veterans, those receiving military pensions, to be able to apply their military service to years served with the State or county government under the circumstances where they had gone on to State or county government service. This was a worthwhile effort to assist the veterans where we allowed them to really get a better break under the Employees Retirement System because they were veterans. And at that time we made a basic decision, which escapes me as to why we did it, but what we basically said was that this would apply only to people under these circumstances who retired after 1989. In doing so we left a group of pre-1989 retiree veterans who had both been veterans and who had gone onto to State or county government service and who had retired, basically uncovered. They have been attempting ever since to become covered.

"Over the course of the last eleven years or so, in this Legislature, we have not covered them and I think we really have to be honest, the answer is probably primarily for fiscal reasons. Now so far so good.

"The problem that we've got here in this bill is that we have passed out a bill which provides the credit for those who have retired prior to July 2, 1989, but we have only appropriated \$100,000 to cover the cost of that bill. Now, on April 26, 2001, the Employees Retirement System wrote to the conferees and basically stated: 'Attached is a report from our actuary regarding the cost impact of this Conference draft. Based on the assumptions the 55% of the ERS', male retirants who retired prior to July 2, 1989, would have two and a half years of military service. Our actuary has determined that if benefits were payable from July 1, 2002 this version of the bill would: (1) increase the ERS's unfunded liability as of June 30, 2002, by \$22,922,000; and (2) increase total annual State and county appropriations by \$2,574,000.'

"Now, obviously that cost is not covered in the bill as it comes out, and my very firm understanding is that neither is that cost covered in the financial plan of the House and the Senate. If I am incorrect about that, I would very much like to be corrected. So my real problem here is that we have passed out a bill which certainly makes us feel good and probably is the right thing to do. But we have not paid for it and I think

that is open to attack. It yields false hope to those that may believe that they are covered by this bill and it is simply not the right approach from a budgeting point of view.

"If there are in fact situations where some military veterans who retired prior to July 2, 1989, from the State or county government service or somehow are disadvantage to a greater extent than are their counterparts who retired prior to 1989 who were not veterans, then I would say that it would be a fair thing for us to do to find the resources with which to cover that differential. But the bottom line here is that we really haven't finished this job and I don't think I can in good conscience stand here and vote 'aye' on a bill that I know is frankly, not being provided for financially. Thank you."

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

"House Bill 860 was described by my colleague from Manoa, and I agree with some of things that was said. But I would like to say that I believe these men are a special group who have rendered honorable active military service in the armed forces of the United States. I would also like to say that the declining liability for the State in terms of cost is also further reduced by the one year window during which these eligible veterans can claim their service credit.

"Under this bill a qualified member can receive only four years of service credit. Each year of credited military service provides an increase of \$36 a month in the retirant's pension or retirement allowance which starts July 1, 2001. It is I believe a small and a very long deserved token of appreciation to this special class of employees who must be recognized for their loyal and faithful service to our Country.

"So it is for these reasons that I ask for support of this measure. Thank you Madame Speaker."

At 7:10 o'clock p.m., Representative Souki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 8:09 o'clock p.m.

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 860, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Final Reading by a vote of 45 ayes, with Representatives McDermott, Rath, Souki, Takumi, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 113 and H.B. No. 533, HD 2, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 533, HD 2, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

"Madame Speaker, I am rising in opposition for several reasons.

"First, as the members of this Chamber know, I don't like the use of special funds and this is yet another special fund putting more of our budget on 'auto pilot'. But there are other substantive reasons why I oppose this measure. I also oppose this measure because I question a need for it.

"It creates a special fund reserving 10% of all settlements or awards from anti-trust actions for the Department of the Attorney General. I question why the Attorney General's Office, which is by all accounts the largest law office here in our State, needs this special fund. Perhaps better management could accommodate their anti-trust needs and anti-trust department.

"Finally Madame Speaker, I am rising in opposition to this particular measure because I believe it runs counter to the basic principles of law enforcement. We are basically, in my opinion, creating a bounty out here for the Department of the Attorney General in anti-trust matters. I don't think that it sets a good precedent that we're giving the agency which is responsible for enforcing the laws a 'cut' of the enforcement. I don't think that is the way good public policy should go.

"For all of these reasons, I oppose this measure. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 533, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ANTITRUST," passed Final Reading by a vote of 30 ayes to 15 noes, with Representatives Auwae, Bukoski, Davis, Djou, Fox, Gomes, Halford, Jaffe, Leong, Marumoto, Meyer, Moses, Ontai, Pendleton and Thielen voting no, and Representatives McDermott, Rath, Souki, Takumi, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 114 and H.B. No. 152, HD 1, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 152, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," passed Final Reading by a vote of 45 ayes, with Representatives McDermott, Rath, Souki, Takumi, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 115 and H.B. No. 462, HD 1, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 462, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM ARBITRATION ACT," passed Final Reading by a vote of 45 ayes, with Representatives McDermott, Rath, Souki, Takumi, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 116 and H.B. No. 861, HD 2, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 861, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE OPERATIONS AND MAINTENANCE OF CERTAIN AGRICULTURE-RELATED INFRASTRUCTURE ON KAUAI," passed Final Reading by a vote of 45 ayes, with Representatives McDermott, Rath, Souki, Takumi, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 117 and H.B. No. 1074, HD 2, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1074, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DROUGHT

MITIGATING FACILITIES," passed Final Reading by a vote of 45 ayes, with Representatives McDermott, Rath, Souki, Takumi, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 118 and H.B. No. 168, HD 1, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 168, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Final Reading by a vote of 45 ayes, with Representatives McDermott, Rath, Souki, Takumi, Whalen and Yoshinaga being excused.

Conf. Com. Rep. No. 119 and H.B. No. 513, HD 1, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 513, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE RELIEF OF CERTAIN PERSONS' CLAIMS AGAINST THE STATE AND PROVIDING APPROPRIATIONS THEREFOR," passed Final Reading by a vote of 45 ayes, with Representatives McDermott, Rath, Souki, Takumi, Whalen and Yoshinaga being excused.

At 8:11 o'clock p.m., Representative Fox requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 8:12 o'clock p.m.

The Chair directed the Clerk to note that H.B. Nos.: 186, SD 1, CD 1; 860, HD 1, SD 2, CD 1; 533, HD 2, SD 1, CD 1; 152, HD 1, SD 2, CD 1; 462, HD 1, SD 2, CD 1; 861, HD 2, SD 2, CD 1; 1074, HD 2, SD 2, CD 1; 168, HD 1, SD 2, CD 1; and 513, HD 1, SD 2, CD 1 passed Final Reading at 8:13 o'clock p.m.

Conf. Com. Rep. No. 120 and H.B. No. 596, HD 2, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 596, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HURRICANE RELIEF FUND," passed Final Reading by a vote of 48 ayes to 1 no, with Representative McDermott voting no, and Representatives Souki and Yoshinaga being excused.

Conf. Com. Rep. No. 121 and S.B. No. 1577, SD 2, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 1577, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

"I believe strongly that all State departments must be accountable to the public. I agree that we need to repair and improve our school facilities, but this piece of legislation leaves out those checks and precautionary measures so common in other government policy. In coordinating school repairs this bill exempts contracts for amounts of \$100,000 or less from the public procurement code, but encourages the Comptroller as he negotiates contracts to abide by all or part

of the code as he sees fit. Encouragement does not belong in statute. Laws belong in statute.

"If we are not requiring competitive bids for projects up to \$100,000 this measure is wide open for abuse. It is in the public interest to repair and improve our school facilities, but if the Comptroller is giving the contracts to his brother-in-law the best interest of the people of Hawaii is not being served. We have the public procurement code for a reason, to ensure that contracts with the State and State-run enterprises are fair and equitable, so that the taxpayers are assured and that the highest quality for the lowest cost was attained.

"We cannot exempt State-funded projects at will just as we cannot allow nepotism on some occasions. It is for the benefit of the Comptroller as well, that we require him to abide by the public procurement code. He needs this procedure as a defense against challenges that contracts were awarded unfairly. Anyone can scream favoritism if we do not have procedures in place to guarantee fair competition.

"Another problem I have with this bill as I read the Conference Committee Report on the bottom of the first page, it says that they changed all references from special fund to account. This bill creates two special funds which are referred to as accounts. That is something that I think is poor policy. Thank you Madame Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1577, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL FACILITIES," passed Final Reading by a vote of 45 ayes to 4 noes, with Representatives Halford, Meyer, Rath and Whalen voting no, and Representatives Souki and Yoshinaga being excused.

Conf. Com. Rep. No. 125 and S.B. No. 1535, SD 2, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 1535, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

Representative Arakaki's written remarks are as follows:

"Mr. Speaker, my comments are in support of Senate Bill No. 1535, SD 2. The Commission was established in 1994 by executive order to comply with a federal mandate that required each state to establish a commission in order to receive federal funds under the National Community Service Trust Act of 1993. Through the recommendation and urging of the state Attorney General's Office, the Hawaii Commission seeks to have the Commission established statutorily.

"One of the major roles of the Commission is to develop a solid infrastructure capable of selecting and supporting high quality national service programs and managing various Commission activities. As the administering body which oversees the AmeriCorps program in Hawaii, the program has increased from \$796,000 in 1994, to over \$2,000,000 in 2000. Hawaii has also seen the numbers of AmeriCorps members increase from 60 members to nearly 200 members today. Today, the Commission administers ten community volunteer programs on Oahu, Maui, Kauai, the Big Island, and Molokai.

"The other major role of the Commission is to develop and communicate a statewide vision of service and foster an ethic of service and volunteerism throughout the State.

Commissions need to develop and maintain non-partisan state and local government support and ensure long-term support for national and community service activities in the state.

"The Hawaii Commission for National and Community Service feels that by passing SB 1535, SD 2, and establishing the Commission statutorily, we will be ensuring that commitment to develop long-term support for national and community service activities in Hawaii. This commitment would also help Hawaii to obtain increased federal funding for administrative as well as program funds, since the federal government is directing such funding to programs where there is a strong state commitment.

"The Commission currently receives administrative and staff support through in-kind services from the Office of Community Services. Under the federal appropriation guidelines, Hawaii could receive up to \$150,000 for the administration of the Commission and its staff. However, accessing the maximum amount of federal funds appropriated for Hawaii only through in-kind services has been difficult. The Office of Community Services has been able to provide anywhere between \$45,000 to \$100,000 per year of in-kind services. By appropriating the \$150,000 originally requested for federal administrative matching, will also increase the commission's capacity and thereby qualify the commission to receive in excess of \$2,500,000 in federal program funds. The increase in program funds will also mean an increase in the number of AmeriCorps members that will be serving our state.

"In summary, Mr. Speaker, I urge the passage of Senate Bill 1535, SD 2, and allow the Commission to fulfill the more comprehensive role envisioned for the Commission in order to foster and expand an ethic of service and volunteerism throughout the state."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1535, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HAWAII COMMISSION FOR NATIONAL AND COMMUNITY SERVICE," passed Final Reading by a vote of 49 ayes, with Representatives Souki and Yoshinaga being excused.

Conf. Com. Rep. No. 126 and S.B. No. 469, SD 1, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 469, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PARKING FOR PERSONS WITH DISABILITIES," passed Final Reading by a vote of 49 ayes, with Representatives Souki and Yoshinaga being excused.

The Chair directed the Clerk to note that H.B. No.: 596, HD 2, SD 1, CD 1; and S.B. Nos.: 1577, SD 2, HD 2, CD 1; 1535, SD 2, HD 1, CD 1; 469, SD 1, HD 2, CD 1 passed Final Reading at 8:18 o'clock p.m.

Conf. Com. Rep. No. 127 and S.B. No. 932, SD 2, HD 4, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 932, SD 2, HD 4, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," passed Final Reading by a vote of 50 ayes, with Representative Yoshinaga being excused.

Conf. Com. Rep. No. 128 and S.B. No. 1113, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1113, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ASSISTANCE," passed Final Reading by a vote of 50 ayes, with Representative Yoshinaga being excused.

Conf. Com. Rep. No. 129 and S.B. No. 755, SD 2, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 755, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HARBORS," passed Final Reading by a vote of 50 ayes, with Representative Yoshinaga being excused.

Conf. Com. Rep. No. 130 and S.B. No. 1060, SD 1, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1060, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ESCROW DEPOSITORIES," passed Final Reading by a vote of 47 ayes to 3 noes, with Representatives Jaffe, Meyer and Pendleton voting no, and Representative Yoshinaga being excused.

Conf. Com. Rep. No. 131 and S.B. No. 1068, SD 1, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1068, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PRODUCER LICENSING," passed Final Reading by a vote of 50 ayes, with Representative Yoshinaga being excused.

Conf. Com. Rep. No. 132 and S.B. No. 1030, SD 2, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1030, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY," passed Final Reading by a vote of 34 ayes to 16 noes, with Representatives Auwae, Bukoski, Davis, Djou, Gomes, Halford, Jaffe, Leong, Marumoto, Meyer, Moses, Ontai, Pendleton, Rath, Thielen and Whalen voting no, and Representative Yoshinaga being excused.

Conf. Com. Rep. No. 133 and S.B. No. 1561, SD 1, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1561, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS," passed Final Reading by a vote of 50 ayes, with Representative Yoshinaga being excused.

Conf. Com. Rep. No. 134 and S.B. No. 530, SD 2, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 530, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL

ADMINISTRATORS," passed Final Reading by a vote of 50 ayes, with Representative Yoshinaga being excused.

Conf. Com. Rep. No. 135 and S.B. No. 654, SD 2, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 654, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

"The purpose of this bill is to require the Department of Human Services to withdraw the Medicaid plan amendment that it submitted to the US Healthcare Financing Administration, HCFA. The DHS amended plan would cripple the State's Medicaid program by reducing the Medicaid payments to below the actual cost of medical service providers. The amended plan does this by having the component of Medicaid reimbursement that accounts for inflation, which is called the DRI McGraw-Hill inflation factor. The DHS amended plan would also exclude payments that would represent a return on equity for providers.

"Finally, the plan would eliminate rate reconsideration which allows providers to request rate readjustments due to increases in actual cost caused by acts of God and other factors beyond the control of the provider. In addition to requiring the DHS to withdraw this amendment, this bill would prohibit DHS from resubmitting a Medicaid plan amendment proposal that fails to account for inflation, fails to provide a return on equity for health care providers and fails to restore reconsideration.

"Madame Speaker and colleagues, as you know Medicaid is the final government safety net for some of the most fragile and needy persons in our community. Without Medicaid, the aged, the blind and the disabled would not receive the necessary medical care. Yet funding for Medicaid has been reduced over the years. For example the federal government has significantly reduced payments for older Americans as a result of the 1997 Balanced Budget Act. These payments had not been fully restored through other means.

"We all know that even now many of our hospitals and long-term care facilities are suffering because of inadequate reimbursements for the care they give to Medicare and Medicaid patients. In an effort to reduce losses due in part to inadequate Medicaid payments, facilities have been laying-off workers, freezing vacant positions and eliminating programs. Up to now providers have been able to shift much of the burden of paying for Medicaid patients to other sources of revenue or through other more drastic methods, such as lay-offs. However, the ability of health care providers to cost-shift has its limits and Hawaii's health care facilities are near or at that limit today.

"We heard earlier about the real shortage in providing long-term care programs and facilities especially on the Neighbor Islands. If this plan were implemented it would have a profound negative effect on many of these facilities.

"Madame Speaker and colleagues, this bill, because it was opposed both by the Director of the Department of Human Services and Budget and Finance, I fear is headed for a veto. But I think and I am hoping that leadership on both the House and Senate will appeal to the Governor to approve this bill and have the Department comply. Otherwise we will be headed for a real crisis in terms of providing long-term care services to our most needy in our population.

"So I ask for your support on this measure. Thank you Madame Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 654, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAID," passed Final Reading by a vote of 50 ayes, with Representative Yoshinaga being excused.

The Chair directed the Clerk to note that S.B. Nos.: 932, SD 2, HD 4, CD 1; 1113, HD 1, CD 1; 755, SD 2, HD 1, CD 1; 1060, SD 1, HD 2, CD 1; 1068, SD 1, HD 2, CD 1; 1030, SD 2, HD 2, CD 1; 1561, SD 1, HD 2, CD 1; 530, SD 2, HD 2, CD 1; and 654, SD 2, HD 2, CD 1 passed Final Reading at 8:24 o'clock p.m.

Conf. Com. Rep. No. 136 and S.B. No. 41, SD 1, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 41, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONSERVATION," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Gomes voting no, and Representative Yoshinaga being excused.

Conf. Com. Rep. No. 137 and S.B. No. 1414, SD 1, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1414, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR UNIFORM LAWS," passed Final Reading by a vote of 50 ayes, with Representative Yoshinaga being excused.

Conf. Com. Rep. No. 138 and S.B. No. 704, SD 1, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 704, SD 1, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

"I favor the appropriation and I'm also in strong support of the provision which temporarily repeals the requirement that not more than 30% of the Victim Compensation Fund be used for operating expenses and salaries. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 704, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIME VICTIM COMPENSATION," passed Final Reading by a vote of 50 ayes, with Representative Yoshinaga being excused.

Conf. Com. Rep. No. 141 and S.B. No. 992, SD 2, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 992, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TOBACCO," passed Final Reading by a vote of 50 ayes, with Representative Yoshinaga being excused.

The Chair directed the Clerk to note that S.B. Nos.: 41, SD 1, HD 2, CD 1; 1414, SD 1, HD 1, CD 1; 704, SD 1, HD 2,

CD 1; and 992, SD 2, HD 2, CD 1 passed Final Reading 8:24 o'clock p.m.

Conf. Com. Rep. No. 146 and S.B. No. 1382, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1382, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE OFFICERS AND EMPLOYEES EXCLUDED FROM COLLECTIVE BARGAINING AND MAKING APPROPRIATIONS AND OTHER ADJUSTMENTS," passed Final Reading by a vote of 50 ayes, with Representative Yoshinaga being excused.

Conf. Com. Rep. No. 149 and S.B. No. 123, SD 1, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 123, SD 1, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

"Homeless shelters, the last safety net for families plunged into homelessness, may soon be unavailable to the homeless. In this bill Madame Speaker, it appropriates \$100,000 each year in this next biennium to address this huge need and I am very grateful that the Committees of Finance and Ways and Means saw this as a priority for Human Services and Housing. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 123, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING," passed Final Reading by a vote of 50 ayes, with Representative Yoshinaga being excused.

The Chair directed the Clerk to note that S.B. Nos. 1382, HD 1, CD 1; and 123, SD 1, HD 2, CD 1 passed Final Reading at 8:27 o'clock p.m.

Conf. Com. Rep. No. 150 and S.B. No. 838, SD 2, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 838, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

"Madame Speaker, I sent out a survey to my Windward district and asked what the survey respondents felt should happen to the money within the HHRF program. Resoundingly they responded that the monies should be returned to the policyholders. Absent that, the money should stay in the fund to be there ready in the event we have another Hurricane Iniki type of tragedy.

"The HHRF was originally established as a temporary measure until the private insurers could re-enter the market and provide hurricane insurance for their clients. That has since happened and the private insurers are back in the market and providing the coverage. At its inception the fund was a good idea. I still think it is a good idea because we need to have that money there just in the event that we are again hit with a hurricane. As we take a look at some of the statistics that we will hear about as we address the renewable portfolio standards bill, you will see that obviously the world's climate

is changing and unexpected events are occurring such as hurricanes, floods, etc.

"The wind damage mitigation is a good thing, but if we pass this bill I think we just give government a bad name. Payments into the fund were essentially forced out of the policyholders. Policyholders didn't have an option, they had to pay into that. We told the people of Hawaii that this program was good for them and it would enable them to recover from the devastation of another hurricane and they believed us. Now we are taking money out of that fund and using it for something else. It might be excusable if the wind mitigation program called for in this bill would benefit every contributor to the fund, but it doesn't. It's simply going to match funds on a first-come, first-served basis. There's not even a needs assessment built into the measure.

"All of the people who contributed to the fund, just under 3000, will actually benefit if each of those policyholders pull down the maximum amount allowable in matching funds. Who really benefits from this bill? Well, the State is not particularly gaining from anything more than some strong shutters. As it stands, the Hurricane Relief Fund would be expended in case of a major storm anyway. We've already established that with the exception of a few, the policyholders who paid into the fund don't benefit. So who does benefit?

"I would propose Madame Speaker, that it is the few retailers, very few retailers, who specialize in these hurricane protection measures such as Hawaii Security Shutters who testified before the Committees. I ask, since when has it been the business of the Legislature to create a demand or a measure that would really favor one or just a small handful of companies. The fund has a purpose, the people bought into the purpose, either keep the money in the fund so that it will be there in case another hurricane comes or refund it to the policyholders. You might say, 'Well wait a minute we can't do that'. But I will point out to the members that the refund process already exists in SB 1048. We are allowing in that bill insurance carrier refunds to be turned over to the Health Fund beneficiaries. If we are going to dissolve Hawaii's Hurricane Relief Fund, we should be doing the same thing.

"I just feel that this is an unfair result of a forced fund and I can't vote in favor of the bill. Thank you."

At 8:32 o'clock p.m., Representative Halford requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 8:33 o'clock p.m.

Representative Gomes rose to speak in opposition of the measure, stating:

"I concur with many of the remarks made by my colleague of Kailua and for those reasons I am going against it. Thank you."

Representative M. Oshiro rose in strong support of the measure and asked that he be permitted to insert an article from the *The Honolulu Advertiser*, and the Chair "so ordered."

"Mr. Speaker, this bill establishes a pilot program to provide (matching) grants to homeowners for installation of hurricane protection devices. In the long run, this kind of initiative will provide greater security and protection to Hawaii's residents than return of a few dollars apiece.

"This fact is, Mr. Speaker, there will be another hurricane whether we like it or not. We just don't know when. We were

lucky enough the last time to find a solution. Mr. Speaker, let us not tempt fate and let our hot air blow it all away. Thank you."

The Honolulu Advertiser – April 22, 2001

We Can't Let Hurricane Relief Fall Prey to Politics
By Gerald Peters

At the Hawai'i Legislature this year, the crucial matter of disaster preparation has been turned into yet another target for partisan rhetoric and political games.

A vocal few are trying to turn the Hawai'i Hurricane Relief Fund into just another pool of monies that easily be diverted or rebated, with little consideration given to the impact of such moves.

"Give it all back; let homeowners fend for themselves" is one mantra.

Meanwhile, Democratic leaders in both houses are much more cautious. Their approach maintains that the hurricane fund should be used as originally intended — to help Hawai'i homeowners prepare for the inevitability of the next hurricane.

To be fair, many opponents of the Democrats' "safe" approach sincerely believe the fund is not needed.

They propose a radical, but politically appealing, approach: close it down, pass out the money.

That might be a good idea if:

- You could count on insurers not to abandon our homeowners again so you wouldn't still need a state safety net.
- You could make a black-and-white conclusion that a rebate was actually due or do able.
- Homeowners hadn't already received a \$40 million windfall to insure their homes over what they paid in.
- The 80 percent of our existing homes and town houses built before the 1990s were not in need of strengthening.

Rebaters essentially are betting that El Nino, due back soon, won't bring a storm before the 2002 elections. They're betting that voters won't realize Democrats are actually taking the harder political road: protecting homeowners and investing in the future.

Meanwhile, the governor's idea to create scholarships via interest earned on the hurricane fund (as well as tobacco funds) was portrayed as a raid on the \$195 million in the hurricane fund.

The administration tried to make it clear that the governor's proposal was to use the earned interest only. The governor agreed that the principal should stay in a rainy-day fund, ready for the day the hurricane fund would have to return to writing policies. He looked at, but quickly cut off, earlier ideas for a partial rebate.

We're told the phone calls poured in: "Don't let them spend it on scholarships; keep it safe; use it for the intended purpose, or give it back."

Veteran Democratic lawmakers studied the issue and steadfastly opposed plans that would leave homeowners unprepared and unprotected. They became convinced that the hurricane fund no longer can be seen as temporary. Expected federal legislation to create a national hurricane insurance program has failed.

They also concluded that we must not endanger our standing with the Federal Emergency Management Agency by politicizing its reserve.

They know that pulling the rug out from under the \$1.5 million federal investment last year in state and county hazard mitigation programs won't sit right with FEMA.

You have to credit Senate Consumer Protection Committee Chairman Ron Menor, who came up with the framework for a long-term hurricane readiness strategy that was sent to a conference committee this past week.

Those who want to raid or rebate this fund and its \$195 million reserve might stop to consider whether it is still essential for states to help homeowners prepare for a future insurance crisis with "safety nets" like the hurricane relief fund.

If they did, there might not be so many misconceptions about rebates and scholarship plans.

All this does is politicize the debate and cloud the issues.

Closing the hurricane fund or general rebates are out for now; protecting the reserve, hazard mitigation and related-use rebates are in.

Most legislators, Insurance Commissioner Wayne Metcalf, hurricane relief fund officials and even critics such as us have concluded nothing has really changed since Hurricane 'Iniki. A future crisis is probable. Hawai'i needs a public-sector agency and reserve to fall back on.

This agency can manage crisis readiness with programs that lower overall risk. This, in turn, helps stabilize future coverage availability and rates.

Nevertheless, a Republican bloc (13 House members and three senators) remains determined to push a rebate and is unconvinced that dissolving the relief fund or passing on rebates to policyholders might be the wrong move at this time.

This is despite the fact that policyholders represent only 58 percent of the picture.

In addition, the Republicans seem to be against other majority-sponsored bills that might help retirees, veterans, multi-generation families and others prepare their homes for a hurricane.

Why?

Metcalf recently voiced serious concerns about the fund's exit from policy-writing and the resulting concentration of hurricane risk at a start-up company, Zephyr Insurance.

Nine years after 'Iniki, insurers such as Allstate and Island are still not writing hurricane policies.

The retroactive grants for state hurricane relief fund policyholders to install wind damage mitigation devices like hurricane clips and storm panels will also make homes more insurable, thus lowering annual rates.

The relief fund is still needed at this point with its future-oriented risk and rate management programs.

Policyholders have received what they paid for: subsidized premium rates below true market levels. Rebates are virtually impossible to achieve, would be small, require bigger government staffing and face potentially protracted legal challenges by various classes of contributors and their lawyers.

Rather than rebates, any future return would probably have to go via the state General Fund and then variable tax credits. But even in that case, not everyone would be eligible. Yikes!

So, after years of trying to untangle this complex, intellectually challenging puzzle, we still have questions.

Gerald Peters is coordinator of the Hazard Mitigation Ad Hoc Task Force; president of Hurricane Protection Systems, and a management consultant in Hawai'i for 22 years.

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 838, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HAWAII HURRICANE RELIEF FUND," passed Final Reading by a vote of 47 ayes to 4 noes, with Representatives Davis, Gomes, Stonebraker and Thielen voting no.

Conf. Com. Rep. No. 154 and H.B. No. 1400, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1400, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 155 and H.B. No. 407, HD 1, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 407, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

"This bill is long overdue for the local construction industry. Construction in Hawaii right now is not as robust as it was in 1980. Private construction is very low and what we have right now is a lot of federal projects. Most of the projects that we have are taken from mainland contractors. This bill is very timely because the federal government has issued out an RFP for Ford Island, which is a \$1 billion project.

"The revenues from this, just from the GET, would greatly enhance our state budget if we collect this. So I urge our members to vote for this measure. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 407, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE GENERAL EXCISE TAX," passed Final Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

Conf. Com. Rep. No. 156 and H.B. No. 94, HD 1, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 94, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

"I've long been an advocate of the Parent Community Networking Centers. This is providing more funds down at the school level, but it is much more than that. This is somebody who works within the school, but is actually part of the community. The Parent Community Networking Center facilitators insure that the community itself is involved in the school. This can only be for the benefit of our teachers and our students especially.

"With the community support, many things can get done that could not otherwise get done being dictated by our statewide school board. This bill produces \$250,000 and that equates to about \$14,500 for each PCNC center. Right now we have only 45 schools that receive \$3,300 and 46 schools have no funding at all. This will provide PCNCs at those schools that have none with the exception of two schools that have very small student bodies in the State.

"So I think it is a long needed measure and I vote with full support. Thank you very much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 94, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PARENT-COMMUNITY NETWORKING CENTER PROGRAMS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 157 and H.B. No. 946, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 946, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

At this time, Representative Halford offered the following amendment to H.B. No. 946, SD 2, CD 1:

SECTION 1. House Bill No. 946, SD2, CD 1 is amended by amending line 4 on page 1 to read as follows:

"(a) ~~Up to a total of twenty-five schools~~ Schools may be established as"

SECTION 2. House Bill No. 946, SD1 [sic], CD 1 is amended by amending line 16 on page 7 to read as follows:

"(1) Three of the members shall be board of education"

SECTION 3. House Bill No. 946, SD1 [sic], CD 1 is amended by amending line 19 on page 7 to read as follows:

"(2) Three of the members shall be members of the new century"

SECTION 4. House Bill No. 946, SD1 [sic], CD 1 is amended by amending line 19 on page 9 to line 1 on page 10 to read as follows:

"(g) An amended implementation plan shall be submitted within sixty working days of notification pursuant to subsection (f)(2)(A). The board shall deny the issuance of a charter if the local school board does not submit an amended implementation plan within the sixty working day period. The"

SECTION 5. House Bill No. 946, SD1 [sic], CD 1 is amended by amending line 15 on page 10 to read as follows:

"panel shall require a reamended plan.

(3) If the second amended plan fails to resolve any conflicts to the panel's satisfaction or involves new and different issues of conflict with subsection (d) or section 302A-1184, the panel shall deny issuance of a charter."

SECTION 6. House Bill No. 946, SD1 [sic], CD 1 is amended by amending lines 16 on page 10 to line 3 on page 11 to read as follows:

"(h) (i) A local school board may file an appeal of the denial of an application for a charter with the University of Hawaii through the new century charter school appeal committee. The committee shall be composed of five members as follows: a member of the board of regents of the University of Hawaii as selected by the board of regents; two members of the charter school community, not on the panel, and approved by the board of regents from a list submitted by existing new century charter schools; two at-large positions of faculty members of the school of education at the University of Hawaii selected by the school of education faculty. The members of the committee shall serve for three year terms.

(ii) Upon filing an appeal, the committee shall receive the implementation plan and appropriate documentation of the appeal. Within thirty working days, the committee shall issue a report of its findings and final determination to the local school board. If the implementation plan is approved on appeal, the board of education shall issue a charter and the implementation plan shall be converted to a written performance contract between the school and the board of education.

SECTION 7. House Bill No. 946, SD2, CD 1 is amended by amending line 19 on page 11 to read as follows:

"shall be the department's average per pupil"

SECTION 8. House Bill No. 946, SD2, CD 1 is amended by amending line 6 on page 12 to read as follows:

"twenty students shall be given a state subsidy"

SECTION 9. House Bill No. 946, SD2, CD 1 is amended by amending lines 14 to 15 on page 15 to read as follows:

"each new century charter school [four years] once in the first two years after its establishment and every four years"

SECTION 10. House Bill No. 946, SD2, CD 1 is amended by amending line 3 on page 16 to read as follows:

"and shall have two years to bring student performance"

SECTION 11. House Bill No. 946, SD2, CD 1 is amended by deleting section 6 and adding a new section 6 to read as follows:

"SECTION 6. If any provision of this Act, or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Act, which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable."

Representative Halford moved that the amendment to H.B. No. 946, SD 2, CD 1, be adopted, seconded by Representative Fox.

Representative Halford rose to speak in support of the amendment, stating:

"The major elements of the amendment are very well-described on face of the two pages that's provided.

"Madame Speaker, I offer this amendment because this amendment will help the existing Charter School law. I perceive that the existing Conference Draft that we will vote on next actually hurts our existing law.

"One of the major elements of this amendment is that it provides a mechanism for us to receive a full compliment of federal funds. It lifts the cap on charter schools and provides a denial and appeal process. It also creates a separate appeal authority, which is very important for us to acquire federal funds for our charter schools.

"Also, this amendment improves the funding mechanism as asked for by the Board of Education and it allows for meaningful independence for charter schools. Thank you."

Representative Ito rose to speak in opposition to the amendment, stating:

"Madame Speaker, I wish to make the following points: (1) The Senate has already passed this bill on Final Reading without any amendments; (2) This bill is a product of many people involved in charter schools and to change it now would be irresponsible; (3) It is premature to remove the cap at a number of charter schools, the charter schools need to prove that they are working before we can expand; (4) Representation by the Board of Education members and the New Century Charter School Review Panel should not be changed, the Board of Education members bring the kind of statewide focus that the Review Panel needs; (5) The procedure for submitting an amended implementation plan should not be extended, at the early stages of this process, the Board needs to be able to proceed swiftly, therefore a streamlined process is essential; (6) There is no justification to establish a new appeal committee that consists of inappropriate members; (7) Charter schools should never be established at the expense of any of our public school students, therefore members, funding for the New Century Charter Schools should remain flexible; and (8) The initial stages in establishing these charter schools are critical times and the Board of Education cannot afford to wait two years before it evaluates a new school.

"The proposed amendment would allow up to four years for a charter school to work toward compliance with statewide standards. This is one-third of the entire time that the child is in public school.

"Finally Madame Speaker, a great deal of federal money is tied to the methods we used to create charter schools. If we even meet the federal requirements we stand to lose that funding. I urge all of my colleagues to oppose this floor amendment. Thank you."

Representative Halford requested a roll call vote.

The request for a roll call vote was put to vote by the Chair and upon a show of hands, the request was granted.

Roll call having been requested, the motion to adopt the amendment to H.B. No. 946, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was put to vote by the Chair and failed to carry upon the following show of Noes and Ayes:

Noes, 31: Abinsay, Ahu Isa, Arakaki, Cabrerros, Chang, Espero, Garcia, Hale, Hamakawa, Hiraki, Ito, Kahikina, Kanohe, Kawakami, Lee, Luke, Magaoay, Morita, Nakasone, B. Oshiro, M. Oshiro, Saiki, Say, Schatz, Souki, Suzuki, Takai, Takamine, Takumi, Yonamine and Yoshinaga.

Ayes, 20: Auwae, Bukoski, Case, Davis, Djou, Fox, Gomes, Halford, Jaffe, Leong, Marumoto, McDermott, Meyer, Moses, Ontai, Pendleton, Rath, Stonebraker, Thielen and Whalen.

Main Motion

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

"Madame Speaker, this session the Senate and the House met with members of the Charter School Association to come up with legislation that would benefit charter schools. We feel that HB 946 is a great bill and one that addresses the concerns of the charter schools, the Department of Education, the Board of Education and the Legislature.

"This bill creates a review panel composed of members from the Board of Education and the Charter School Association. This strengthens the existing law, thus allowing Hawaii charter schools to receive more federal money. Under the Constitution, the Board of Education is the final authority. We would have had to have a constitutional amendment to create a separate review panel. At this time we do not feel that given the charters, the full autonomy is wise. The State is still accountable and liable no matter who the final authority is. We, the State, are responsible for all public school children and to give away full authority would be irresponsible.

"Madame Speaker, we also gave the Board of Education the authority to give provisional charters. This would benefit charter school applicants that are one step away from getting the charter but can't because of a lease of facilities or insurance. This is to fix that 'catch-22' and will result in no federal money for charter schools because it will technically be a new charter school. This law would also give the review panel the ability to deny charters. This will also result in charter schools receiving more federal monies. Right now, there's very little that the Board of Education can do to move the 25 applicants in line. With the ability to deny, an applicant has two chances to fix the application then must apply again. This allows those who were not first in line to have a chance of getting a charter. This denial process is more efficient and logical.

"This will also allow those who wanted to apply, but couldn't because of the cap, to apply. This bill fixes the per pupil allocation to the average DOE per pupil. This would ensure that charter schools would receive the necessary funding and that regular public school students will also receive proper funding. Although charter schools are important, they will not take precedence over general public schools. Because charter schools are still public schools, they still need to be accountable to the State. The Charter School Association agreed that in the first years, they need to be watched and evaluated. After the first couple of years the problems are fewer and should be allowed to be more autonomous. Independent evaluations will be done annually for the first two years and then every four years thereafter. The school will have one year to correct any problems that the independent evaluation points out. We have lowered it from two years because it is too long to wait for a school to correct itself if the children are not learning to read or write. We the State, must insure that all our children receive standard core curriculum.

"Madame Speaker, this bill in no way harms charter schools and those who believe that are very misinformed. To vote against this bill is to vote against increased federal dollars. This is not to say that we can get more federal money, but this bill is a move in the right direction. It is very important that we pass this legislation this year because the federal government will be looking to give these states money this coming year, and we need them to see that we are trying to strengthen our charter school law.

"Again, a vote against this bill is to deny charters more federal funding. Your Committee on Education hopes to continue working with the charter school community, the DOE and the Board of Education to help develop the best possible public education system for our children. Thank you."

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

"You just heard the Chair of the Education Committee say that we can't push for charter schools at the expense of public schools. I draw your attention to that statement because if there is a continuing inability on the part of people who represent the educational establishment in this State, then the Chair of the Education Committee, I think, fits quite properly in that category.

"Failure to recognize that charter schools are public schools, they're simply another form of public school. It is very important to recognize that he is trying to speak on behalf of the charter schools, but the people who are trying to build charter schools and who have charter schools are strongly opposed to this legislation. Let's listen to them and not some DOE version of what they're saying. They're telling us directly and they are telling the public directly, don't pass this bill. You will hurt charter schools.

"In addition to that, the Chair of the Education Committee is talking about federal money. We have made inquiries into Washington, and just as we suspected, Washington is telling us, you pass a bill like this and you will be threatening your ability to get federal money. That's because this bill misunderstands the basic nature of the charter school program. There must, there must, there must be multiple chartering authorities. You can't go to one place to get or not get your charter. If you are denied in one place you have to be able to go somewhere else. That's why we offer the floor amendment this evening because we wanted to give us a chance to have a multiple chartering authority. Unfortunately you have taken that away by denying the floor amendment. So you are threatening the federal money if you go ahead and pass this bill.

"Superintendent LaMahieu very artfully constructed a way to get federal money within the present system. He said what we will do is simply ask people to submit their charters and if they meet certain conditions we will grant those charters. No ifs, ands, or buts. So he took discretion and he took choice out of the system. He said if you meet conditions you will get your charter. We recognize that on that basis maybe he had a point. If people are automatically going to get charters then you don't really have an authority that is giving or taking away charters. If you have an automatic granting of authority, then maybe you would get the federal money because you would be able to establish charter schools by just meeting certain conditions and not going before a Board.

"Unfortunately this bill undoes everything Superintendent LaMahieu promised when he set up the program. No multiple chartering authority, the ability of the DOE to simply deny a charter, this is not a charter school program and we are not

going to get federal money and this bill is a terrible idea it should be defeated. Thank you Madame Speaker."

Representative Ito rose in rebuttal, stating:

"Madame Speaker, I just want to comment that we met with the DOE, one member from the Board of Education, two members from the Charter School Association, the House and Senate Education Committee Chairs and two members from Senator Sakamoto's staff. We went over these charter school regulations and we came out with what we have right now. We all walked out smiling. When you mention Superintendent LaMaheiu, we had two representatives from the DOE and they said there was nothing wrong with this charter school bill and that is why we have it right now here on the floor. Thank you."

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

"Madame Speaker, several people were brought to the table including, as was just mentioned, two members of the charter school movement, in fact they both work with charter schools now. They were brought to the table, but they weren't heard. They both opposed this bill and the proposals that they brought to discussion were not acknowledged, and if anyone would read the front page of the *Star-Bulletin* today or your e-mails, you would understand that the charter school movement, whether it is people from the Big Island or Oahu or wherever, they are consistently in opposition to this bill because they know it damages the charter school movement in Hawaii.

"Madame Speaker, another point I want to make is that this new bill certainly will hurt our federal funding ability. We're retaining a cap on the number of charter schools we could have and the same appeal authority, for the chartering authority, as the committee report says it very well, established the Board of Education as the charter approval authority and as the final appeal authority. That puts our federal funds seriously at risk and if there is anyone that would still question that, the information is easily accessible.

"This is really just a minor point, but the committee report is inconsistent. Point number four on the cover page of the committee report is not consistent with page eleven, line seventeen through twenty-two, regarding the funding mechanism.

"Madame Speaker, I know it is going late and so I won't continue on. However, this is one speech that I could go on with several people offering their time to my behalf. Thank you."

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

"SB 549, CD 1, is really a re-write of the New Century Charter Schools and it really is sending us backwards. Through the announced priority for funding existing publicly funded schools, it threatens the chartering of schools for native Hawaiians. The call for two successive years of independent evaluations imposes a burden for New Charter Schools that would render the enormous task of launching a school infinitely harder. The elimination of the opportunity to resubmit an amended proposal for a second time, appears to be set-up to really put up a wall and discourage people from continuing on. The leaving of charter schools with only the possibility of a small school allocation, leaves them not only poor but less able to plan intelligently.

"Finally, the make-up of the review panel with four Board of Education members or their designees makes the review that of a Board of Education Committee. Since the core purpose of the charter school idea is to challenge the exclusive control of Board of Education, this makes no sense. These are comments made by a member of the League of Women Voters, they are very much opposed to this bill and I think if you read the article in the *Star-Bulletin* today, most of the people who are involved in the Big Island are very upset over this. We are really moving in the wrong direction and I would hope that some of the majority members would join us and defeat this bill tonight. Thank you."

At 8:56 o'clock p.m., Representative Arakaki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 9:00 o'clock p.m.

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

"I just wanted to clarify two things. First of all, the concern regarding the draw-down of federal monies for charter schools. I'm looking right now at the public charter schools program application for new grants, and it talks about the priorities and whether or not a state can obtain federal funds for charter schools. There are three criteria and you have to meet at least one. In the past the State has met just one. The one that we have met is number three, 'the state ensures that each charter school has a high degree of autonomy over its budget and expenditures'. That's the one that we have met in the past and that's the one we will meet in the future with this bill passing.

"The other two Madame Speaker, the state has demonstrated progress in increasing the number of high quality charter schools. We are going to be increasing the number of charter schools in the next year so as the federal government reviews this, they are going to see that the number is increasing. However, there is still a ceiling of twenty-five and the Chair of the Committee on Education spoke to the reason why we don't want at this point to remove the cap.

"Number two, the state provides for one authorized public chartering agency that is not a local educational agency or allows for an appeal process for denial of an application for charter school. We don't do this. But we didn't do this in the past and I don't think the concerns raised by some of the opponents of this measure really explained the federal process and the ability to draw down funds. Again, we are currently in a situation where we meet one of three priority points and we will be in the same situation once this bill passes. So, I think in terms of drawing down federal support we will still have the ability to do so.

"In addition, another point I want to make is in regard to the small school subsidy. There are a lot of people concerned about the small school subsidy. Lot of people are interested in creating charter schools of ten or fifty students. I don't think it was ever the intention of this body to allow approval of charter schools of ten or fifty students. If you are going to be able to survive and compete in this arena, I think you are going to have take a look at schools at the size of 120 or 150 students. Then I think you will be able to survive. As a matter of fact, I know you will survive because you will be able to draw-down enough State money in addition to that you will have the ability to draw-down federal money and also grants.

"So I think the concern regarding the small school subsidy is realistic for those applicants looking at creating charter

schools for ten to fifty students. But I don't think that was ever the intent of the Legislators four years ago when we adopted the Charter School Act. Thank you Madame Speaker."

Representative Rath then moved that H.B. No. 946, SD 2, CD 1, be recommitted to the Committee on Conference, seconded by Representative Gomes.

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

"Yes I believe to the movant of the motion would like to have something said."

"The reason why I feel the bill should be recommitted or just in essence 'killed', is put out very eloquently by a Ph.D. student in the education policy studies at the University of Hawaii at Manoa. She has six points as to why the bill should be recommitted. Any school or development group upon submission of a detailed implementation plan, upon being turned down twice will never again be considered for a charter. I ask why? What justification is there for that? Passage of HB 946 could eliminate the small school subsidy which was just discussed a minute ago, but that small school subsidy is important to the survival to Hawaii's smaller charters. By changing the word 'shall' provide a small school subsidy, to 'may' provide a small school subsidy, those subsidies in essence are killed.

"The current version of HB 946 provides for an independent Board of Education initiated annual evaluation."

Representative Souki rose on a point of order, stating:

"I believe the speaker from Kailua is speaking on the merits of the bill and you should be speaking on the recommitment of the measure. I think she is deviating from that."

The Chair responded, stating:

"I recognize your point. Representative Thielen the discussion has to be on the propriety of the recommitment and it has to be a procedural debate. So, if you can confine your remarks to the recommitment and then we can get on to the vote."

Representative Thielen continued, stating:

"To get on with the vote to recommit. When I think the members, when they consider this, will be voting 'yes' to recommit so that we can continue with the charter school system as it is. When you look at why it is necessary to recommit the bill, we have talked about the federal funding and my colleague over to the right of me was discussed that."

The Chair interjected, stating:

"Representative Thielen again, if you can confine your remarks to the propriety of the motion which is the recommitment."

Representative Thielen continued, stating:

"If we don't recommit the bill Madame Speaker, we will be losing or jeopardizing certainly the federal funding. I would say that this is a very good reason right off the bat as to why the measure should be recommitted. I don't think we can, as my colleague from the right said, trust that while we have met maybe one of the standards or two of the federal standards for funding and don't worry about the third, I don't think that is a good way to proceed. We as a body don't want to jeopardize

the federal funding for charter schools. Charter schools are public schools. We need to expand."

Representative Souki rose on a point of order, stating:

"The Representative from Kailua again is deviating from the propriety of the recommittal. If she would continue on the procedure and not get into the demerits or the merits of the bill."

The Chair responded, stating:

"Representative Thielen one last time, could you please speak to the propriety of the motion."

Representative Thielen continued, stating:

"I think the motion is proper Madame Speaker. It is very difficult to explain why if I'm not allowed to say it. But I would urge members to vote for it so we can retain the federal funding and enlarge the charter schools in our State. Thank you."

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

"Madame Speaker, I do have a charter school in my district and nobody from that school called to ask me to support this measure. I think they would want it to be recommitted, in fact the e-mails, and telephone calls, which I received would all have been against this measure so I think it should be recommitted. The various Education Committees should take a crack at it during the interim and see if it is something they can address whatever the concerns might be from the chartering community. So it definitely should be recommitted. Thank you."

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

"If I'm correct the motion to recommit would kill the bill because it means that we would have to wait another 48-hours and have another conference committee. I suppose, as a neophyte I am not really familiar with the procedures. But I remember a previous discussion of not being able to recommit another bill because of the fact that it would be too late tomorrow or Thursday to pass this bill. If we recommit the bill we are killing it, and the reason why I am against recommitting it is that that means that the present charter school law will stay in effect.

"I am involved in a charter school trying to get started in my district and one of the real problems has been pointed out in one of the committee reports. There's a 'catch-22' situation in which the applicant cannot receive a certificate of occupancy or get a lease unless they have a charter. The present law does not allow for provisional charters. So for that reason I feel that we should not recommit this bill because it will keep the present law in effect. Thank you Madame Speaker."

The Chair addressed the body, stating:

"Again members, on the motion to recommit we are supposed to limit the debate to the procedural motion and the recommittal itself and not on the substance of the measure. We need to focus the attention on what it means to recommit it back to the committee and we should refrain to talking about the substance of the bill."

The Chair then recognized Representative Rath.

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

"Why would you recommit this bill? I think the obvious reason is that we have all the charter school folks, e-mailing, faxing and calling in opposition. So you have this one large group over here who is against this bill and you have a very small group of people who are involved in the present system who are for it, integrated into the bureaucracy. But the people who are actually involved in charter schools, none of them are for this bill. None of them have come out and testified for it, in fact the opposite is true. So if there is a reason to set this aside till next year, to come back and reexamine it in the next session, I think it is valid that you have this huge chasm between those people who are actually operating charter schools, successfully I might add, in various districts throughout the State, inclusive of mine, and I think we should just go ahead and recommit it. Next year we can take it up, tweak it and change it and let's get these people in a committee and let's talk to them face to face and find out what their real concerns and real problems are. That's the reason for a recommittal and that's what I think we ought to do. Thank you."

Representative Saiki then called for the previous question, seconded by Representative Takai.

The request for a roll call vote was put to vote by the Chair and upon a show of hands, the request was granted.

Roll call having been requested, the motion that H.B. No. 946, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," be recommitted to the Committee on Conference was put to vote by the Chair and failed to carry on the following show of Noes and Ayes:

Noes, 31: Abinsay, Ahu Isa, Arakaki, Cabrerros, Chang, Espero, Garcia, Hale, Hamakawa, Hiraki, Ito, Kahikina, Kanoho, Kawakami, Lee, Luke, Magaoay, Morita, Nakasone, B. Oshiro, M. Oshiro, Saiki, Say, Schatz, Souki, Suzuki, Takai, Takamine, Takumi, Yonamine and Yoshinaga.

Ayes, 20: Auwae, Bukoski, Case, Davis, Djou, Fox, Gomes, Halford, Jaffe, Leong, Marumoto, McDermott, Meyer, Moses, Ontai, Pendleton, Rath, Stonebraker, Thielen and Whalen.

Main Motion

Representative Moses rose to speak, stating:

"I'm glad the cameras are running and can see how we stifle debate in this chamber. I am speaking on the motion now Madame Chair, and the reason..."

The Chair interjected, stating:

"Representative Moses, that is not..."

Representative Moses interjected, stating:

"I am speaking on the motion now Madame Chair and the reason I'm speaking about it is because this bill should have been recommitted..."

The Chair interjected, stating:

"Are you speaking in support or against?"

Representative Moses responded in opposition to the measure, stating:

"I am speaking in opposition. And I am speaking because this bill is defective as it is. It should be considered a work in progress. It should not be killed but should be worked on over the interim so that we get a good bill that everyone can support. That is some of the reasons why we were trying to get it recommitted, to allow this chamber to come out of here looking good. But sometimes you just can't go along with something that is trying to make a bill better. That's all we are trying to do. We are for charter schools. They are public schools. We are trying to support the education system in our State. We are trying to help you and work together to make things better. Thank you Madame Speaker."

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

"I do have some concerns. (1) First, this bill in the Education Committee in the House in which I sit, started out as a bill to support the Pearl City High School Cultural Center. It passed the Education and Finance Committees for that purpose. It went over to the Senate and I have learned that one of the tricks is to take the other house's bill and gut it and that's what they have done to this bill. They changed it around entirely to make it a charter school bill. As such it never came back to the House Education Committee to be fully discussed. That is my reservation.

"I am going to vote, however with reservations, because of the fact that it does allow for provisional charters and I think that is a very, very important thing in charter schools getting started. In my own experience in our community is that they couldn't get a lease for a property that they wanted to put the school on because they didn't have a charter and this is a 'catch-22' situation. This bill does address this. I don't think that it is a perfect bill, but I feel that next session we will work on this bill more in the Education Committee under the correct title and improve the bill. But in the meantime, although I've had many people also e-mail, fax and call me, as I am sure most of my colleagues have, I don't really feel that they understand the bill well enough. I think this is just an emotional issue like the teacher's strike and other things that have happened during this session.

"So, with the purpose of moving this forward and getting the provisional charter, I'm going to support this bill. Thank you."

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

"I just learned something from the previous speaker that shocks me. That one house would strip and gut the other house's bill. We'll have to do something with the rules on that Madame Speaker.

"But at any rate, I'm against this again and just to reiterate what I said on the motion to recommit that I've not received any phone calls, mail or faxes in support of this measure. Everything that I have received has been against it so I think this should go down in flames. Thank you."

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

"The most knowledgeable people in the State of Hawaii regarding charter schools oppose this bill. Another point that I want to make regarding the federal funding mechanism is that the opponents to the bill understand what is at stake with the federal funds. I think within this body we haven't gotten up to full speed in terms of comprehending this. While it is true that just because we have charter schools we can get some token federal money. What we will lose in this process is some

serious, substantial federal money that comes when we have a strong charter school law.

"The federal funding mechanism takes a look at the state's laws and sees how strong it is and funds in proportion to that. And because we do not have another chartering authority, that or an appeal process to another authority, substantially reduces the kind of money we can get from the federal government. And the issue with the cap hurts also. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 946, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 28 ayes to 23 noes, with Representatives Arakaki, Auwae, Bukoski, Case, Davis, Djou, Fox, Gomes, Halford, Jaffe, Kahikina, Leong, Marumoto, McDermott, Meyer, Moses, Ontai, Pendleton, Rath, Schatz, Stonebraker, Thielen and Whalen voting no.

Conf. Com. Rep. No. 158 and H.B. No. 1561, HD 2, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1561, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 51 ayes.

The Chair directed the Clerk to note that S.B. No.: 838, SD 2, HD 1, CD 1; and H.B. Nos. 1400, SD 1, CD 1; 407 HD 1, SD 1, CD 1; 94, HD 1, SD 1, CD 1; 946, SD 2, CD 1; and 1561, HD 2, SD 1, CD 1 passed Final Reading at 9:22 o'clock p.m.

Conf. Com. Rep. No. 160 and S.B. No. 119, SD 1, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 119, SD 1, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

"Madame Speaker, I am pleased to see that this Women's Caucus initiative has survived the entire session and I offer a few remarks in strong support of its passage on Final Reading.

"Although the situation is improving, female offenders have been unable to access as wide a range of programs as male offenders. This difficulty extends to both juveniles and adults. Further some of the programs that are available to women are less suitable than they could be. Under the current administration, the Department of Public Safety's actively working to improve the status of these programs. I feel it is proper for the Legislature to reinforce and perpetuate the efforts underway by passing these measures.

"Public safety will be enhanced if we are better able to offer women the programs they need while incarcerated and thereby allow them to reenter society better prepared to succeed. This legislation will authorize the Department of Public Safety and the Office of Youth Services to award grants to supply gender-responsive, community-based services for females. The Department will report back next year on how best to implement this Act and in the future these programs will fill gaps that exist for females that will transition back into our communities.

"I believe that these types of services can greatly decrease the likelihood of these offenders being returned to custody. May I add Madame Speaker, that one of the driving forces behind this legislation was my own eye witness accounts. The many travels I do as your Chair of the Public Safety Committee, I can recall a visit I did to a facility in Texas which once housed our female inmates. This was in Crystal City near the border of Mexico. It was striking the lack of programs for the female inmates from Hawaii and for others who were incarcerated in that facility. The Warden of the facility of Crystal City thought it would be nice to showcase the one program that they did have for the inmates. So I was told to go out into the courtyard that day to see this program played out in front of me. The one and only program they had for female inmates to do with their time, and there is a lot of idle time in a facility, was close-order military drill. That was the only program the had.

"So the Warden had the inmates march around the facility for me to show-off how well these women inmates could conduct close-order military drill. When I visited our facility on Maui about two or three years ago, I sat down with the women inmates and they talk a lot. I asked them what they were doing with their time and they responded, 'Nothing. We used to be able to pick pineapples, but they took that away from us'.

"Madame Speaker as I close, as I was driving out to the Capitol this morning, I heard on the radio this bit of news which would underscore the need for this legislation. It was on a recent report concerning girls in the juvenile justice system. They are seeing the numbers rise of arrests of girls in many categories of crime as opposed to boys. The reason for this rise in crime among young girls across the country was, surprise, surprise, the lack of services and programs in the juvenile justice system and gender bias. This legislation speaks to reversing that course of action, at least here in Hawaii Madame Speaker, and I urge the members to vote 'aye' on this legislation. Thank you."

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

Representative Lee continued, stating:

"I would also like to just thank the Chair of Public Safety for his ongoing support of this program as well as the women in the community who have been very faithful in supporting the measure. I would just like to say that the bill wasn't necessarily about treating men and women equally in the prison community, but it is about restoring integrity to our correction system. Thank you very much."

Representative Lee's additional written remarks are as follows:

"Men and women end up in prison for different reasons, and therefore prison programs should be tailored to meet the gender specific needs for women inmates. By incarcerating a young woman and then providing no treatment and no attempt at rehabilitation, we are in effect sentencing this young woman to a dead-end life. If we do not focus on rehabilitation, we will only see repeat offenders. Current law does not require parity in correctional rehabilitation programs for males and females.

"As it is, since 1986 the female prison population in Hawaii has grown an astounding 159%. If we do not do something to halt this trend, those numbers will only grow even higher. Hawaii's prison system is uniquely in need of change in that 1/3 of women offenders are based on the mainland, separating

these women from their families and children, and making a return to non-prison life that much more difficult. Many of these women, unfortunately, are victims of the 'war on drugs' - first time offenders in prison due to mandatory drug sentencing guidelines. Additionally, many violent women who become incarcerated are violent because they themselves have been victims of abuse. By addressing the underlying cause of their violence, we can prevent huge numbers of women from becoming incarcerated again. Currently the therapeutic community tends to the needs of only 10% of the female prison population, when really the need is much higher.

"This bill will create a statute mandating parity for women offenders by requiring the Department of Public Safety and the Office of Youth Services to provide a range and quality of programming for female adult and youth offenders that is substantially equivalent to male offenders. It amends Section 352 of the Hawaii Revised Statutes by adding gender responsive community-based programs for female adjudicated youths. It will also amend Section 353 of the Hawaii Revised Statutes by adding gender responsive community based programs for women, thereby insuring our female offenders appropriate programming to address their specific needs.

"Prison programs for men include job training, drug treatment, and counseling. Men also are housed based on a classification system. Hawaii's women prisoners have no similar classification system, and enjoy very few gender-specific programs. Female inmates have distinct needs that require tailored programs to help them when they are released including child care, education, substance abuse treatment, and skills training to use in obtaining and keeping a job. Rehabilitation programs are needed to address these needs.

"While we talk about parity for women offenders, it is important to bear in mind those first-time offenders are usually teenagers. This bill isn't necessarily about treating men and women equally in the prison community - it is about restoring integrity in our corrections system. We need to encourage 'correcting' the problem at the early stages of a woman's life, before it is too late. The prison setting can be a unique and valuable tool for society. It is the one place where we have the guaranteed 'captive audience' in which we can give female inmates the much-needed treatment they have been missing in society.

"I urge you to pass this measure.

"Thank you Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 119, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONS," passed Final Reading by a vote of 49 ayes, with Representatives Hale and Rath being excused.

Conf. Com. Rep. No. 161 and H.B. No. 432, HD 2, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 432, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

"Madame Speaker, this program appropriates money to continue the Millennium Workforce Development Training Program. I have to thank the Ways and Means Chair, Senator Brian Taniguchi for putting in the \$50,000 and also the

Finance Chair Takamine for agreeing to the amount. I didn't realize how important this bill was until I started getting e-mail from students at Honolulu Community College, most of them are participants in a program called CENT Computer Electronic Networking Technology. A lot of them are single parents, GED graduates and are from the public housing in my district. They said they were just notified yesterday that their program would no longer be in existence. They were going to be cut because the Workforce Program funds were cut. The \$50,000 can barely just cover two courses. These are people who cannot afford to go to the Computer Training Academy or take courses that cost a lot of money. They are trying very hard by going to these night classes at HCC for retraining.

"So I would appreciate it if Representative Chang can share some of his \$400,000 in the art program for Honolulu Community College. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 432, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE MILLENNIUM WORKFORCE DEVELOPMENT PROGRAM," passed Final Reading by a vote of 44 ayes to 5 noes, with Representatives Fox, Gomes, Jaffe, Meyer and Ontai voting no, and Representatives Hale and Rath being excused.

Conf. Com. Rep. No. 162 and H.B. No. 1662, HD 1, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1662, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION," passed Final Reading by a vote of 49 ayes, with Representatives Hale and Rath being excused.

Conf. Com. Rep. No. 163 and S.B. No. 684, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 684, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FEES OF THE SHERIFF'S OFFICE," passed Final Reading by a vote of 49 ayes, with Representatives Hale and Rath being excused.

Conf. Com. Rep. No. 164 and S.B. No. 549, SD 2, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 549, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

"I guess the major problem I have with it is that this is the Hawaii Manufacturing Extension Partnership. This is to help people in manufacturing to do a better job. The problem I have is that the State funding is coming from the Employment and Training Fund. This money is paid by everyone in business, lots of small businesses and they have been trying to get this eliminated. This is something that we promised to sunset long ago. Here this bill comes along and appropriates \$600,000 out of that Fund.

"My concern with this is that it seems like we are now getting more adventuresome finding more uses for this money, which leaves me to believe that we may never want to stop because we have this special fund. We have this source of

money and we are finding more ways to use it. This goes counter to what the business people would like.

"Again to have a healthy economy we have to have a balanced approach and we have to do things that help business. People won't have jobs if businesses can't thrive and our businesses aren't really thriving. Thank you Madame Speaker."

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

"I agree with the statements made by the Representative from Laie. Just very quickly Madame Speaker, I have frequently stated my opposition to special funds. I am also opposing this measure for two other reasons.

"First Madame Speaker, I believe that what this measure does is that it provides business consultants to businesses out there. This is, in my opinion, a classic example of corporate welfare, which our State cannot afford.

"Second Madame Speaker, it appropriates monies from the Employment and Training Fund, a fund which I have had problems with. But if we are going to use it, it is supposed to train employees not to provide consultants for employers.

"For all of these reasons Madame Speaker, I oppose this measure. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 549, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE ESTABLISHMENT OF MANUFACTURING EXTENSION PROGRAMS," passed Final Reading by a vote of 40 ayes to 9 noes, with Representatives Bukoski, Djou, Fox, Jaffe, Meyer, Moses, Ontai, Pendleton and Thielen voting no, and Representatives Hale and Rath being excused.

Conf. Com. Rep. No. 165 and S.B. No. 1365, SD 2, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 1365, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

"The Weed and Seed Program is a nationally recognized program, which battles drug dealing, drug abuse and attempts to make communities safer and improve the quality of life in certain neighborhoods. It involves the collaboration of federal authorities, local officials and agencies, businesses, community organizations and local residents with the intention to prevent, control and reduce drug abuse and drug related crimes in our communities.

"There are two successful programs currently in Hawaii, one in Waipahu and the other in Kalihi-Palama. I hope one day we will be able to establish these programs throughout our State where they are needed. Thank you Madame Speaker."

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

"It's a good bill and I thank the Chair of the Finance Committee for getting the \$350,000 for us. I hope that someday this Weed and Seed Program can come out to Waianae. I am in support of this. Thank you."

Representative Thielen rose to disclose a possible conflict of interest, stating:

"My son-in-law worked, with the Weed and Seed Program with the United States Attorneys Office."

The Chair responded, "no conflict."

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

"There is a whole number of these kinds of programs that I have seen going through with \$350,000, \$400,000, etc. I sat in the Committee hearings on this particular program and I heard rave reviews about it. My question and concern is that hopefully the subject matter Chair and the Finance Chair can begin to delve a little deeper into it and see what the accomplishments really are. Without sounding like a 'wet blanket', because I have been here so late or out of Finance for so long, but they need to have some real in-depth evaluation. How many of the participants have been kept out of jail? There needs to be some benchmarks down the line.

"Maybe Madame Speaker, for the next session, we need to sit with the Finance Chair so that I can ask him these questions. Aloha."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1365, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE WEED AND SEED PROGRAM," passed Final Reading by a vote of 49 ayes, with Representatives Hale and Rath being excused.

Conf. Com. Rep. No. 166 and S.B. No. 1460, SD 1, HD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that S.B. No. 1460, SD 1, HD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

"This bill adds two intermediate appellate court associate judges to the existing panel of three. I think this bill is entirely unnecessary. I admit I am not a lawyer and I don't understand why we have an intermediate court at all. I certainly don't see the need to add three judges.

"We did some calculations in our office. Two judges approximately \$100,000 a year each with two clerks and a secretary, by the time you add the whole thing up it's about a half of a million dollars. I think we have got plenty of better ways to spend half a million than by adding two intermediate court judges and I would suggest we vote this down. Thank you Madame Speaker."

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

"It's a classic case of 'if you build it they will come'. If you add judges there will be more lawsuits. If you put money into mediation programs there will be fewer lawsuits and more settlements and mediation of disputes. I think it is a more cost effective way. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1460, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE INTERMEDIATE APPELLATE COURT," passed Final Reading by a vote of 42 ayes to 7 noes, with

Representatives Djou, Fox, Halford, Jaffe, Meyer, Stonebraker and Thielen voting no, and Representatives Hale and Rath being excused.

At 9:37 o'clock p.m., Representative Djou requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 9:38 o'clock p.m.

The Chair directed the Clerk to note that S.B. Nos.: 119, SD 1, HD 2, CD 1; 684, HD 1, CD 1; 549, SD 2, HD 1, CD 1; 1365, SD 2, HD 2, CD 1; 1460, SD 1, HD 2, CD 1 and H.B. Nos.: 432, HD 2, SD 2, CD 1; and 1662, HD 1, SD 2, CD 1; passed Final Reading at 9:38 o'clock p.m.

Conf. Com. Rep. No. 167 and S.B. No. 1405, SD 2, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1405, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR HI-TECH HAWAII, INC.," passed Final Reading by a vote of 50 ayes to 1 no, with Representative Marumoto voting no.

Conf. Com. Rep. No. 168 and S.B. No. 204, SD 2, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 204, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ANIMAL QUARANTINE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 169 and H.B. No. 173, HD 2, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 173, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

"First of all I would like to thank the Vice Chair of the Energy and Environmental Protection, the Chair of the Consumer Protection and Commerce and the Leadership for their assistance on this measure. But more important, I would like to thank my dedicated and loyal staff for sticking with me and supporting me through this whole legislative process.

"This bill works to maximize the potential of Hawaii's renewable energy resources and to create awareness on how the energy market has been changing. This bill is the first step to help Hawaii compete in an electrical revolution that will be as challenging and as dramatic as we have seen in the telecommunications industry. How we generate and distribute electricity is changing. The power grid is being reinvented.

"At the forefront of this discussion, is distributed power or decentralized power which is also called distributed generation. Currently we rely on centralized power plants and electrons flow in one direction from the power plant to our homes and businesses. Distributed power is a very big departure from that current model. With distributed power homes and commercial buildings could produce power utilizing technology such as micro-turbine, solar cells, diesel generators, fuel cells and wind turbine. Excess power from

these facilities can be sold to the utility company adding to the transmission grid capacity or drawing power from the grid when it is needed. In the distributed power model the electricity flows two ways.

"This bill acknowledges current energy trends and nudges Hawaii utility companies in a progressive direction to become full service energy providers rather than just electricity companies.

"Madame Speaker, given the late hour I would like to tell you a bedtime story.

"This is a day in the future. HECO, formerly known as Hawaiian Electric Company, now stands for Hydrogen Energy Company, responsible for an extensive net metering program manufacturing hydrogen from excess renewable energy output. The question, 'Do you want a power plant in your backyard?' is now met with a resounding 'yes' as renewable energy resources and fuel cell development has made every home, school and business a power generator and a participant in HECO's net metering program.

"Roof tops are a valuable asset. Photovoltaic roofing shingles integrated into home and business building design pour their excess power into HECO's grid to be converted into hydrogen. Wind turbines mounted onto street lamps combined with a one foot square photovoltaic panel not only light streets at night, but also pour their excess power into the grid during the day. The bundling of underground wiring systems and the services with super conductivity wires puts to the grave the debate over high voltage transmission and other above ground lines improving the view planes throughout Hawaii.

"Hawaii truly becomes the Health State as air quality is excellent and traffic noise is nonexistent thanks to fuel cell automobiles and busses. Rises in gasoline prices are unheard of as gasoline fueling stations become extinct, and standard equipment for each home is an electrolyzer, which makes hydrogen from electricity from photovoltaic roof shingles and water. The hydrogen economy brings the new prosperity to the Hawaiian Islands based on sustainability and environmental stewardship improving the quality of life and increasing the standard of living of our residents as the rest of the world moves forward to model our success. The Hawaii State motto now truly lives up to its meaning Ua mau ke ea o ka aina I ka pono. The life of the land is perpetuated in righteousness. And they lived happily ever after. Thank you."

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

Representative Schatz continued, stating:

"I was going to give what seems like now a mediocre speech. That was the best speech I have ever heard. I also want to Thank Representative Morita for her leadership, vision and patience from the rest of the members of this chamber and her patience with the rest of the community who is constantly sprinting to catch up with her in terms of their knowledge and their vision on this issue. Thank you."

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

"My reservations in no way whatsoever reflect on the actions of this house on the matter of energy policy, where I think we have truly stood for change throughout this entire session, and in no way reflect on the Chair of the Energy and

Environmental Protection or any member of that Committee, who I think understood the need for change and have pressed for change and have truly represented the public throughout this session. My reservations have nothing to do with part two, net energy metering, where I agree with the Chair that we have tried to nudge the energy industry forward into some semblance of reform.

"But what a difference one word can make between a truly great product and a product that falls short of public expectations. And that word is the word 'goal', in part one, on renewable energy portfolios.

"When this bill exited the House we had implemented renewable energy portfolio standards. We had required the electric utility industry to implement renewable energy and to facilitate the development of renewable energy to pursue renewable energy and to incorporate renewable energy into its portfolio. We had required that.

"It wasn't as if we were asking much. Right now the electric utility provides about 7% of the grid off of renewable power. We weren't asking them to do much, and in fact this bill asks them to go from 7% in 2003, which they are already doing to 8% in 2005, 9% in 2010. So in the next nine years, all they have to do is come up 2% from what they are producing now.

"Of course, that was too hard for our status quo-oriented energy industry. What they wanted was the word 'goal', and they got the word 'goal'. The word 'goal' is in here. All they have to do is aspire to something. They don't have to do it, they have to aspire to it. That is what they wanted, and that is my objection.

"That has nothing to do with the action of this House, frankly that has to do with the actions of the Senate. Until we stop letting the electric utilities run our energy policy, until we assert the peoples' right to determine an energy policy which will reduce our dependence on foreign petroleum products, and will enhance renewable green environmental-oriented energy, which will facilitate the development of our economy, until we do all of those things, we will simply get what we ask for, and that is what we got in this bill, and that's my reservation.

"So, I felt it was important to express what the Energy Chair is perhaps too polite, too discreet, too constrained, from saying. But I am not constrained by the same limitations, at least not at the moment. And I feel I need to give voice to that perspective. I also feel I need to say that if we looked for an actual result from the implementation of our Conference Committee Chair veto procedures, this is the evidence right here. This reform was vetoed by one person, the Chair of the Consumer Protection Committee of the Senate. Thank you."

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

"First of all I want to congratulate the Chair. I think she has done a wonderful job. She's totally committed and I have never seen a person strive so much and do such a great job. I've had some difference with the Chair from time to time. I have a minor difference with the Chair and with the Representative from Manoa.

"First of all it's good to have a goal and I don't think it should be cast in cement. Because the dream that the Representative from Kauai presented is a beautiful dream and I hope it will be realized someday. But the other side of the dream is in California. You have blackouts over there. The goal is basically the same thing to seek energy self-sufficiency, decentralization. I believe they went a little too

rapidly and they find themselves now in big 'pilikia' with summer coming along.

"So what I am saying is that let's not be beguiled and see these things all rosy. We need to be practical. Yes, we need alternate energy and yes we need to continue speedily with that activity. But we need to continuously ask ourselves does it provide the energy for the peak hours? Does it provide the sustainability that we need for the near future? I believe the language that came out of here as a goal is sufficient for the time being and it is not cast in cement. While we are working to improve the alternate energy sources we need to continue with sustainability and reliability of what we have which is the electric companies. Thank you very much, Madame Speaker."

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

"I'd like to commend the Chair of the Energy and Environmental Protection Committee for moving mountains to get us here. And I would also like to concur with the speaker from Manoa. It was very disappointing to see the measure watered down as it was. However, this is just the beginning and we have next year and the year after that. It's been a long time coming this far and I feel we have turned a corner at this point and I ask my colleagues to resoundingly approve this measure. We're just getting started and it's all down hill from here. Thank you."

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

"I know it is customary of me to be critical sometimes of your side of the aisle, but in this instance and especially with this bill, this is something that is long overdue and I agree with the speaker from Manoa that this just doesn't go far enough.

"On my island we produce 28% of electricity from renewables, geothermal, hydroelectric windpower and of course we have OTEC in my district that is looking at using the ocean, using the difference between cold and warm water to produce electricity. In the very foreseeable future there's many different ways that we can produce electricity and not only through hydrogen fuel cells and the like, but even using the tides and the waves. Our monopoly has fought this tooth and nail and I believe when we look back probably as in the dream, when we look back from the future we will say, 'Why didn't we do this sooner?' It would have been a lot smarter had we put a little more effort in making it more attractive and got behind something that we know is going to happen anyway. It is kind of like reforming our government. It's going to happen anyway. It's just a matter of when we are going to do it, and how we are going to go about it.

"This is one area where Hawaii, just by going by its location out in the middle of the Pacific, where we should really be concerned about how we keep the lights on because when they go out, as the former speaker said, in California it gets pretty dark pretty quick. Luckily we won't freeze to death, but it would make life very uncomfortable. I think that there's a lot more that we can do in this direction and I hope this is a first step that takes us a long way. I congratulate the Chair of the Energy and Environmental Committee for getting this through and thank the members on both sides of the aisle for being supportive. I guess I could've had some fairly disparaging words for the Chair of Commerce and Consumer Affairs in the Senate, but I will save those for when I see him privately. Thank you."

Representative Thielen rose to speak in strong support of the measure and asked that her additional remarks be inserted into the Journal, and the Chair "so ordered."

Representative Thielen continued, stating:

"Madame Speaker, I too congratulate the Chair of Energy and Environmental Protection Committee and I certainly concur with the words from the Representative from Manoa. We now saw why it was so wrong to allow a single chair to have absolute power. He exercised that on the Senate and so the bill became less than it was sent out by this body.

"You take a look at how important it is. We have situations that have been highlighted in *Time* magazine. For example in Montana, all of the glaciers in Glacier National Park will be gone in about sixty-eight years, if the retreat continues at the current rate. In India they had 2,500 people killed in the worse heat-shock just recently. Hurricanes in Florida along the Atlantic seaboard killing countless people, and in Hawaii our coral reefs, along with other coral reefs in other areas are bleaching because of the warmer oceans. Then you take a look at what is happening to Florida and it is also going to be happening here where your land is eroding away and the salt water is coming in and crops aren't being able to be planted where they used to be planted and it is nibbling at the edges of farms on Maryland Eastern shore. All of this comes about because primarily of United States' dependency upon fossil fuel where we have altered the way that the earth is dealing with this excessive use of the fossil fuel.

"The way that we are moving now with the renewable portfolio standard is just barely sticking a toe in the water. Unfortunately the water is coming closer to us because of the global warming. But we are sticking a toe in the water, the way the bill went out of here we were taking a much more definite step. It would be false to say that Hawaii does not have the natural resources to move ahead with renewable portfolio standards and net metering. We have practically every single resource here in Hawaii. Certain other nations that really aren't blessed as we are have moved much further than we have done.

"There is no reason that we don't go ahead. We have wave energy, geothermal, solar coupled with all of these, wind of course too, we can get dependable sources. They may be from different sources at different times, but the falsehood of Hawaiian Electric just does not hold water. They claim that they are unreliable and therefore we cannot go ahead with anything but just a simple goal. Don't make them do it. Don't make them change their 92% dependency upon fossil fuel. Well we have made a beginning, I think it will move ahead. It will move ahead after next year, after the Senate spoiler is running for a different office and then I am thinking we will have a lot better chance at getting some good things through."

Representative Thielen's additional written remarks are as follows:

"Mr. Speaker, I rise to speak in support of HB 173. Decreasing Hawaii's dependence on imported oil through the greater use of renewable energy sources is a timely and necessary step to ensure our economic and environmental well-being.

"Implementing the renewable portfolio standard and net metering capacity as set forth in HB 173 will direct us towards sustainable energy use and initiate our release from a crippling reliance on imported fossil fuels. By encouraging the use of local renewable energy, we can both protect our environment and bolster our local economy.

"As stated by the Hawaii Chapter of the Sierra Club: 'Politics is all about compromise, but unfortunately some legislators want to compromise our environment. We had the

opportunity to save the State hundreds of millions of dollars in upcoming years by putting us on a path to energy self-sufficiency. Instead, we compromised and took half a loaf in House Bill 173."

"House Bill 173 contains two distinct parts. The first deals with renewable portfolio "goals" and the second with net energy metering.

"Renewable Portfolio Goals.

- Unfortunately, this section of the bill does little or nothing to further Hawaii's energy goals of reliability and energy self-sufficiency.
- The goal is set at 9% by the year 2010. Hawaii currently generates roughly 7.5% of its electricity from renewable sources.
- The goal includes "heat pumps" and solar water heaters in the definition of renewable energy. While these are important technologies to decrease energy demand, they are addressed by other policies. A renewable portfolio standard focuses on renewable energy generation.
- The Department of Business, Economic Development, and Tourism commissioned an independent review of a 10.5 % renewable energy mandate for the year 2010 (as the original bill called for). The study (by GDS Associates) found that such a mandate would result in statewide savings of hundreds of millions of dollars in the next 20 years, even if the price of oil drops. The bill that passed contains a standard that is only halfway to 10.5% from today's level, it is not mandatory, and it includes technologies that do not generate any renewable energy.

"2) Net energy metering.

Here is the half of the loaf that we wanted.

- This section will allow electricity customers to effectively run their electric meter backward if they operate a small-scale renewable energy device (such as wind or photovoltaic).
- The agreed upon level of net metering subscribers is 0.5% of the peak utility demand: half of what was desired (California is currently debating no limit because of their recent energy troubles).
- This limit will, however, allow nearly 4000 private homes statewide to hook up their renewable energy home to the grid and run their meter backwards (DBEDT's assumption of 2 kilowatt systems).
- This bill will encourage private investment in distributed renewable energy systems. Considering the expense of new power plants (which we face on every island), the Legislature should be doing everything it can to encourage private investment in Hawaii's energy future.

"I commend Representative Morita for taking such a firm stance to preserve the quality of this bill. Although HB 173 was drastically altered in the effort to reach a workable compromise, its original intent was maintained because of her integrity and her commitment to Hawaii's environmental and economic future. I am proud to have her as a colleague and hope that each of you recognizes her estimable character and appreciates the foundation she has established for diminishing Hawaii's overwhelming dependence on imported oil.

"Conversely, I deplore the actions of the Chair of the Senate Committee on Commerce, Consumer Protection and Housing. His continued and, unfortunately, successful attempts to whittle away at the honorable intention of this bill resulted in compromising what was a truly progressive guide for energy use. Because of the Chair's insistent reference to outdated statistics on cost, feasibility, and community and industry support, we are now left with a vestige of this visionary measure.

"However, this vestige is the spark which will 'fuel' the fire of energy self-sufficiency. Even though this final version of HB 173 does not implement the high standards as originally intended, it starts us on the necessary path to greater use of clean, local, renewable energy sources. Therefore it is imperative that we as a legislative body take positive action on this issue by passing this measure."

Representative B. Oshiro rose to speak in support of the measure and asked that his remarks be inserted into the Journal, and the Chair "so ordered."

Representative B. Oshiro continued, stating:

"I would just like to make a few additional comments and also echo the thank you that was made earlier to Leadership and the Chair of the Energy and Environmental Protection Committee for all of their hard work in this effort.

"I just wanted to highlight one thing and that is basically what I've always been doing is citing to the State Constitution and really when we look at Article XI, Section 1, it talks about the fiduciary duty that we have in order to protect the natural resources which include land, water, air, minerals and energy sources. And it specifies that we shall promote the development and utilization of these resources in a manner consistent with their conservation and furtherance of self-sufficiency of the State.

"I really think that this measure is trying to meet this constitutional mandate that we have. Really what we have to do is measure how far we've come and if you look at the Environmental Council's report card of 2000, you see that the Environmental Council came out with our current status as a "D", which is really, really poor. I'm just glad to see that we are going to be moving in a manner that will put us in to the Twenty-first century, and I want to commend the work that has been done. Thank you."

Representative B. Oshiro's additional written remarks are as follows:

"Having been born and raised in Hawaii, and having been an advocate for conservation, for several years I've been frustrated watching our beautiful islands turn away from renewable energy and instead turn to dirty fossil fuels. It is heartbreaking to watch hard-earned local dollars drain out of our economy to pay for imported oil, while the blazing sun and blowing wind reminds us daily of the powerful energy these islands possess.

"Over the past 40 years, Hawaii has been using less and less renewable energy, and the trend has no sign of changing. Sadly, Hawaii is the only state in the nation planning new coal- and oil-fired power plants. Hawaii is the most dependent state in the nation on oil, exposing the state's economy to the moody whims of the world oil market. Other states take this reliability situation seriously. Wisconsin, in fact, is calling the renewable energy mandate, the "Electricity Reliability Act."

"Fortunately, we have a bill before us that recognizes that renewable energy is Hawaii's sustainable future—it is time to

chart a course towards this end. Our high-tech future is beating down on our heads, blowing in our faces and growing at our feet—solar, wind and biomass power. House Bill 172 is a step at realizing that future and brings Hawaii closer to energy self-sufficiency. It will also curb our trend away from renewable energy and reduce the need for building new power plants, instead creating a real demand for new high-tech jobs in the state.

"The first part of the bill relates to renewable energy portfolio goals. Unfortunately, this section of the bill is a watered-down version of the original renewable energy mandate. The goal is set at 9% by the year 2010. Hawaii currently generates roughly 7.5% of its electricity from renewable sources.

"The Department of Business, Economic Development and Tourism commissioned an independent review of a 10.5% renewable energy mandate for the year 2010, as the original bill called for. The study, by GDS Associates, found that such a mandate would result in statewide savings of hundreds of millions of dollars in the next 20 years, even if the price of oil drops.

"The version of House Bill 173 before us today contains a standard that is only halfway to 10.5% from today's level, it is not mandatory, and it includes technologies that do not generate any renewable energy. It is at least a step in the right direction.

"Around the world we are seeing the price of energy from renewable sources rapidly decline, while the price of oil continues to fluctuate. Look at Storm Lake, Iowa, where a 200-megawatt wind farm is producing power at 3 cents a kilowatt-hour.

"Can we do it here? We're already coming close, and a company called Zond just signed a contract with Maui Electric to produce power for as little as 3.8 cents per kilowatt hour, pollution-free. Compare that to the 20 cents per kilowatt hour that Molokai is paying for its diesel power. In fact, many clean-energy sources are currently at or below the cost of fossil-fuel power in Hawaii. And, while we know with certainty the cost of wind, solar and waterpower in the future, the anticipated cost of fossil fuels is anybody's guess.

"What's more, real high-tech jobs are bound to be created with a firm commitment to renewable energy. A recent study estimates that the renewable energy sector is going to grow 28% annually to \$82 billion by 2010.

"Will we be part of this burgeoning industry? Perhaps, with House Bill 173 as a start and with increasing goals in the future.

"The second half of House Bill 173 relates to net energy metering. This will allow electricity customers to effectively run their electric meter backward if they operate a small-scale renewable energy device, such as using wind or photovoltaic cells. The agreed upon level of new metering subscribers is 0.5% of the peak utility demand. (California is currently debating no limit because of their recent energy troubles.) This limit will allow nearly 4000 private homes statewide to hook up their renewable energy home to the grid and run their meter backwards (DBEDT's assumption of 2 kilowatt systems).

"Net energy metering will encourage private investment in distributed renewable energy systems. Considering the expense of new power plants (which we face on every island), the Legislature should be doing everything it can to encourage private investment in Hawaii energy future.

"Choosing the clean-energy path will slow oil's economic drain on the State, create high-tech jobs and improve our environment. And it may just put Hawaii on the map as a world leader in creating sustainable solutions for developing countries."

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

Representative Lee's written remarks are as follows:

"Mr. Speaker, there is a hole in our economy, an oily hole. Hundreds of millions of dollars are leaking into that hole, and leaking out of Hawaii. House Bill 173, Relating to Renewable Energy Resources, will help us begin to plug the oil leak.

"House Bill 173 has two parts. The first deals with renewable energy 'goals' and the second with net energy metering. In part one, the goal for renewable energy for the state is set at 9% for the year 2010. (Hawaii currently generates roughly 7.5% of its electricity from renewable sources.) I support both parts of this bill, but will focus my brief remarks on part II, net metering.

"This bill amends the current net metering law to allow customers, who also generate power, to hook up to the grid and offset their energy consumption by the electricity they produce and return to the grid. The utility will bill consumers for their net energy use as measured by a single meter capable of measuring electricity flow in both directions.

"Net metering will allow electricity customers to effectively run their electric meter backward if they operate a small-scale renewable energy device (such as wind or photovoltaic). Nearly 4000 private homes statewide will be able to hook up their renewable energy home to the electric grid and reduce their utility bills. The flat roofs of office and condominium buildings will become a valuable resource as a space for producing not only solar hot water, but also for photovoltaic systems.

"Mr. Speaker, this bill will encourage private investment in distributed renewable energy systems. Considering the expense of new power plants (the prospect of which we face on every island), the legislature should be doing everything it can to encourage private investment in Hawaii's energy future.

"We can all be proud of this legislation which will increase the diversification of the State's energy portfolio. Let's begin to plug the oil leak. Let's pass House Bill 173!

"Thank you Mr. Speaker."

At 10:00 o'clock p.m., Representative Bukoski requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:02 o'clock p.m.

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

Representative Morita rose in rebuttal, stating:

"I just feel compelled to stand in rebuttal to some of the statements that were made regarding the California situation and how some of the things that we are doing in this bill are

actually some of the solutions that they are looking at utilizing in California. So this is for the edification of this body.

"First of all, we shouldn't let the California situation deter us from moving forward. As I previously said, one of the solutions in dealing with the California situation is distributed generation. One of the problems that California faces is over-capacity on their transmission lines. So they are going to have difficulty moving power from one place to another place and that is why net metering and distributed generation will be playing an important role.

"Secondly, the Sacramento Municipal Utility District is one of the most progressive municipals in the country and they embrace net metering because they see that supplementing their power supply. We should seek to emulate progressive utility companies like that company. And again one of the major problems in California right now is that they cap retail prices and they didn't cap the wholesale prices. That is what is causing the major problem in California. Thank you."

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

"Congratulations to the Chair for getting this through and perhaps we can bottle her renewable energy to drive our cars and turn on our lights. But at any rate, I support this because it does nudge, and not shove, the industries and I think that is the right approach. I like it because it doesn't penalize them for not meeting whatever markers we establish. I like the incentive provisions that are in place that the PUC should be utilizing. The net metering feature is also attractive and I like it because it seems to me that it's an excellent exercise in decentralization. We can apply this approach to our energy resources and our energy productions, and we can apply this approach to our Department of Education and our system of statewide governance. I think it is a good model and we should be looking at it closely.

"So for those reasons Madame Speaker, I support this bill. Thank you."

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

Representative Hiraki's written remarks are as follows:

"Living in an island state blessed with an abundance of renewable energy resources, it is unfathomable that Hawaii finds itself in the position of relying on imported oil to serve roughly 90% of its energy needs. While there are numerous successful renewable energy projects located throughout the islands, there may be more that the State could do to ensure that future generations will have an adequate supply of energy, without being beholden to outside forces.

"The renewable portfolio standard (RPS), a flexible, market-driven policy free of government bureaucracy, is perhaps the most effective means to expand the current renewable energy market. By establishing goals to guide the electric utility companies to incorporate more renewable resources into their overall portfolios, we are taking a step forward to stabilize escalating electricity costs while expanding a market with tremendous potential. Perhaps just as important, this shift to renewable energy also lessens the impact that the generation of electricity has on our precious environment.

"This bill would specify goals for the electric utilities to meet, starting with 7% in 2003, 8% in 2005, and 9% by 2010. A study commissioned by the Department of Business, Economic Development and Tourism (DBEDT) showed that

these numbers are attainable, without resulting in a cost increase for current ratepayers.

"Whereas the RPS focuses on the large-scale production of electricity, the net metering provision of this bill would directly benefit consumers who already possess the capability to generate their own electricity. For those with up to a 10kW facility located on their premises, net metering would allow them to be billed monthly on the difference between the electricity supplied through the electric grid and the electricity generated by the consumer. This would provide greater incentive for more residential ratepayers to invest in a smaller scale system to take advantage of current technology to help lower their electricity expenditures.

"It has long been an objective of the State's energy policy to place a greater emphasis on renewable energy, and this bill takes a definitive step towards the realization of that goal. By attempting to reduce our dependence on imported oil, while at the same time exploiting our own natural resources, we are taking steps to ensure a greener Hawaii, one that will provide future generations will ample resources to satisfy their own energy needs."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 173, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY RESOURCES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 170 and H.B. No. 1586, HD 1, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 1586, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1586, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO UNEMPLOYMENT," passed Final Reading by a vote of 48 ayes to 3 noes, with Representatives Djou, Meyer and Ontai voting no.

Conf. Com. Rep. No. 171 and H.B. No. 1287, HD 1, SD 2, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 1287, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Lee.

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

"I know it is getting late and with your indulgence let me just use this measure to acknowledge the support of the Chairman of the Finance Committee and the Chairman of the Ways and Means Committee for their support that they have extended to this measure, not only for this measure, but all of the other measures of the Agriculture Committee that we have in our appropriation bills.

"On this particular measure, let me just acknowledge the support of my Co-Chair here, the Chair of Higher Education, for giving me the flexibility to address this particular issue which I believe is a very important issue, and this is the only bill that I would like to speak to at this time.

"Originally Madame Speaker, we did ask for \$2 million for this bill, which is going to be used by UH-CTAHR. This bill is what we call 'Dr. Hajimoto's bill'. Let me just mention the

justification as to why we really need to have funding on this measure. Over the past few years Madame Speaker, agriculture research programs at the University of Hawaii College of Tropical Agriculture and Human Resources had been weakened because of severe budget cuts. When the State's revenues were down, research programs at the college did not win priority funding. But these programs are vital to the continued growth and development of agriculture.

"As Hawaii's agriculture industry transitions from use of pineapple and sugar plantations, the vast majority of Hawaii's farmers today have small operations. To survive they must be at the cutting edge of the commodities, which means that they must have access to cutting edge agriculture research and development. Let's consider this data Madame Speaker and our fellow members. Agriculture in Hawaii is a \$3 billion industry. Agriculture in Hawaii provides more than 42,000 jobs. A farm-gate buyer in agriculture was up 3% from 1998 and 64% of the 99 farm-gate value was from diversified crops as compared to 27% in 1980.

"These are important facts. The value of diversified agriculture has increased 5% per year over the past 19 years. But in order for this growth to continue, CTAHR must be an integral part of the agriculture research community. The purpose of this measure is to give CTAHR additional funds to conduct research and continue its outreach programs to disseminate information for the benefit of the entire agriculture industry and the entire State of Hawaii.

"This bill will put the College in a position to assume its proper role as a source of improved farming techniques, marketing analysis, means for managing plant pests and diseases, variety and seed development and many others. This of course including the development of agricultural biotechnology which is projected to be a bigger industry in the near future.

"This bill Madame Speaker, is a small step in making the University of Hawaii College of Tropical Agriculture and Human Resources a strong, thriving agriculture research and institution. For these reasons I ask for your full support in this passage for Final Reading. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1287, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 172 and H.B. No. 1089, HD 2, SD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1089, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Final Reading by a vote of 51 ayes.

The Chair directed the Clerk to note that S.B. Nos.: 1405, SD 2, HD 1, CD 1; and 204, SD 2, HD 2, CD 1; and H.B. Nos.: 173, HD 2, SD 2, CD 1; 1586, HD 1, SD 2, CD 1; 1287, HD 1, SD 2, CD 1; and 1089, HD 2, SD 2, CD 1 passed Final Reading at 10:11 o'clock p.m.

Conf. Com. Rep. No. 173 and S.B. No. 1028, SD 2, HD 2, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1028, SD 2, HD 2, CD 1, entitled:

"A BILL FOR AN ACT RELATING TO COMMUNITY DEVELOPMENT DISTRICTS," passed Final Reading by a vote of 50 ayes to 1 no, with Representative Gomes voting no.

The Chair directed the Clerk to note that S.B. No: 1028, SD 2, HD 2, CD 1, passed Final Reading at 10:13 o'clock p.m.

STANDING COMMITTEE REPORTS

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1530) recommending that S.B. No. 1173, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.B. No. 1173, entitled: "A BILL FOR AN ACT RELATING TO THE ENVIRONMENT," passed Second Reading and was placed on the calendar for Third Reading.

REPORTS OF CONFERENCE COMMITTEES

Conf. Com. Rep. No. 174 and H.C.R. No. 129, HD 1, SD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and H.C.R. No. 129, HD 1, SD 1, CD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE INSURANCE COMMISSIONER TO CONVENE A MANDATED BENEFIT ADVISORY TASKFORCE AND REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY ON THE FEASIBILITY OF A STATE PHARMACEUTICAL ASSISTANCE PROGRAM," was Finally Adopted.

Conf. Com. Rep. No. 175 and S.C.R. No. 156, SD 1, HD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted, and that S.C.R. No. 156, SD 1, HD 1, CD 1, be Finally Adopted, seconded by Representative Lee.

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

"I just want to say that this is long in coming and we really have to look at places to relocate OCCC. But I believe it is probably a foregone conclusion. They are going to place it out on the Waianae Coast probably at the area of Barber's Point. Somewhere out there where there is nothing but oil refineries and waste dumps, landfills and power plants. I just hope that they can be broad-minded enough to see if there is any other suitable places in these islands. Thank you Madame Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.C.R. No. 156, SD 1, HD 1, CD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A REVIEW OF THE VIABILITY OF RELOCATING THE OAHU COMMUNITY CORRECTIONAL CENTER," was Finally Adopted.

Conf. Com. Rep. No. 176 and S.C.R. No. 23, SD 2, HD 1, CD 1:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, the report of the Committee was adopted and S.C.R. No. 23, SD 2, HD 1, CD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING

THE DEVELOPMENT AND IMPLEMENTATION OF A LONG-TERM CARE FINANCING PLAN AND A STATEWIDE LONG-TERM CARE PROVIDER CERTIFICATION PROGRAM," was Finally Adopted.

FINAL READING

The following bills were taken from the Clerk's desk and the following action taken:

Representative M. Oshiro moved to agree to the amendments made by the Senate to H.B. Nos. 159, H.D. 1 (S.D. 1); 369, H.D. 2 (S.D. 1); 539, H.D. 1 (S.D. 1); 1273, H.D. 2 (S.D. 1); 1309, (S.D. 2); and 1405, H.D. 1 (S.D. 1), seconded by Representative Fox and carried. (Representative Yonamine was excused.)

The Chair addressed the Clerk who announced that the record of vote forms for the aforementioned bills had been received.

H.B. No. 159, H.D. 1, S.D. 1:

Representative M. Oshiro moved that the House reconsider its action taken on April 12, 2001, in disagreeing to the amendments proposed by the Senate to H.B. No. 159, HD 1, seconded by Representative Fox and carried.

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 159, HD 1, on the following showing of Ayes and Noes:

Ayes, 2 (Takumi and Magaoay). Noes, none. Excused, 1 (Ontai).

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 159, HD 1 and H.B. No. 159, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," passed Final Reading by a vote of 50 ayes, with Representative Yonamine being excused.

H.B. No. 369, H.D. 2, S.D. 1:

Representative M. Oshiro moved that the House reconsider its action taken on April 12, 2001, in disagreeing to the amendments proposed by the Senate to H.B. No. 369, HD 2, seconded by Representative Fox and carried.

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 369, HD 2, on the following showing of Ayes and Noes:

Ayes, 2: (Morita and Nakasone). Noes, none. Excused, 1 (Jaffe).

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 369, HD 2 and H.B. No. 369, H.D. 2, SD 1, entitled: "A BILL FOR AN ACT RELATING TO RECYCLING," passed Final Reading by a vote of 50 ayes, with Representative Yonamine being excused.

H.B. No. 539, H.D. 1, S.D. 1:

Representative M. Oshiro moved that the House reconsider its action taken on April 12, 2001, in disagreeing to the amendments proposed by the Senate to H.B. No. 539, HD 1, seconded by Representative Fox and carried.

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 539, HD 1, on the following showing of Ayes and Noes:

Ayes, 3 (Kahikina, Nakasone and Rath). Noes, none. Excused, none.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 539, HD 1 and H.B. No. 539, H.D. 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII," passed Final Reading by a vote of 50 ayes, with Representative Yonamine being excused.

H.B. No. 1273, H.D. 2, S.D. 1:

Representative M. Oshiro moved that the House reconsider its action taken on April 12, 2001, in disagreeing to the amendments proposed by the Senate to H.B. No. 1273, HD 2, seconded by Representative Fox and carried.

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1273, HD 2, on the following showing of Ayes and Noes:

Ayes, 3 (Souki, Espero and Moses). Noes, none. Excused, none.

Representative M. Oshiro moved that the House agree to the amendments proposed by the Senate to H.B. No. 1273, HD 2, seconded by Representative Fox.

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

"Mr. Speaker when we do a study it generally means that we are going to go ahead and implement something of that nature and I don't think that toll roads are a good idea in Hawaii. Thank you."

Representative Moses rose and stated:

"Likewise I'd like to point out on HB 1273 the same kind of thing happened because just by looking at the title it looks like two separate measures in one bill. But the toll roads portion was removed and we agreed to the Senate version."

The motion was put to vote by the Chair and carried, and the House agreed to the amendments proposed by the Senate to H.B. No. 1273, HD 2 and H.B. No. 1273, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Final Reading by a vote of 50 ayes, with Representative Yonamine being excused.

H.B. No. 1309, S.D. 2:

Representative M. Oshiro moved that the House reconsider its action taken on April 12, 2001, in disagreeing to the amendments proposed by the Senate to H.B. No. 1309, seconded by Representative Fox and carried.

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1309 on the following showing of Ayes and Noes:

Ayes, 5: (Ahu Isa, Kanoho, Nakasone, Leong and Marumoto). Noes, none. Excused, 1 (Yonamine).

Representative M. Oshiro moved that the House agree to the amendments proposed by the Senate to H.B. No. 1309, seconded by Representative Fox.

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

"It contains two items in it. I find that very unusual to have two separate items in the special purpose revenue bond request authorization. I think had the Rickmar Properties item been in a bill by itself, I would have voted for it. And if the Science and Technology International bond request was in another I would have voted against that. But since it is they are combined I'm just expressing reservations on the STI request.

"I feel that construction and relocation of a new facility doesn't quite fit the need for public purpose that is required for a special purpose bond authorization. However I look to the day when STI comes before us with a project which I considered worthy of helping the public and I would gladly support that. They obviously have a very cutting-edge technology and I think that one of these days they will do great things.

"But for a new building or renovation of a building in that space, I don't think it is a good use for special purpose revenue bonds. Thank you."

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

"Mr. Speaker, to put two separate issues into one bill is I think deceptive and awkward."

At 10:23 o'clock p.m., Representative Pendleton requested a recess and the Chair declared a recess, subject to the call of the Chair.

Upon reconvening at 10:24 o'clock p.m., the Speaker assumed the rostrum.

Representative Halford continued, stating:

"I need to learn to read the codes on the yellow action sheets. So, my apologies for my previous remarks for they were inappropriate. I would simply like to vote no. Thank you."

Representative Marumoto rose and stated:

"Mr. Speaker I think the day is late and we are all a little bit confused. Since HB 1309 contains only the STI request I will change my vote to 'no'."

The motion was put to vote by the Chair and carried, and the House agreed to the amendments proposed by the Senate to H.B. No. 1309 and H.B. No. 1309, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE

REVENUE BONDS," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Halford and Marumoto voting no, and Representative Yonamine being excused.

H.B. No. 1405, H.D. 1, S.D. 1:

Representative M. Oshiro moved that the House reconsider its action taken on April 12, 2001, in disagreeing to the amendments proposed by the Senate to H.B. No. 1405, HD 1, seconded by Representative Fox and carried.

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1405, HD 1, on the following showing of Ayes and Noes:

Ayes, 3: (B. Oshiro, Hamakawa and Marumoto). Noes, none. Excused, none.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 1405 HD 1 and H.B. No. 1405, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT A BILL FOR AN ACT RELATING TO USE OF INTOXICANTS," passed Final Reading by a vote of 50 ayes, with Representative Yonamine being excused.

The Chair directed the Clerk to note that H.B. Nos.: 159, H.D. 1, S.D. 1; 369, H.D. 2, S.D. 1; 539, H.D. 1, S.D. 1; 1273, H.D. 2, S.D. 1; 1309, S.D. 2; and 1405, H.D. 1, S.D. 1; had passed Final Reading at 10:25 o'clock p.m.

DISPOSITION OF MATTERS PLACED ON THE CLERK'S DESK

H.C.R. No. 161, S.D. 1:

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.C.R. No. 161 and H.C.R. No. 161, S.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF EDUCATION, IN CONJUNCTION WITH THE KAMEHAMEHA SCHOOLS, TO JOINTLY CONDUCT A FEASIBILITY STUDY ON ESTABLISHING A RESOURCE CENTER FOR STUDENTS, PARENTS AND TEACHERS ON THE ISLAND OF KAUAI," was Finally Adopted, with Representative Yonamine being excused.

ANNOUNCEMENTS

Representative Magaoay: "Mr. Speaker I know it is getting late and on behalf of Representative Davis and myself, I would like to remind everybody that I know tomorrow is a recess but we have our House Party at the Zanzabar. So be prompt. Thank you."

The Chair addressed the body, stating:

"Before we adjourn this evening the Chair would like to request that we stand for a moment of silence for one of our fellow employees, Ms. Bryna Akana, who has passed away. I believe Representative Marumoto had stated on the floor of the House that it was one of her employees who had passed away at the age of 34, from breast cancer."

Representative Marumoto: "Bryna Akana would have been honored by this moment of silence. She was a very loving

person and she loved this building and the people in it. We will all miss her very much. Thank you very much for this honor."

At this time the House of Representatives stood for a moment of silence to observe the passing of Ms. Bryna Akana, Legislative Aide to Representative Marumoto.

HOUSE COMMUNICATIONS

House Communication dated April 27, 2001, informing the Senate that the Speaker has this day appointed to Representative Garcia as Chair and Representatives Espero and Moses as members on the part of the House as Conferees for the consideration of amendments proposed by the House to Senate Concurrent Resolution No. 156, SD 1, HD 1.

ADJOURNMENT

At 10:30 o'clock p.m., on motion by Representative Lee, seconded by Representative Pendleton and carried, the House of Representatives adjourned until 10:00 o'clock a.m., Thursday, May 3, 2001. (Representative Yonamine was excused.)

SIXTIETH DAY

Thursday, May 3, 2001

The House of Representatives of the Twenty-First Legislature of the State of Hawaii, Regular Session of 2001, convened at 10:19 o'clock a.m., with the Speaker presiding.

The invocation was delivered by Pastor Elwin Ahu of the New Hope Christian Fellowship, after which the Roll was called showing all members present with the exception of Representative Stonebraker, who was excused.

On motion by Representative Lee, seconded by Representative Pendleton and carried, reading of the Journals was dispensed with, and the Journals of the Forty-Eighth, Forty-Ninth, Fiftieth, Fifty-First, Fifty-Second, Fifty-Third, Fifty-Fourth, Fifty-Fifth, Fifty-Sixth, Fifty-Seventh and Fifty-Eighth Days were subsequently approved. (Representative Stonebraker was excused.)

GOVERNOR'S MESSAGES

The following messages from the Governor (Gov. Msg. Nos. 206 and 207) were received and announced by the Clerk and were placed on file:

Gov. Msg. No. 206, transmitting the 2000 Annual Report prepared by the Department of Hawaiian Home Lands, pursuant to Section 222, Hawaiian Homes Commission Act, 1920, as amended.

Gov. Msg. No. 207, informing the House that the following bill was signed into law:

S.B. No. 483, RELATING TO RESTRAINT OF TRADE (ACT 079).

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 767 through 801) were received and announced by the Clerk and were placed on file:

Sen. Com. No. 767, informing the House that H.B. No. 200, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," passed Final Reading in the Senate on May 1, 2001.

Sen. Com. No. 768, transmitting H.C.R. No. 11, entitled: "HOUSE CONCURRENT RESOLUTION AUTHORIZING THE LEASE OF SUBMERGED LANDS AT DUKE KAHANAMOKU BEACH AT WAIKIKI, HONOLULU, OAHU, FOR PIER PURPOSES," which was adopted by the Senate on May 1, 2001.

Sen. Com. No. 769, transmitting H.C.R. No. 12, entitled: "HOUSE CONCURRENT RESOLUTION SUBMITTING TO THE LEGISLATURE OF THE STATE OF HAWAII FOR REVIEW OF ACTION TAKEN BY THE BOARD OF LAND AND NATURAL RESOURCES ON LAND EXCHANGES," which was adopted by the Senate on May 1, 2001.

Sen. Com. No. 770, transmitting H.C.R. No. 93, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE FEDERAL GOVERNMENT TO DESIGNATE A NEW NATIONAL PARK FROM KEONE'O'IO TO KANALOA POINT ON THE SOUTHEAST COAST OF MAUI," which was adopted by the Senate on May 1, 2001.

Sen. Com. No. 771, transmitting H.B. No. 144, entitled: "A BILL FOR AN ACT RELATING TO KAHŌ'OLAWĒ ISLAND RESERVE," which passed Third Reading in the Senate on May 1, 2001.

Sen. Com. No. 772, transmitting H.B. No. 444, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO BURIAL SITES," which passed Third Reading in the Senate on May 1, 2001.

Sen. Com. No. 773, transmitting H.B. No. 505, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," which passed Third Reading in the Senate on May 1, 2001.

Sen. Com. No. 774, transmitting H.B. No. 508, entitled: "A BILL FOR AN ACT RELATING TO IRRIGATION PROJECTS," which passed Third Reading in the Senate on May 1, 2001.

Sen. Com. No. 775, transmitting H.B. No. 540, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII," which passed Third Reading in the Senate on May 1, 2001.

Sen. Com. No. 776, transmitting H.B. No. 544, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII," which passed Third Reading in the Senate on May 1, 2001.

Sen. Com. No. 777, transmitting H.B. No. 564, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," which passed Third Reading in the Senate on May 1, 2001.

Sen. Com. No. 778, transmitting H.B. No. 565, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," which passed Third Reading in the Senate on May 1, 2001.

Sen. Com. No. 779, transmitting H.B. No. 567, entitled: "A BILL FOR AN ACT RELATING TO UNCLAIMED PROPERTY," which passed Third Reading in the Senate on May 1, 2001.

Sen. Com. No. 780, transmitting H.B. No. 611, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONCESSIONS AT PUBLIC LIBRARY FACILITIES," which passed Third Reading in the Senate on May 1, 2001.

Sen. Com. No. 781, transmitting H.B. No. 612, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE LIBRARY ENHANCED SERVICES PROGRAM," which passed Third Reading in the Senate on May 1, 2001.

Sen. Com. No. 782, transmitting H.B. No. 670, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY," which passed Third Reading in the Senate on May 1, 2001.

Sen. Com. No. 783, transmitting H.B. No. 676, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO OCCUPATIONAL AND CAREER INFORMATION," which passed Third Reading in the Senate on May 1, 2001.

Sen. Com. No. 784, transmitting H.B. No. 693, entitled: "A BILL FOR AN ACT RELATING TO THE BUREAU OF CONVEYANCES," which passed Third Reading in the Senate on May 1, 2001.

Sen. Com. No. 785, transmitting H.B. No. 730, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," which passed Third Reading in the Senate on May 1, 2001.

Sen. Com. No. 786, transmitting H.B. No. 869, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL LOANS," which passed Third Reading in the Senate on May 1, 2001.

Sen. Com. No. 787, transmitting H.B. No. 1118, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HUNTING," which passed Third Reading in the Senate on May 1, 2001.

Sen. Com. No. 788, transmitting H.B. No. 1345, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY CONTENT OF FUELS," which passed Third Reading in the Senate on May 1, 2001.

Sen. Com. No. 789, transmitting H.B. No. 545, entitled: "A BILL FOR AN ACT RELATING TO THE RENTAL HOUSING TRUST FUND," which passed Third Reading in the Senate on May 1, 2001.

Sen. Com. No. 790, transmitting H.B. No. 715, entitled: "A BILL FOR AN ACT RELATING TO THE INTEGRATED TAX INFORMATION MANAGEMENT SYSTEMS ACQUISITION BY THE DEPARTMENT OF TAXATION," which passed Third Reading in the Senate on May 1, 2001.

Sen. Com. No. 791, informing the House that the Senate has on April 26, 2001, reconsidered its action taken on April 12, 2001, in disagreeing to the amendments proposed by the House to the following Senate Bills and has moved to agree to the amendments, and that said bills have this day passed Final Reading:

SB 24, SD 2, HD 2
RELATING TO PUBLIC EMPLOYMENT.

SB 97, HD 1
RELATING TO TELEMARKETING FRAUD.

SB 1045, HD 1
MAKING AN EMERGENCY APPROPRIATION FOR HEALTH FUND PREMIUMS.

SB 1315, SD 2, HD 2
RELATING TO EDUCATION.

Sen. Com. No. 792, informing the House that the Senate has on April 25, 2001, reconsidered its action taken on April 12, 2001, in disagreeing to the amendments proposed by the House to the following Senate Bills and has moved to agree to the amendments, and that said bills have this day passed Final Reading:

SB 28, HD 1
RELATING TO DISLOCATED WORKERS.

SB 525, SD 1, HD 1
RELATING TO TEXTBOOKS

SB 535, SD 2, HD 1
RELATING TO EDUCATION

SB 597, SD 1, HD 1

RELATING TO THE STATE COUNCIL ON DEVELOPMENTAL DISABILITIES.

SB 670, SD 1, HD 1
RELATING TO THE HAWAII STATE STUDENT COUNCIL.

SB 758, SD 1, HD 2
RELATING TO DRIVER'S LICENSES.

SB 1101, HD 1
RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED.

SB 1164, SD 1, HD 1
RELATING TO THE FOREST STEWARDSHIP PROGRAM.

SB 1165, SD 1, HD 2
RELATING TO PENALTIES FOR NATURAL RESOURCES.

SB 1207, SD 1, HD 2
RELATING TO THE UNIVERSITY OF HAWAII.

SB 1208, SD 1, HD 3
RELATING TO THE UNIVERSITY OF HAWAII.

SB 1262, HD 1
RELATING TO SPECIAL PURPOSE REVENUE BONDS.

Sen. Com. No. 793, informing the House that the Senate has on April 24, 2001, reconsidered its action taken on April 12, 2001, in disagreeing to the amendments proposed by the House to the following Senate Bills and has moved to agree to the amendments, and that said bills have this day passed Final Reading:

SB 64, SD 1, HD 1
RELATING TO CRIME.

SB 65, HD 1
RELATING TO CRIMINAL PROCEDURE.

SB 67, SD 1, HD 1
RELATING TO DOMESTIC ABUSE PROTECTIVE ORDERS.

SB 69, SD 1, HD 1
RELATING TO PROTECTIVE ORDER.

SB 98, HD 1
RELATING TO LEGAL SERVICES FOR THE INDIGENT.

SB 423, SD 1, HD 1
RELATING TO CIVIL PROCEEDINGS.

SB 640, SD 1, HD 1
RELATING TO AGRICULTURE.

SB 759, SD 1, HD 1
RELATING TO TORT ACTIONS.

SB 805, SD 1, HD 1
RELATING TO CONTROLLED SUBSTANCES.

SB 951, SD 1, HD 1
RELATING TO HATE CRIMES.

SB 1050, SD 1, HD 1
RELATING TO THE AUTHORIZATION OF SPECIAL PURPOSE REVENUE BONDS.

SB 1082, SD 1, HD 2
RELATING TO EDUCATION.

Sen. Com. No. 794, informing the House that the Senate has on April 27, 2001, reconsidered its action taken on April 12, 2001, in disagreeing to the amendments proposed by the House to the following Senate Bills and has moved to agree to the amendments, and that said bills have this day passed Final Reading:

SB 209, SD 2, HD 2
RELATING TO PARKING FOR PERSONS WITH
DISABILITIES.

SB 699, HD 1
RELATING TO TAXATION.

SB 752, SD 1, HD 1
RELATING TO STATE BOATING FACILITIES.

SB 854, SD 1, HD 1
RELATING TO TAXATION.

SB 905, HD 1
RELATING TO THE ENFORCEMENT OF THE
LOBBYIST LAW.

SB 1264, SD 2, HD 2
RELATING TO AQUACULTURE.

Sen. Com. No. 795, informing the House that the Senate has on April 24, 2001, reconsidered its action taken on April 3, 2001, in disagreeing to the amendments proposed by the House to the following Senate Bill and has moved to agree to the amendments, and that said bill has this day passed Final Reading:

SB 1062, SD 1, HD 1
RELATING TO THE CONVERSION OF
PROFESSIONAL AND VOCATIONAL LICENSES.

Sen. Com. No. 796, informing the House that the Senate has on April 24, 2001, reconsidered its action taken on April 5, 2001, in disagreeing to the amendments proposed by the House to the following Senate Bills and has moved to agree to the amendments, and that said bills have this day passed Final Reading:

SB 1065, HD 1
RELATING TO ARCHITECTS.

SB 1067, SD 1, HD 1
RELATING TO LIMITING HURRICANE PROPERTY
INSURANCE RISK.

SB 1069, SD 1, HD 1
RELATING TO INSURANCE.

Sen. Com. No. 797, informing the House that on May 1, 2001, the following bills passed Final Reading in the Senate:

S.B. No. 1193, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX ON NONPROFIT ORGANIZATIONS,";

S.B. No. 986, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AQUACULTURE,";

S.B. No. 606, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RECYCLED WATER,";

S.B. No. 178, SD2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUM PROPERTY REGIMES,";

S.B. No. 1162, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC NOTICE REQUIREMENTS FOR PUBLIC LAND DISPOSITIONS,";

S.B. No. 221, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE,";

S.B. No. 900, SD2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LIQUOR LICENSE APPLICATIONS,";

S.B. No. 865, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL-TO-WORK,";

S.B. No. 1081, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION,";

S.B. No. 1119, SD2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS,";

S.B. No. 1390, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRADITIONAL HAWAIIAN HEALING PRACTICES,";

S.B. No. 1123, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO VITAL RECORDS,";

S.B. No. 1455, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CHILDREN'S ADVOCACY PROGRAM,";

S.B. No. 1276, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CYBERSQUATTING,";

S.B. No. 683, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY,";

S.B. No. 1178, SD2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTROLLED SUBSTANCES,";

S.B. No. 1102, SD2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED,";

S.B. No. 1061, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO REAL ESTATE BROKERS,";

S.B. No. 1079, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LIMITED LIABILITY PARTNERSHIPS,";

S.B. No. 1349, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MUTUAL BENEFIT SOCIETIES,";

S.B. No. 1199, SD2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONCESSIONS ON PUBLIC PROPERTY,";

S.B. No. 950, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DIAMOND HEAD,";

S.B. No. 981, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BOARD OF LAND AND NATURAL RESOURCES,";

H.B. No. 1556, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL LOANS,";

H.B. No. 638, HD 1, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ASSISTANCE,";

H.B. No. 731, HD 1, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII,";

H.B. No. 16, HD 2, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO REAL ESTATE BROKERS AND SALESPERSONS,";

H.B. No. 896, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE REVISED UNIFORM COMMERCIAL CODE ARTICLE 9 - SECURED TRANSACTIONS,";

H.B. No. 945, HD 1, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SOCIAL WORK,";

H.B. No. 614, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII STATE PUBLIC LIBRARY SYSTEM,";

H.B. No. 868, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BOARD OF EDUCATION,";

H.B. No. 702, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONAL HEALTH CARE,";

H.B. No. 624, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED,";

H.B. No. 986, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO IDENTIFICATION DOCUMENTS,";

H.B. No. 1004, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ORIGINAL JURISDICTION OF THE HAWAII SUPREME COURT,";

H.B. No. 1115, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ADMISSIBILITY OF PAID BILLS IN COURT,";

H.B. No. 161, HD 2, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL HISTORY RECORD CHECKS,";

H.B. No. 1255, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MINORS,";

H.B. No. 583, HD 1, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CODE OF FINANCIAL INSTITUTIONS,";

H.B. No. 644, HD 1, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS,";

H.B. No. 653, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SUBSTANCE ABUSE TREATMENT INSURANCE BENEFITS,";

H.B. No. 1243, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE,";

H.B. No. 204, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PLANNED COMMUNITY ASSOCIATIONS,";

H.B. No. 594, HD 2, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTINUING EDUCATION

COURSES AND COURSE PROVIDERS FOR INSURANCE LICENSEES,";

H.B. No. 498, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DOMESTIC VIOLENCE,";

H.B. No. 645, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENDANGERING THE WELFARE OF INCOMPETENT PERSONS,";

H.B. No. 599, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NONPROFIT CORPORATIONS,";

H.B. No. 160, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FRAUDULENT CLAIMS,";

H.B. No. 1074, HD 2, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DROUGHT MITIGATING FACILITIES,";

S.B. No. 932, SD2, HD 4, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT,";

S.B. No. 119, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONS,";

S.B. No. 684, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FEES OF THE SHERIFF'S OFFICE,";

S.B. No. 209, SD2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PARKING FOR PERSONS WITH DISABILITIES,";

S.B. No. 640, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE,";

S.B. No. 752, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE BOATING FACILITIES,";

S.B. No. 854, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION,";

S.B. No. 905, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ENFORCEMENT OF THE LOBBYIST LAW,";

S.B. No. 1264, SD2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO AQUACULTURE,";

S.B. No. 48, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS,";

S.B. No. 1385, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE SALARY STRUCTURE OF EDUCATIONAL OFFICERS IN THE DEPARTMENT OF EDUCATION,";

S.B. No. 1512, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PENAL CODE,";

S.B. No. 1066, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE,";

S.B. No. 1071, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE,";

S.B. No. 1550, SD2, HD 1, CD 1, entitled: "A BILL FOR AN ACT relating to insurance,";

S.B. No. 643, SD2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DOGS,";

S.B. No. 185, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FISHING,";

S.B. No. 589, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DENTAL INSURANCE,";

H.B. No. 1339, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WATER SUPPLY BOARDS,";

H.B. No. 118, HD 3, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FAMILY CHILD CARE,";

H.B. No. 646, HD 1, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE SALE OF STERILE SYRINGES FOR THE PREVENTION OF DISEASE,";

H.B. No. 503, HD 2, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE LEASES,";

H.B. No. 236, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SEXUAL ASSAULT,";

H.B. No. 123, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SPEEDING,";

H.B. No. 135, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD PASSENGER SAFETY,";

H.B. No. 1685, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION,";

H.B. No. 1668, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO REHIRING RETIRED TEACHERS IN THE DEPARTMENT OF EDUCATION,";

H.B. No. 1211, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FIREARMS,";

H.B. No. 600, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BUSINESS REGISTRATION,";

H.B. No. 271, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE RENTAL INDUSTRY,";

H.B. No. 469, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL PERSONNEL,";

H.B. No. 526, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD SUPPORT ENFORCEMENT,";

H.B. No. 201, HD 1, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PRIVACY OF HEALTH CARE INFORMATION ACT,";

H.B. No. 1234, HD 1, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO QUEST,";

H.B. No. 175, HD 2, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION,";

H.B. No. 462, HD 1, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM ARBITRATION ACT,";

S.B. No. 1113, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ASSISTANCE,";

S.B. No. 755, SD2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HARBORS,";

S.B. No. 1060, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ESCROW DEPOSITORIES,";

S.B. No. 1068, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PRODUCER LICENSING,";

S.B. No. 654, SD2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAID,";

S.B. No. 41, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONSERVATION,";

S.B. No. 1046, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND,";

S.B. No. 1144, SD2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MINIMUM WAGE,";

H.B. No. 407, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE GENERAL EXCISE TAX,";

H.B. No. 946, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION,";

S.B. No. 1096, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT,";

S.B. No. 1460, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE INTERMEDIATE APPELLATE COURT,";

S.B. No. 204, SD2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ANIMAL QUARANTINE,";

H.B. No. 173, HD 2, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY RESOURCES,";

H.B. No. 1586, HD 1, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO UNEMPLOYMENT,";

S.B. No. 699, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION,";

S.B. No. 1213, SD2, HD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE ESTABLISHMENT AND CONTINUATION OF PROFESSIONAL DEVELOPMENT SCHOOLS,";

S.B. No. 118, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CANCER,";

S.B. No. 1110, SD2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD CARE,";

S.B. No. 638, SD2, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE MOLOKAI IRRIGATION SYSTEM,";

S.B. No. 498, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE NANAKULI HOMESTEAD CEMETERY,";

S.B. No. 105, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO KIKALA-KEOKEA,";

S.B. No. 1214, SD2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NATIONAL BOARD CERTIFICATION FOR DEPARTMENT OF EDUCATION TEACHERS,";

H.B. No. 786, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR DONATED DENTAL SERVICES,";

H.B. No. 429, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR BLINDNESS SKILL TRAINING,";

H.B. No. 962, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO A SENTENCING SIMULATION MODEL,";

H.B. No. 1686, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF REVENUE BONDS FOR INTER-ISLAND MARITIME TRANSPORTATION,";

H.B. No. 11, HD 2, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION,";

H.B. No. 1391, HD 1, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ARTS,";

H.B. No. 210, HD 1, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE,";

H.B. No. 1216, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE KOREAN CENTENNIAL CELEBRATION COMMISSION,";

H.B. No. 861, HD 2, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE OPERATIONS AND MAINTENANCE OF CERTAIN AGRICULTURE-RELATED INFRASTRUCTURE ON KAUAI,";

S.B. No. 18, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR SALARY INCREASES FOR PUBLIC EMPLOYEES,";

S.B. No. 1379, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING COST ITEMS,";

S.B. No. 469, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PARKING FOR PERSONS WITH DISABILITIES,";

S.B. No. 1561, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS,";

S.B. No. 1414, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR UNIFORM LAWS,";

S.B. No. 710, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS,";

S.B. No. 1034, SD2, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS,";

S.B. No. 1035, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS,";

S.B. No. 1036, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS,";

S.B. No. 123, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING,";

H.B. NO. 94, HD 1, SD 1, CD 1, ENTITLED: "A BILL FOR AN ACT RELATING TO PARENT-COMMUNITY NETWORKING CENTER PROGRAMS,";

S.B. No. 549, SD2, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE ESTABLISHMENT OF MANUFACTURING EXTENSION PROGRAMS,";

S.B. No. 1365, SD2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE WEED AND SEED PROGRAM,";

S.B. No. 1405, SD2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR HI-TECH HAWAII, INC,";

H.B. No. 1287, HD 1, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE,";

H.B. No. 1089, HD 2, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE,";

S.B. No. 1164, SD 1, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE FOREST STEWARDSHIP PROGRAM,";

S.B. No. 1236, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII,";

S.B. No. 1011, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GEOGRAPHIC INFORMATION SYSTEMS,";

S.B. No. 224, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PINEAPPLE RESEARCH,";

S.B. No. 1435, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HYDROGEN RESEARCH AND DEVELOPMENT,";

S.B. No. 927, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ADULT DAY HEALTH CARE CENTERS,";

S.B. No. 493, SD2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SCHOOLS,";

S.B. No. 1209, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CLAIMS AGAINST THE UNIVERSITY OF HAWAII AND PROVIDING APPROPRIATIONS THEREFOR,";

S.B. No. 1211, SD2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL FACILITIES,";

S.B. No. 1212, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION,";

S.B. No. 1362, SD2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COACHES,";

H.B. No. 1111, HD 1, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR AN INTERGENERATIONAL CARE CENTER AT EWA VILLAGES,";

H.B. No. 77, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL,";

H.B. No. 284, HD 1, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH,";

H.B. No. 1233, HD 1, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO YOUTH SERVICES,";

H.B. No. 862, HD 1, SD2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE ESTABLISHMENT OF SOCIAL WORKER POSITIONS,";

H.B. No. 840, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII,";

H.B. No. 480, HD 1, SD2, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR BUSINESS SPECIALIST POSITIONS,";

H.B. No. 632, HD 3, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES,";

H.B. No. 186, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC LAND TRUST,";

H.B. No. 860, HD 1, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM,";

H.B. No. 533, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ANTITRUST,";

H.B. No. 152, HD 1, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY,";

H.B. No. 168, HD 1, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS,";

H.B. No. 513, HD 1, SD2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE RELIEF OF CERTAIN PERSONS' CLAIMS AGAINST THE STATE AND PROVIDING APPROPRIATIONS THEREFOR,";

H.B. No. 596, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HURRICANE RELIEF FUND,";

S.B. No. 1577, SD2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL FACILITIES,";

S.B. No. 1044, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEE HEALTH BENEFITS,";

S.B. No. 1535, SD2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HAWAII COMMISSION FOR NATIONAL AND COMMUNITY SERVICE," and

S.B. No. 1030, SD2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY,".

Sen. Com. No. 798, informing the House that the Senate has, on April 27, 2001, reconsidered action on April 24, 2001, in disagreeing to the amendments proposed by the House to the following Senate Concurrent Resolutions and has moved to agree to the amendments, and that said resolutions have this day been Adopted:

S.C.R. No. 7, S.D. 1, H.D. 1, entitled: REQUESTING THE DEVELOPMENT OF A PLAN TO IMPROVE ORAL

HEALTH FOR CHILDREN, LOW-INCOME ADULTS, AND THE DISABLED IN THE STATE,";

S.C.R. No. 15, H.D. 1, entitled: REQUESTING THE CREATION OF A COORDINATING COMMITTEE TO OVERSEE THE CARE OF MEDICALLY FRAGILE CHILDREN,";

S.C.R. No. 41, S.D. 1, H.D. 1, entitled: REQUESTING THE DEPARTMENT OF HEALTH TO ESTABLISH A NEUROTRAUMA TASK FORCE,";

S.C.R. No. 42, H.D. 1, entitled: REQUESTING THE DEPARTMENT OF HEALTH AND DEPARTMENT OF EDUCATION TO EXAMINE THE PROBLEM OF CHILDHOOD OBESITY AND TO RECOMMEND STRATEGIES, INCLUDING THE CREATION OF AN ELEMENTARY SCHOOL LEVEL PHYSICAL EDUCATION PROGRAM, TO ADDRESS THIS PROBLEM,"; and

S.C.R. No. 150, S.D. 1, H.D. 1, entitled: REQUESTING THE DEVELOPMENT OF A MORE CONSUMER FRIENDLY UNIFIED SYSTEM FOR FREE PRESCRIPTION DRUGS, ESTABLISHMENT OF A WORKING COMMITTEE TO DEVELOP A PRESCRIPTION DRUG ACCESS PROGRAM, AND URGING THE PRESIDENT AND UNITED STATES CONGRESS TO ADDRESS THE PROBLEM OF HIGH PRESCRIPTION DRUG COSTS".

Sen. Com. No. 799, informing the House that the Senate has, on April 27, 2001, reconsidered action on April 24, 2001, in disagreeing to the amendments proposed by the House to the following Senate Concurrent Resolution and has moved to agree to the amendments, and that said resolution has this day been Adopted:

S.C.R. No. 85, H.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO ESTABLISH A TASK FORCE TO GATHER PUBLIC INPUT AND RECOMMEND STATUTORY CAVE LAW,"

Sen. Com. No. 800, informing the House that the following Senate Concurrent Resolutions were this day adopted by the Senate:

S.C.R. No. 156, S.D. 1, H.D. 1, C.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A REVIEW OF THE VIABILITY OF RELOCATING THE OAHU COMMUNITY CORRECTIONAL CENTER," and

S.C.R. No. 23, S.D. 2, H.D. 1, C.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEVELOPMENT AND IMPLEMENTATION OF A LONG-TERM CARE FINANCING PLAN AND A STATEWIDE LONG-TERM CARE PROVIDER CERTIFICATION PROGRAM."

Sen. Com. No. 801, informing the House that the following House Concurrent Resolution was this day adopted by the Senate:

H.C.R. No. 129, H.D. 1, S.D. 1, C.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE INSURANCE COMMISSIONER TO CONVENE A MANDATED BENEFIT ADVISORY TASKFORCE AND REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY ON THE FEASIBILITY OF A STATE PHARMACEUTICAL ASSISTANCE PROGRAM."

INTRODUCTION

The following introduction was made to the members of the House:

Representative Luke introduced students from Nuuanu Elementary School and their teachers: Mrs. Hirata, Ms. Lum, Ms. Miyamae.

ORDER OF THE DAY

SUSPENSION OF RULES

On motion by Representative Lee, seconded by Representative Pendleton and carried, the rules were suspended for the purpose of considering a certain bill on Third Reading. (Representative Stonebraker was excused.)

THIRD READING

S.B. No. 1173:

On motion by Representative M. Oshiro, seconded by Representative Lee and carried, S.B. No. 1173, entitled: "A BILL FOR AN ACT RELATING TO THE ENVIRONMENT," passed Third Reading by a vote of 50 ayes, with Representative Stonebraker being excused.

The Chair directed the Clerk to note that S.B. No. 1173, passed Third Reading at 10:27 o'clock a.m.

RECONSIDERATION OF MEASURE RETURNED BY THE GOVERNOR

At this time Representative Halford moved that, the veto of the Governor to the contrary notwithstanding, S.B. No. 207, returned without his approval, pass Final Reading in its entirety, seconded by Representative Moses.

At 10:28 o'clock a.m., Representative M. Oshiro requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:30 o'clock p.m.

The Chair addressed the body, stating:

"The motion before the House is to override the Governor's veto of SB 207, Relating to Interisland Vehicle Transfers."

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

"This is one of those housekeeping bills actually. If you live in Southern California and you want to drive to Northern California you don't need permission from your bank to do so. So why are Hawaii's people considered second class citizens is beyond me.

"Nowadays it used to be that you had the Bank of Hawaii, American Savings Bank or a local bank to finance your car. It was very easy to go down to get a signature. Now with financing and competing interest rates your bank could be in Connecticut. With a six hour time difference it makes it very hard for people. We all thought this was a good bill. It passed both the Senate and the House unanimously. Now to allow our people to travel from one island to another with their

vehicles without undue paperwork, it was a good bill we all passed it. This is one of those things that we should override. It would be historic and it would be the first time we would have ever done it. Thank you Mr. Speaker."

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

"As it was pointed out Mr. Speaker, this bill passed 100%. Seventy-six Legislators voted in favor of this. This is an opportunity for the Legislature to make an historic movement. This Legislature has never overridden a veto since statehood.

"We have an opportunity to assert ourselves, assert the Legislative Branch in Hawaii State Government in a way that has been neglected in the past and falls away from the idea of separation and balance of power of the three branches of government. As it has been brought up many times during this session different bills have come before us that we have watered down or changed in favor of the Executive's wishes, not because we wanted to change it or somehow it matched our wisdom, but just because the Governor said he was going to veto it and he knew that we would never have the courage to override a veto.

"I think that in addition to the quality of this bill, this is an opportunity for the Legislative Branch to stand up for itself and never more let the Executive Branch control our legislation as it has in the past. Thank you."

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

"This is a bill introduced by Speaker Emeritus Souki. I've had the privilege of serving on your Transportation Committee for many years. We heard this bill in Transportation and we heard all of the pros and cons. The pros vastly outnumbered the cons. This is a good bill Mr. Speaker."

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

"Mr. Speaker, about eight years ago I put in a bill to require the shipper of vehicles to make sure that the vehicle was insured. That bill went through and passed. However, unfortunately some of the lenders came in and said, 'Wait a minute, you have to make sure that we the lender, agree that the car can be shipped. So you become the police entity to make sure that happens'.

"Young Brothers was put into the unusual position of having to really police whether or not the registered owner of the car would allow that vehicle to be shipped to a Neighbor Island. My colleague from the Kona region had a very good point. If you drive from Southern California to Northern California you don't have to prove that the lender says that you can travel that far. We're simply allowing owners of vehicles who simply want to drive via the Young Brothers ship to another region of this State. There's no reason that we should have to continue to have those owners prove that the lender will allow them to drive to another portion of our State.

"Speaker Emeritus, I believe that rumor has it, was sort of caught up in that situation and realized that it didn't make any sense and put in this very good bill. We passed it unanimously. It still will require Young Brothers to assure that the vehicle is insured, that's good. Then we won't have uninsured vehicles on our roads or on our waterways.

"But the bill as it went through here made a lot of sense. I think it also makes sense for this body to say to the Governor, 'Governor we think you are wrong. One hundred percent of us passed this bill during the session. You vetoed it. We're still in session and now we are going to have the requisite two-thirds to say, Governor you are wrong.' We thought the bill made sense. Thank you Mr. Speaker."

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

"Mr. Speaker, in my previous life I worked as a warehouse manager for Lion and Superior Coffee and we did a lot of shipping of these vehicles interisland. I would be the guy that would go down to Young Brothers and ship these vehicles. It was quite a hassle because you had to get the permission from the lender and, of course, working with these different companies we used various different banks."

"It got to the point where it would be easier for me to fabricate one of these on my personal computer rather than go spend an hour or two hours chasing this down. Of course, I never did that. But that is an example of the paperwork and the bureaucracy. So this is a paperwork reduction act and I think this makes sense. Thank you."

Representative Souki rose to speak to the motion, stating:

"I feel compelled to speak on this bill. Mr. Speaker, I am 'kanalua' at this point. Mr. Speaker, I guess this is unprecedented, speaking when you are 'kanalua' but if I may."

"First of all, I want to thank my colleagues on that side of the floor for speaking for this bill. I have intended to pass this bill for years. It is a clean bill. The bankers are in favor of it, businesses are in favor, and all of the neighbor islanders are in favor of it, I'm sure. Of course our good friend upstairs has vetoed the bill."

"There were some concerns as to the criminal element getting there and shipping cars that they may have stolen here. That is some of the concern that I believe the Governor had. The Attorney General and the Police Department convinced the Governor to veto the bill and I think his intentions were honorable; misdirected, but honorable. Again, I want to thank my colleagues on that side for speaking for this bill and I am still 'kanalua' at this moment. Thank you very much Mr. Speaker."

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

"Just very briefly I would like to remind the members of this chamber that not only did this measure pass unanimously here in this chamber and the Senate chamber. Not one single 'no' vote was ever cast in committee or conference committee on this particular measure. There is no reason why not all of us should be voting in favor of this veto override."

At 10:39 o'clock a.m., Representative Garcia requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:39 o'clock p.m.

Representative Meyer rose on a point of inquiry, stating:

"A roll call vote was asked to take place at the appropriate time. Can we still comment on this motion?"

The Chair responded, stating:

"Yes, please proceed."

Representative Meyer then rose in strong support of the motion, stating:

"I think one thing should be made clear to people. At this point in time, there's more paperwork that has to be done to ship your car from here to Maui than there is from here to the West Coast and that really doesn't make sense. If we had an interisland ferry that took automobiles like they do up in Alaska and in the State of Washington, you would be moving your car by ship, a ship not too unlike the Young Brother barges, from all points of Washington, from Washington up to Alaska. That would be from one state to another. We would simply be going from one island to another."

"I think it is time that we get into the 21st century. I know that it is some trepidation about overriding a veto. But we are not taking extra money, we have the pleasure of having extra time this year, which is very unusual. We are in session. This bill was vetoed early. It is not a large veto in the scheme of things, the bill is not something earthshaking, but it just makes so much common sense."

"I think it is something we should pass without any concerns. This is the kind of action that the Legislature is supposed to do when it makes sense. So I hope the people will not be concerned. This is not a big bill. This is perfectly appropriate for us to do, and I hope that we will show that we have the gumption to 'step up to the plate' when it makes perfect sense for the people of the State of Hawaii. Thank you Mr. Speaker."

Representative Hale rose on a point of information, stating:

"I would like to know what the Governor's reasons were for vetoing this measure and would somebody read the veto message so we have some basis for discussion?"

Representative M. Oshiro rose in response to Representative Hale's question, stating:

"I think we need to remember that the purpose of the veto serves a good purpose and that's for the Chief Executive, the Governor through the Attorney General's Office, upon looking through the dust and sorting through the bills and really taking a studied measure of the bills and how it relates to the other statutes on the books. It is my understanding that the Attorney General reviewed this bill in the context of how it ties into the other bills and laws regarding stolen vehicles and interisland shipping."

"I'll read the veto message for everyone's edification: 'The purpose of this bill is to eliminate the requirement that the registered owner of a vehicle being shipped between islands obtain a written consent of the vehicle's legal owner when the registered owner is not the legal owner before shipping the vehicle.' This situation arises Mr. Speaker, when you have a car with a lien or the legal owner is still the bank, but you are paying the monthly payments to the bank, and therefore you are the registered owner at the county office."

"The statute requiring proof of ownership and of authorization to ship before a vehicle may be legally shipped to another island has been very effective in reducing the interisland shipment of stolen vehicles. The administrative convenience provided to a few individuals by this bill does not offset the potential impairment of the effectiveness of these statutes in preventing the interisland shipment of stolen vehicles. For the foregoing reasons, I am returning Senate Bill

No. 207 without my approval." It is signed by the Governor dated April 16, 2001.

"That's his reason for vetoing this bill and that is the reason why I think we should vote down this veto override. Thank you."

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

"Mr. Speaker, the veto message that was just read was testimony that we heard. I was not on the Transportation Committee, but we have heard it throughout and that is the reason for it. There's no empirical data that shows that there will be an increase of stolen vehicles being shipped island to island. In fact, if you just think of it for a moment, the only difference between us and the other states in the nation is that we are an island chain. Every other state, you can go anywhere within the state without permission. As far as I know, the only provinces or countries that require this kind of permission to travel within the state is the totalitarian type governments, where you have to show paperwork to show to the border guards or to get permission to leave the town you are in or where there is marshal law.

"We need to move out of this idea that we all belong on a plantation and cannot mind our own business and our own affairs to live our lives accordingly. If somebody wants to, for instance, the Neighbor Island Representatives come from the Neighbor Islands, and want to bring a car for the four or five months that we are here and ship it back home. Why shouldn't we be able to do that without having to get permission from someone else to do it?

"The banks don't require permission from any other source other than you having insurance. Other than that you can do whatever you want. And please don't forget the fact that it is easier, if you were going to steal a car and get it off the island that you are on, you can ship it on Matson to the West Coast in a 'blink of an eye'. It would be more expensive but they don't have the same requirements. But yet if you want to go within the State you need this certain permission.

"Finally, Mr. Speaker, the computer system that the Police Department is using is evolving tremendously. At one point it was punch-cards and key strokes that did it. Nowadays you are connecting through the wire and you can confer with each other, and they do it all the time in such cases. It is not difficult at all, and in fact, they do connect up to check out each other's databases, and the same is true with the stolen vehicles. It's no reason at all to vote against this motion because of the claim that we will see an increase in stolen vehicles transferring from island to island. Even so, it doesn't mean we should penalize law abiding individuals from their desire to travel within our lovely state and visit other places.

"Mr. Speaker, the argument that we heard and was read out to us for the support of the veto, again is nothing we haven't heard before. This bill passed. To use that as a reason to vote 'no' against this motion is 'shibai'. We all voted for this bill the first time and that argument was there on the record for us the whole time through. So now suddenly to say, 'I am going to vote 'no' because of this reason,' just shows a lack of integrity or a lack of doing your homework."

Representative M. Oshiro rose on a point of order, stating:

"The current speaker is infringing upon the integrity of the membership and their prior votes and I think that is way out of line."

The Chair responded, stating:

"Representative Whalen could you confine your remarks and not infringe upon the integrity of the members of this House."

Representative Whalen continued, stating:

"Mr. Speaker, I apologize if that was how it was perceived. What I am getting at is, if that is a persuasive argument for the individuals to vote 'no' they didn't do their homework as they were going through the session, because that argument was always before us. I can't think of a reason why we shouldn't override the veto of the Governor, especially where in a bill like this, which won't cost more money and will not force us into extra session. The rest of the nation does this on a regular basis, override vetoes by their legislative branch in situations such as this. Hawaii has never done it and there is no reason why we shouldn't move forward and begin to have a true three-branch government. This is a perfect opportunity to do it, Mr. Speaker."

Representative McDermott rose in rebuttal, stating:

"The rationale here is that this makes it easier for criminals. If I was a criminal, I wouldn't want to go down to Young Brothers. I've done it myself. You have to stand in line at the clerk's office, take out my driver's license, sign the bill of lading, show them my insurance and all the rest of this. It just doesn't make sense. You just wouldn't do that.

"However, if you were sophisticated enough and you were bold enough to do that, then you wouldn't even go through the process of getting that formal document. As I said before, these things are easily fabricated on your personal computer. Again, not like I have ever done it, but these things are easily done.

"The point of this is that the rationale although valid and sound and well intentioned, doesn't hold water and is easily circumvented. Thank you."

Representative Rath rose in rebuttal, stating:

"Mr. Speaker, just to counter the point of the Majority Leader. As a former licensed dealership owner in the State of Hawaii, I've had to deal with this as I shipped motorcycles interisland to different customers and the like.

"The truth of the matter is kind of parallel to what the former speaker just said. You have to go down to Young Brothers with your driver's license and personal identification. I guess you could fake one of those, but then you have to have the registration. That means that you have to have the registration in your name. Now, if it is a fake registration why would you put the bank on there. You could just leave the bank off. I ship my car interisland, and if there is no lien holder on there as the legal owner then you don't have to provide that information. So if you are fabricating that document to ship a car that is obviously stolen, you are not going to have the document. You are not going to have the real title if the car is stolen. So you are going to have to fabricate a registration or else fabricate a driver's license. It's easier to fabricate a registration on a personal computer than it is a laminated driver's license. So if you are going to fabricate a registration, what kind of idiot criminal would fabricate the bank on there as a legal owner. You just leave them off.

"Anyway to get back to the override, that's what we should be talking about."

The Chair responded, stating:

"Well the Chair has been very generous in allowing everyone to speak, so please speak."

Representative Rath continued, stating:

"Well we've got the time. But the point I'd like to make is we are going for the first time in six years, finish before the Senate. And wouldn't it be fun to just throw this over to them. Instead of partisanship, 'Hey we're the House over here and look what we did guys'. Let's see what they say."

Representative Luke rose on a point of order, stating:

"Actually we won't be able to finish if this discussion keeps going."

Representative Rath continued, stating:

"Okay I call for the question."

Representative Hale rose to speak in opposition to the motion, stating:

"This is something that came out of the Transportation Committee I gather, and I'm not a member of the Transportation Committee. As such, with our Committee procedure here and with all of the bills before us, I think most of us rely on the recommendation of the Committee to do our votes. In this case the Committee might have heard this and might not have heard it. The rest of us on the floor never saw any such opposition. So based upon..."

Representative Moses rose on a point of clarification, stating:

"For the kind speaker, I would like to say that we have definitely heard the cons from the law enforcement agencies in Transportation and we voted it out anyway."

The Chair responded, stating:

"Let me clarify the point that Representative Hale is making. She does not sit on the Committee on Transportation or Consumer Protection and Commerce and that is why she is stating her opposition to the override because she was never given the opportunity of a discussion as far as what the Transportation Committee went through."

Representative Hale continued, stating:

"Yes, Mr. Speaker, you have stated it better than I did. All I'm trying to say is, now that we have the objection of the Attorney General I think we have to seriously consider it. I would also suggest that perhaps in the next session the Committee could go further into this with the Attorney General and come out with something that all of us could support."

The Chair addressed the body, stating:

"The Chair recognizes the request of Representative Rath in calling for the previous question. We have had a lot of debate on this override."

Representative Djou requested a roll call vote.

The request for a roll call was put to vote by the Chair and upon a show of hands, the request was granted.

Roll call having been requested, the motion that S.B. No. 207, entitled: "A BILL FOR AN ACT RELATING TO INTERISLAND VEHICLE TRANSFERS," pass Final Reading in its entirety was put to vote by the Chair and failed to carry by the required two-thirds vote of the House pursuant to Article III, Section 17 of the Constitution of the State of Hawaii on the following show of Noes and Ayes:

Noes, 29: Abinsay, Arakaki, Cabrerros, Case, Chang, Espero, Garcia, Hale, Hamakawa, Hiraki, Ito, Kanoho, Kawakami, Lee, Luke, Magaoay, Morita, Nakasone, B. Oshiro, M. Oshiro, Saiki, Say, Schatz, Suzuki, Takai, Takamine, Takumi, Yonamine and Yoshinaga.

Ayes, 22: Ahu Isa, Auwae, Bukoski, Davis, Djou, Fox, Gomes, Halford, Jaffe, Kahikina, Leong, Marumoto, McDermott, Meyer, Moses, Ontai, Pendleton, Rath, Souki, Stonebraker, Thielen and Whalen.

SUSPENSION OF RULES

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the rules were suspended to consider certain bills on Final Reading on the basis of a modified consent calendar.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the rules were suspended for the purpose of reconsidering action previously taken in disagreeing to amendments made by the Senate to certain House bills on the basis of a modified consent calendar.

RECONSIDERATION OF ACTION TAKEN

Representative M. Oshiro moved that the House reconsider its action previously taken in disagreeing to the amendments proposed by the Senate to H.B. Nos. 531 (SD 1); 538 HD 2 (SD 2); and 576 HD 2 (SD 1), seconded by Representative Fox and carried.

Representative M. Oshiro then moved to agree to the amendments proposed by the Senate to H.B. Nos. 531 (SD 1); 538 HD 2 (SD 2); and 576 HD 2 (SD 1), seconded by Representative Fox and carried.

The Chair addressed the Clerk who announced that the record of vote forms for the aforementioned bills had been received.

FINAL READING

H.B. No. 531, S.D. 1:

Representative M. Oshiro moved that the House reconsider its action taken on April 12, 2001, in disagreeing to the amendments proposed by the Senate to H.B. No. 531, seconded by Representative Fox and carried.

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 531 on the following showing of Ayes and Noes:

Ayes, 3 (Kanoho, Hamakawa and Auwae). Noes, none. Excused, none.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 531 and H.B. No. 531, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO NONCONSENSUAL COMMON LAW LIENS," passed Final Reading by a vote of 51 ayes.

H.B. No. 538, H.D. 2, S.D. 2:

Representative M. Oshiro moved that the House reconsider its action taken on April 12, 2001, in disagreeing to the amendments proposed by the Senate to H.B. No. 538, HD 2, seconded by Representative Fox and carried.

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 538, HD 2 on the following showing of Ayes and Noes:

Ayes, 3 (Kanoho, Hamakawa and Auwae). Noes, none. Excused, none.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 538, HD 2 and H.B. No. 538, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO COASTAL ZONE MANAGEMENT," passed Final Reading by a vote of 51 ayes.

H.B. No. 576, H.D. 2, S.D. 1:

Representative M. Oshiro moved that the House reconsider its action taken on April 12, 2001, in disagreeing to the amendments proposed by the Senate to H.B. No. 576, HD 2, seconded by Representative Fox and carried.

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 576, HD 2, on the following showing of Ayes and Noes:

Ayes, 3 (Yoshinaga, Saiki and Rath). Noes, none. Excused, none.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 576, HD 2 and H.B. No. 576, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Final Reading by a vote of 50 ayes to 1 no, with Representative Halford voting no.

The Chair directed the Clerk to note that H.B. Nos. 531, S.D. 1; 538, H.D. 2, S.D. 2; and 576, H.D. 2, S.D. 1; had passed Final Reading at 11:00 o'clock a.m.

INTRODUCTION OF RESOLUTIONS

The following resolutions (H.R. Nos. 197 through 202) were announced by the Clerk and the following action taken:

H.R. No. 197, entitled: "HOUSE RESOLUTION AUTHORIZING AND EMPOWERING THE SPEAKER TO EXPEND SUCH SUMS TO COMPLETE THE WORK OF THE TWENTY-FIRST LEGISLATURE, REGULAR SESSION OF 2001, INCLUDING THE CARRYING OUT OF ANY OFFICIAL LEGISLATIVE BUSINESS IN THE

INTERIM BETWEEN THE 2001 AND 2002 SESSIONS," was jointly offered by Representatives Say, Luke, M. Oshiro and Fox.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, H.R. No. 197 was adopted, with Representative Yonamine being excused.

H.R. No. 198, entitled: "HOUSE RESOLUTION AUTHORIZING THE SPEAKER TO APPROVE THE JOURNAL OF THIS HOUSE OF ANY LEGISLATIVE DAY BEING COMPILED AS OF THE 60TH DAY," was jointly offered by Representatives Say, Luke, M. Oshiro and Fox.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, H.R. No. 198 was adopted with Representative Yonamine being excused.

H.R. No. 199, entitled: "HOUSE RESOLUTION AUTHORIZING AND DIRECTING THE COMMITTEE ON THE JOURNAL TO COMPILE AND PRINT THE JOURNAL OF THE HOUSE OF REPRESENTATIVES, REGULAR SESSION OF 2001," was jointly offered by Representatives Say, Luke, M. Oshiro and Fox.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, H.R. No. 199 was adopted, with Representative Yonamine being excused.

H.R. No. 200, entitled: "HOUSE RESOLUTION AUTHORIZING THE SPEAKER TO DESIGNATE WHICH OF THE EMPLOYEES AND OFFICERS OF THE HOUSE BE GIVEN ADDITIONAL EMPLOYMENT TO MEET THE WORK AFTER THE SESSION AND FURTHER AUTHORIZING THE SPEAKER TO DETERMINE THE PERIOD OF EMPLOYMENT," was jointly offered by Representatives Say, Luke, M. Oshiro and Fox.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, H.R. No. 200 was adopted, with Representative Yonamine being excused.

H.R. No. 201, entitled: "RELATING TO STANDING, INTERIM, AND SPECIAL COMMITTEES AUTHORIZED TO CONDUCT HEARINGS DURING THE INTERIM BETWEEN THE ADJOURNMENT OF THE REGULAR SESSION OF 2001 AND THE CONVENING OF THE REGULAR SESSION OF 2002," was offered by Representative Say.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, H.R. No. 201 was adopted, with Representative Yonamine being excused.

H.R. No. 202, entitled: "HOUSE RESOLUTION INFORMING THE SENATE AND THE GOVERNOR THAT THE HOUSE OF REPRESENTATIVES IS READY TO ADJOURN SINE DIE," was jointly offered by Representatives Say and Luke.

On motion by Representative M. Oshiro, seconded by Representative Fox and carried, H.R. No. 202 was adopted, with Representatives Souki and Yonamine being excused.

ANNOUNCEMENTS

Representative Hale: "This may be in the way of an announcement, but it is really in the way of a thank you. I would like to thank you and the leadership and all of the members of this House of Representatives for having me this session. It was such an enjoyable one for me. Thank you."

Representative Cabrerios: "Good morning Mr. Speaker and members. Thank you for this opportunity to speak about my first legislative session. Back in October I was surprised and honored to be appointed by Governor Cayetano to serve the remaining term after my predecessor resigned to run for another office. I thank Governor Cayetano for his confidence in me to serve the people of Kalihi and Kalihi-Kai. Many of you see me as a quiet observer and that is true Mr. Speaker. I watched what was going on around me. It was like learning how to drive and going to driver's education. After being behind the wheel for a while you become more confident."

"As soon as I was appointed to this elected office I knew I had a lot to learn. I worked with other Kalihi Legislators to continue reaching out to our community through town hall meetings because we wanted to make sure that we knew the priorities of our constituents. I have much to learn about this legislative process and was given manuals to read, but reading the manuals doesn't compare to learning from senior members and leaders in the House of Representatives."

"I would like thank you for being role models for the freshman legislators. I thank the House leadership for guiding this House which is made up of many new faces and diverse backgrounds. To Chairman Abinsay of the Agriculture Committee, thank you for taking me under your 'wings' and teaching me the art of running a committee. You took a Kalihi boy who didn't know anything about farming and I learned about Hawaii's agriculture industry and how it is not just about soil and seeds. Hawaii's agriculture industry is more than just sugar cane and pineapple. We can be hi-tech, supplying produce for companies like McDonald's and Safeway."

"I'd like to also thank Chairman Takamine and Vice Chair Kawakami of the Finance Committee for guiding the freshman members. We had the challenging task of appropriating our limited resource of funds for almost unlimited number of programs. Being a member of this Committee requires long hours and stamina. But the good point is that we were served good food in that Committee and as you notice, I have gained a lot weight."

"I was also honored to be under the leadership of Chairman Chang for the Tourism Committee and Chairman Ahu Isa of the Economic Development and Business Concerns Committee. We had the job of helping Hawaii develop its economy."

"To our wonderful support staff, HMSO, the Chief Clerk's Office, Sergeant-at-Arms, LRB and my office staff, you are like the oil that helps this place run smoothly. My first session will be of memories of seeing my son Brandon give an offering during the Lion Dance on Opening Day. My other highlights will be the formation of our famous Filipino caucus which is proud of our heritage and culture. I will never forget the challenges that were before us and the emotional debates and floor speeches of my colleagues on controversial bills."

"Last but not the least, I would like to thank my wife, my son and my family for their support during the past four months. Mr. Speaker, I can proudly say that I think this Legislature did a fine job for making tough decisions. The decisions we made were for the benefit of the people of Hawaii. Thank you Mr. Speaker."

Representative Gomes: "I'm a little perplexed still because I'm sitting here, it's the last day and I am wondering why it is that my bills didn't get passed or how come my CIP requests didn't all get funded. But I guess as a freshman I still have some things to find out so it goes. Thanks to you, Mr. Speaker, for managing the House and keeping our decorum. Also I just wanted to thank my staff, my office manager Leslie Chow, Ms. Jan Harmon and Ms. Melissa Finsand who did a really good job in keeping me in stride during the session."

LATE INTRODUCTION

The following introduction was made to the members of the House:

At this time, Representative Gomes also introduced his mother, Mrs. Gwen Gomes, who was seated in the gallery."

ANNOUNCEMENTS

Representative Rath: "I would just like to remind the members that this is the very last time that we will all be together. The America Legislative Exchange Council is having its annual conference in New York City, the last of July and the first of August. While I understand that a lot of you go to 'Brand X', it is the largest gathering of state legislators in the country. But if you would like a different experience other than the 'touchy feely' one, you might find this rather enlightening. Being a New Yorker as my colleague across the way there, Marilyn Lee, I'm sure you will have an excellent time and if you have never seen the Empire State Building or Central Park it is quite an experience. Somebody from my office will be contacting you before it comes up. Thank you Mr. Speaker."

Representative Kanoho: "Mr. Speaker and members, about two and a half weeks ago an epic battle was waged at Honolulu Country Club and this is the result of a letter sent to you by the Senate challenging us and we did accept the challenge. Unfortunately Mr. Speaker and members, to emphasize that it is not the outcome, but how you do. We did our very best. We did not win the contest only because our best golfers were so busy doing the people's business that they were not available. Our best golfer, Representative Nakasone was too busy doing business here and so were our other premiere golfers such as, Representatives Chang, Hiraki, Takai, Kahikina and Hamakawa. Had they been present Mr. Speaker, we were all confident that we would have won. Also there were only four of us representing the House and you would have been very proud of all of the members who represented the House."

"The Senate was represented by two females and it was because Representative Abinsay and Representative Magaoay, the gentlemen that they are, and this is not to take any credit away from the golfing skills of the two female Senators, but the gentlemen that they are, they allowed the two female Senators to win. The only saving grace was that the captain of the House team did beat the captain of the Senate team, but being the gentleman that he is, the Senate captain recognized that he had too much respect for age therefore he allowed the captain of the House team to win that match all be it quite convincingly. I think that this represents the spirit of the House in sharing what we have. So the whole idea here Mr. Speaker is that we will share this trophy but only for one year, because we do intend to recapture it a year from now. Thank you Mr. Speaker."

The Chair addressed the body, stating:

"Members of the House, as we bring the 2001 Regular Session to a close, I just wanted to offer my personal mahalo to all of you. As we reflect on where we began in January and where we are today, I feel so much pride in our accomplishments. In a span of sixty days we have given State government a new mandate and the mandate today is change.

"To those of you who supported historic reform, thank you. You have put the people's interest first above all others. But the job is not over. In fact, it has only begun. So let us use the coming months wisely. Let us find more common ground and let us reaffirm our commitments to the oaths that we all took in January. Let us return safely once again with the renewed energy and purpose to make Hawaii the kind of place our children would be proud of. Aloha and Mahalo.

The Chair continued, stating:

"Members at this time while the House has completed its business for this Regular Session, the Senate has yet to complete their business. House members must remain in the Capitol for the completion of the Senate business. Members for your convenience lunch will be served in the Speaker's Office and after the singing of Hawaii Aloha, the officers of the House will assemble the leadership of this House for an escort to the Senate. Vice Speaker Luke, Representative Marcus Oshiro and Representative Galen Fox please assemble the members of the House leadership at the Clerk's desk at the appropriate time for the escort."

ADJOURNMENT

Representative M. Oshiro moved that the House of Representatives of the Twenty-First Legislature of the State of Hawaii, Regular Session of 2001, adjourn Sine Die, seconded by Representative Fox.

The motion was put to vote by the Chair and carried, and at 11:17 o'clock a.m., the Speaker rapped his gavel and declared the House of Representatives of the Twenty-First Legislature of the State of Hawaii, Regular Session of 2001, adjourned Sine Die.

**GOVERNOR'S MESSAGES RECEIVED AFTER THE ADJOURNMENT
OF THE 2001 LEGISLATURE SINE DIE**

GOVERNOR'S MESSAGES

Gov. Msg. No. 208, informing the House that on May 2, 2001, the following bills were signed into law:

H.B. No. 628, SD 1, RELATING TO FOSTER BOARD ALLOWANCES FOR STUDENTS (Act 080);

H.B. No. 654, HD 1, SD 1, RELATING TO SAFE DRINKING WATER (Act 081);

S.B. No. 212, SD 1, HD 1, RELATING TO TEMPORARY INSTRUCTION PERMIT (Act 082);

S.B. No. 797, RELATING TO PUBLIC SERVICE (Act 083);

S.B. No. 1084, SD 2, HD 1, MAKING AN EMERGENCY APPROPRIATION FOR EDUCATION (Act 084);

S.B. No. 1142, HD 1, MAKING AN EMERGENCY APPROPRIATION FOR EARLY INTERVENTION SERVICES (Act 085);

S.B. No. 1341, SD 1, HD 1, RELATING TO THE UNITED STATES SELECTIVE SERVICE SYSTEM (Act 086); and

S.B. No. 1509, RELATING TO OFFENSES AGAINST PROPERTY RIGHTS (Act 087).

Gov. Msg. No. 209, informing the House that on May 3, 2001, the following bills were signed into law:

S.B. No. 1044, SD 1, HD 1, CD 1, RELATING TO PUBLIC EMPLOYEE HEALTH BENEFITS (Act 088);

S.B. No. 1046, SD 1, HD 1, CD 1, RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND (Act 089); and

S.B. No. 1096, SD 1, HD 1, CD 1, RELATING TO STATE GOVERNMENT (Act 090).

Gov. Msg. No. 210, informing the House that on May 7, 2001, the following bill was signed into law:

S.B. No. 1512, HD 1, CD 1, RELATING TO THE PENAL CODE (Act 091).

Gov. Msg. No. 211, transmitting copies of the "The Feasibility of Establishing a Hawaii Farmers' Market" prepared by the Department of Agriculture, pursuant to HCR No. 24, HD 1, SD 1, Regular Session of 2000.

Gov. Msg. No. 212, informing the House that on May 15, 2001, the following bill was signed into law:

H.B. No. 1273, HD 2, SD 1, RELATING TO TRANSPORTATION (Act 092).

Gov. Msg. No. 213, transmitting copies of a report prepared by the Department of Education in response to a proviso of the General Appropriations Act of 1999, Act 91, Section 46, on the Quarterly Status Report on Meeting the Requirements of the Felix v. Cayetano Consent Decree.

Gov. Msg. No. 214, informing the House that on May 17, 2001, the following bill was signed into law:

S.B. No. 1165, SD 1, HD 2, RELATING TO PENALTIES FOR NATURAL RESOURCES (Act 093).

Gov. Msg. No. 215, informing the House that on May 18, 2001, the following bills were signed into law:

H.B. No. 384, HD 1 SD 1, RELATING TO THE PENAL CODE (Act 094);

H.B. No. 526, HD 1, SD 1, CD 1, RELATING TO CHILD SUPPORT ENFORCEMENT (Act 095);

H.B. No. 531, SD 1, RELATING TO NONCONSENSUAL COMMON LAW LIENS (Act 096);

H.B. No. 533, HD 2, SD 1, CD 1, RELATING TO ANTITRUST (Act 097);

H.B. No. 543, SD 2, RELATING TO HOMELESS PROGRAMS (Act 098);

H.B. No. 544, HD 1, RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII (Act 099);

H.B. No. 550, SD 1, RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII (Act 100);

H.B. No. 564, HD 2, RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM (Act 101);

H.B. No. 565, HD 1, RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM (Act 102);

H.B. No. 567, HD 1, RELATING TO UNCLAIMED PROPERTY (Act 103);

H.B. No. 576, HD 2, SD 1, RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM (Act 104);

H.B. No. 599, HD 1, SD 1, CD 1, RELATING TO NONPROFIT CORPORATIONS (Act 105);

H.B. No. 611, HD 1, RELATING TO CONCESSIONS AT PUBLIC LIBRARY FACILITIES (Act 106);

H.B. No. 612, HD 1, RELATING TO THE LIBRARY ENHANCED SERVICES PROGRAM (Act 107);

H.B. No. 613, SD 2, RELATING TO REALLOCATION OF VACANT LIBRARY POSITIONS (Act 108);

H.B. No. 614, HD 2, SD 1, CD 1, RELATING TO THE HAWAII STATE PUBLIC LIBRARY SYSTEM (Act 109);

H.B. No. 624, SD 1, CD 1, RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED (Act 110);

H.B. No. 653, HD 1, SD 1, CD 1, RELATING TO SUBSTANCE ABUSE TREATMENT INSURANCE BENEFITS (Act 111);

H.B. No. 670, HD 1, RELATING TO EMPLOYMENT SECURITY (Act 112);

H.B. No. 715, RELATING TO THE INTEGRATED TAX INFORMATION MANAGEMENT SYSTEMS ACQUISITION BY THE DEPARTMENT OF TAXATION (Act 113);

H.B. No. 730, HD 1, RELATING TO THE UNIVERSITY OF HAWAII (Act 114);

H.B. No. 735, SD 1, RELATING TO THE RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII (Act 115);

H.B. No. 996, SD 1, RELATING TO DRUG DEMAND REDUCTION ASSESSMENTS (Act 116);

H.B. No. 1048, HD 2, SD 1, RELATING TO THE STATE LIBRARIAN (Act 117);

H.B. No. 1118, HD 1, RELATING TO HUNTING (Act 118);

S.B. No. 699, HD 1, RELATING TO TAXATION (Act 119);

S.B. No. 1067, SD 1, HD 1, RELATING TO LIMITING HURRICANE PROPERTY INSURANCE RISK (Act 120);

S.B. No. 1069, SD 1, HD 1, RELATING TO INSURANCE (Act 121);

S.B. No. 1101, HD 1, RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED (Act 122);

S.B. No. 1115, SD 1, HD 1, CD 1, RELATING TO HUMAN RESOURCES (Act 123);

S.B. No. 1119, SD 2, HD 1, CD 1, RELATING TO PRESCRIPTION DRUGS (Act 124); and

S.B. No. 1193, SD 1, HD 1, CD 1, RELATING TO GENERAL EXCISE TAX ON NONPROFIT ORGANIZATIONS (Act 125).

Gov. Msg. No. 216, informing the House that on May 22, 2001, the following bills were signed into law:

H.B. No. 144, RELATING TO KAHO'OLAWA ISLAND RESERVE (Act 126);

H.B. No. 152, HD 1, SD 2, CD 1, RELATING TO THE JUDICIARY (Act 127);

H.B. No. 594, HD 2, SD 2, CD 1, RELATING TO CONTINUING EDUCATION COURSES AND COURSE PROVIDERS FOR INSURANCE LICENSEES (Act 128);

H.B. No. 600, HD 1, SD 1, CD 1, RELATING TO BUSINESS REGISTRATION (Act 129);

H.B. No. 693, RELATING TO THE BUREAU OF CONVEYANCES (Act 130);

S.B. No. 98, HD 1, RELATING TO LEGAL SERVICES FOR THE INDIGENT (Act 131);

S.B. No. 589, SD 1, HD 1, CD 1, RELATING TO DENTAL INSURANCE (Act 132);

S.B. No. 716, SD 2, HD 1, RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES (Act 133);

S.B. No. 1045, HD 1, MAKING AN EMERGENCY APPROPRIATION FOR HEALTH FUND PREMIUMS (Act 134);

S.B. No. 1065, HD 1, RELATING TO ARCHITECTS (Act 135);

S.B. No. 1071, HD 1, CD 1, RELATING TO INSURANCE (Act 136); and

S.B. No. 1262, HD 1, RELATING TO SPECIAL PURPOSE REVENUE BONDS (Act 137).

Gov. Msg. No. 217, informing the House that on May 24, 2001, the following bills were signed into law:

H.B. No. 123, HD 1, SD 1, CD 1, RELATING TO SPEEDING (Act 138);

H.B. No. 168, HD 1, SD 2, CD 1, RELATING TO ELECTIONS (Act 139);

H.B. No. 508, RELATING TO IRRIGATION PROJECTS (Act 140);

H.B. No. 869, RELATING TO AGRICULTURAL LOANS (Act 141);

H.B. No. 1115, SD 1, CD 1, RELATING TO THE ADMISSIBILITY OF PAID BILLS IN COURT (Act 142);

H.B. No. 1345, HD 1, RELATING TO ENERGY CONTENT OF FUELS (Act 143);

S.B. No. 105, SD 1, HD 1, CD 1, RELATING TO KIKALA-KEOKEA (Act 144);

S.B. No. 423, SD 1, HD 1, RELATING TO CIVIL PROCEEDINGS (Act 145);

S.B. No. 905, HD 1, RELATING TO THE ENFORCEMENT OF THE LOBBYIST LAW (Act 146);

S.B. No. 1048, SD 1, RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND (Act 147);

S.B. No. 1050, SD 1, HD 1, RELATING TO THE AUTHORIZATION OF SPECIAL PURPOSE REVENUE BONDS (Act 148);

S.B. No. 1062, SD 1, HD 1, RELATING TO THE CONVERSION OF PROFESSIONAL AND VOCATIONAL LICENSES (Act 149);

S.B. No. 1113, HD 1, CD 1, RELATING TO PUBLIC ASSISTANCE (Act 150);

S.B. No. 1126, SD 1, RELATING TO CRIMINAL HISTORY (Act 151); and

S.B. No. 1164, SD 1, HD 1, RELATING TO THE FOREST STEWARDSHIP PROGRAM (Act 152).

Gov. Msg. No. 218, transmitting copies of "Substance Abuse – The Nation's Number One Health Problem," prepared by the Schneider Institute for Health Policy at Brandeis University for the Robert Wood Johnson Foundation.

Gov. Msg. No. 219, transmitting copies of the 2000 Report on the Juvenile Justice State Advisory Council prepared by the Office of Youth Services, pursuant to Section 223(a)(3)(D)(ii) of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

Gov. Msg. No. 220, informing the House that on May 25, 2001, the following bills were signed into law:

H.B. No. 596, HD 2, SD 1, CD 1, RELATING TO THE HAWAII HURRICANE RELIEF FUND (Act 153);

H.B. No. 702, HD 2, SD 1, CD 1, RELATING TO CORRECTIONAL HEALTH CARE (Act 154);

H.B. No. 786, HD 1, SD 1, CD 1, MAKING AN APPROPRIATION FOR DONATED DENTAL SERVICES (Act 155);

H.B. No. 962, SD 1, CD 1, RELATING TO A SENTENCING SIMULATION MODEL (Act 156);

H.B. No. 1405, HD 1, SD 1, RELATING TO USE OF INTOXICANTS (Act 157);

H.B. No. 1686, HD 1, SD 1, CD 1, RELATING TO THE ISSUANCE OF REVENUE BONDS FOR INTER-ISLAND MARITIME TRANSPORTATION (Act 158);

S.B. No. 24, SD 2, HD 2, RELATING TO PUBLIC EMPLOYMENT (Act 159);

S.B. No. 498, SD 1, HD 1, CD 1, MAKING AN APPROPRIATION FOR THE NANAKULI HOMESTEAD CEMETERY (Act 160);

S.B. No. 638, SD 2, HD 1, CD 1, MAKING AN APPROPRIATION FOR THE MOLOKAI IRRIGATION SYSTEM (Act 161);

S.B. No. 805, SD 1, HD 1, RELATING TO CONTROLLED SUBSTANCES (Act 162);

S.B. No. 1081, HD 1, CD 1, RELATING TO EDUCATION (Act 163); and

S.B. No. 1264, SD 2, HD 2, RELATING TO AQUACULTURE (Act 164).

Gov. Msg. No. 221, informing the House that on May 29, 2001, the following bills were signed into law:

H.B. No. 186, SD 1, CD 1, RELATING TO THE PUBLIC LAND TRUST (Act 165);

H.B. No. 210, HD 1, SD 2, CD 1, RELATING TO AGRICULTURE (Act 166);

H.B. No. 369, HD 2, SD 1, RELATING TO RECYCLING (Act 167);

H.B. No. 513, HD 1, SD 2, CD 1, RELATING TO THE RELIEF OF CERTAIN PERSONS' CLAIMS AGAINST THE STATE AND PROVIDING APPROPRIATIONS THEREFOR (Act 168);

H.B. No. 538, HD 2, SD 2, RELATING TO COASTAL ZONE MANAGEMENT (Act 169);

H.B. No. 583, HD 1, SD 2, CD 1, RELATING TO THE CODE OF FINANCIAL INSTITUTIONS (Act 170);

H.B. No. 676, HD 1, RELATING TO OCCUPATIONAL AND CAREER INFORMATION (Act 171);

H.B. No. 708, RELATING TO PUBLIC SAFETY (Act 172);

H.B. No. 1111, HD 1, SD 2, CD 1, RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR AN INTERGENERATIONAL CARE CENTER AT EWA VILLAGES (Act 173);

S.B. No. 535, SD 2, HD 1, RELATING TO EDUCATION (Act 174);

S.B. No. 597, SD 1, HD 1, RELATING TO THE STATE COUNCIL ON DEVELOPMENTAL DISABILITIES (Act 175);

S.B. No. 704, SD 1, HD 2, CD 1, RELATING TO CRIME VICTIM COMPENSATION (Act 176);

S.B. No. 986, SD 1, HD 1, CD 1, RELATING TO AQUACULTURE (Act 177);

S.B. No. 1011, SD 1, HD 1, CD 1, RELATING TO GEOGRAPHIC INFORMATION SYSTEMS (Act 178);

S.B. No. 1013, SD 3, HD 1, RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY (Act 179);

S.B. No. 1030, SD 2, HD 2, CD 1, RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY (Act 180);

S.B. No. 1034, SD 2, HD 1, CD 1, MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS (Act 181);

S.B. No. 1035, SD 1, HD 1, CD 1, MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS (Act 182);

S.B. No. 1036, SD 1, HD 1, CD 1, MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS (Act 183);

S.B. No. 1060, SD 1, HD 2, CD 1, RELATING TO ESCROW DEPOSITORIES (Act 184);

S.B. No. 1066, SD 1, HD 1, CD 1, RELATING TO INSURANCE (Act 185);

S.B. No. 1315, SD 2, HD 2, RELATING TO EDUCATION (Act 186);

S.B. No. 1382, HD 1, CD 1, RELATING TO STATE OFFICERS AND EMPLOYEES EXCLUDED FROM COLLECTIVE BARGAINING AND MAKING APPROPRIATIONS AND OTHER ADJUSTMENTS (Act 187);

S.B. No. 1385, HD 1, CD 1, RELATING TO THE SALARY STRUCTURE OF EDUCATIONAL OFFICERS IN THE DEPARTMENT OF EDUCATION (Act 188); and

S.B. No. 1405, SD 2, HD 1, CD 1, RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR HI-TECH HAWAII, INC. (Act 189).

Gov. Msg. No. 222, informing the House that on May 30, 2001, the following bill was signed into law:

S.B. No. 710, HD 1, CD 1, MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS (Act 190).

Gov. Msg. No. 223, informing the House that on May 31, 2001, the following bills were signed into law:

H.B. No. 204, HD 1, SD 1, CD 1, RELATING TO PLANNED COMMUNITY ASSOCIATIONS (Act 191);

H.B. No. 647, HD 2, RELATING TO THE DISABILITY AND COMMUNICATION ACCESS BOARD (Act 192);

H.B. No. 731, HD 1, SD 2, CD 1, RELATING TO THE UNIVERSITY OF HAWAII (Act 193);

H.B. No. 1243, HD 1, SD 1, CD 1, RELATING TO CAPTIVE INSURANCE (Act 194);

H.B. No. 1309, SD 2, RELATING TO SPECIAL PURPOSE REVENUE BONDS (Act 195);

S.B. No. 65, HD 1, RELATING TO CRIMINAL PROCEDURE (Act 196);

S.B. No. 224, SD 1, HD 2, MAKING AN APPROPRIATION FOR PINEAPPLE RESEARCH (Act 197);

S.B. No. 591, SD 2, HD 1, RELATING TO OCCUPATIONAL THERAPISTS (Act 198);

S.B. No. 854, SD 1, HD 1, RELATING TO TAXATION (Act 199);

S.B. No. 1054, SD 2, HD 1, RELATING TO THE MANAGEMENT OF FINANCING AGREEMENTS (Act 200);

S.B. No. 1110, SD 2, HD 3, CD 1, RELATING TO CHILD CARE (Act 201);

S.B. No. 1162, SD 1, HD 1, CD 1, RELATING TO PUBLIC NOTICE REQUIREMENTS FOR PUBLIC LAND DISPOSITIONS (Act 202);

S.B. No. 1178, SD 2, HD 1, CD 1, RELATING TO CONTROLLED SUBSTANCES (Act 203);

S.B. No. 1209, HD 1, CD 1, RELATING TO CLAIMS AGAINST THE UNIVERSITY OF HAWAII AND PROVIDING APPROPRIATIONS THEREFOR (Act 204); and

S.B. No. 1379, HD 1, CD 1, RELATING TO COLLECTIVE BARGAINING COST ITEMS (Act 205).

Gov. Msg. No. 224, informing the House that on June 2, 2001, the following bills were signed into law:

H.B. No. 407, HD 1, SD 1, CD 1, RELATING TO THE GENERAL EXCISE TAX (Act 206);

H.B. No. 644, HD 1, SD 2 CD 1, RELATING TO PRESCRIPTION DRUGS (Act 207);

H.B. No. 861, HD 2, SD 2, CD 1, RELATING TO THE OPERATIONS AND MAINTENANCE OF CERTAIN AGRICULTURAL-RELATED INFRASTRUCTURE ON KAUAI (Act 208);

H.B. No. 946, SD 2, CD 1, RELATING TO EDUCATION (Act 209);

H.B. No. 1685, HD 1, SD 1, CD 1, RELATING TO TAXATION (Act 210);

S.B. No. 28, HD 1, RELATING TO DISLOCATED WORKERS (Act 211);

S.B. No. 67, SD 1, HD 1, RELATING TO DOMESTIC ABUSE PROTECTIVE ORDERS (Act 212);

S.B. No. 221, SD 1, HD 1, CD 1, RELATING TO AGRICULTURE (Act 213);

S.B. No. 684, HD 1, CD 1, RELATING TO FEES OF THE SHERIFF'S OFFICE (Act 214);

S.B. No. 981, SD 1, HD 2, CD 1, RELATING TO THE BOARD OF LAND AND NATURAL RESOURCES (Act 215);

S.B. No. 1068, SD 1, HD 2, CD 1, RELATING TO PRODUCER LICENSING (Act 216);

S.B. No. 1349, SD 1, HD 1, CD 1, RELATING TO MUTUAL BENEFIT SOCIETIES (Act 217);

S.B. No. 1414, SD 1, HD 1, CD 1, MAKING APPROPRIATIONS FOR UNIFORM LAWS (Act 218);

S.B. No. 1455, SD 1, HD 1, CD 1, RELATING TO THE CHILDREN'S ADVOCACY PROGRAM (Act 219); and

S.B. No. 1550, SD 2, HD 1, CD 1, RELATING TO INSURANCE (Act 220).

Gov. Msg. No. 225, informing the House that on June 8, 2001, the following bill was signed into law:

H.B. No. 175, HD 2, SD 2, CD 1, RELATING TO TAXATION (Act 221).

Gov. Msg. No. 226, informing the House that on June 12, 2001, the following bill was signed into law:

S.B. No. 643, SD 2, HD 1, CD 1, RELATING TO DOGS (Act 222).

Gov. Msg. No. 227, returning H.B. No. 505 without his approval, with his statement of objections relating to the measure as follows:

"EXECUTIVE CHAMBERS
HONOLULU
June 12, 2001

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 505

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 505 entitled "A Bill for an Act Relating to Public Lands."

The purpose of this bill is to provide that any transfer of the Ala Wai Golf Course by executive order be subject to disapproval by a majority of both houses of the Legislature or two-thirds vote of either house.

This bill is unnecessary and redundant. The existing state law, section 171-11, Hawaii Revised Statutes, clearly spells out the procedure for the Governor to issue executive orders to set aside or withdraw public lands and for the Legislature to disapprove them. I have made it clear from the onset that the Ala Wai Golf Course executive order would follow this procedure. I can see no useful purpose in signing into law a bill that simply reiterates an already existing law.

For the foregoing reasons, I am returning House Bill No. 505 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

PROCLAMATION

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the

Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 505, entitled "A Bill for an Act Relating to Public Lands," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 505 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 505 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 12th day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

Gov. Msg. No. 228, informing the House that on June 13, 2001, the following bills were signed into law:

H.B. No. 16, HD 2, SD 2, CD 1, RELATING TO REAL ESTATE BROKERS AND SALESPERSONS (Act 223);

H.B. No. 79, HD 1, SD 1, RELATING TO REAL PROPERTY DISCLOSURES (Act 224);

H.B. No. 118, HD 3, SD 2, CD 1, RELATING TO FAMILY CHILD CARE (Act 225);

H.B. No. 159, HD 1, SD 2, RELATING TO THE UNIVERSITY OF HAWAII (Act 226);

H.B. No. 160, HD 1, SD 1, CD 1, RELATING TO FRAUDULENT CLAIMS (Act 227);

H.B. No. 896, HD 1, SD 1, CD 1, RELATING TO THE REVISED UNIFORM COMMERCIAL CODE ARTICLE 9 – SECURED TRANSACTIONS (Act 228);

H.B. No. 945, HD 1, SD 2, CD 1, RELATING TO SOCIAL WORK (Act 229);

H.B. No. 986, HD 1, SD 1, CD 1, RELATING TO IDENTIFICATION DOCUMENTS (Act 230);

H.B. No. 1138, SD 1, RELATING TO SUBMISSION OF REPORTS TO THE LEGISLATURE (Act 231);

H.B. No. 1231, HD 1, SD 1, RELATING TO CONDOMINIUMS (Act 232);

H.B. No. 1255, HD 1, SD 1, CD 1, RELATING TO MINORS (Act 233);

H.B. No. 1287, HD 1, SD 2, CD 1, RELATING TO AGRICULTURE (Act 234);

H.B. No. 1339, HD 1, SD 1, CD 1, RELATING TO WATER SUPPLY BOARDS (Act 235);

S.B. No. 48, SD 1, HD 2, CD 1, RELATING TO PUBLIC LANDS (Act 236);

S.B. No. 178, SD 2, HD 1, CD 1, RELATING TO CONDOMINIUM PROPERTY REGIMES (Act 237);

S.B. No. 469, SD 1, HD 2, CD 1, MAKING AN APPROPRIATION FOR PARKING FOR PERSONS WITH DISABILITIES (Act 238);

S.B. No. 525, SD 1, HD 1, RELATING TO TEXTBOOKS (Act 239);

S.B. No. 951, SD 1, HD 1, RELATING TO HATE CRIMES (Act 240);

S.B. No. 1079, SD 1, HD 1, CD 1, RELATING TO LIMITED LIABILITY PARTNERSHIPS (Act 241);

S.B. No. 1082, SD 1, HD 2, RELATING TO EDUCATION (Act 242); and

S.B. No. 1208, SD 1, HD 3, RELATING TO THE UNIVERSITY OF HAWAII (Act 243).

Gov. Msg. No. 229, informing the House that on June 14, 2001, the following bills were signed into law:

H.B. No. 201, HD 1, SD 2, CD 1, RELATING TO THE PRIVACY OF HEALTH CARE INFORMATION ACT (Act 244);

S.B. No. 1061, SD 1, HD 1, CD 1, RELATING TO REAL ESTATE BROKERS (Act 245);

S.B. No. 1123, SD 1, HD 1, CD 1, RELATING TO VITAL RECORDS (Act 246); and

S.B. No. 1173, RELATING TO THE ENVIRONMENT (Act 247).

Gov. Msg. No. 230, transmitting copies of the Annual Report for Fiscal Year 2000 prepared by the Office of Youth Services, pursuant to Section 352D-6(11), Hawaii Revised Statutes and Section 4 of Act 151, SLH 1991.

Gov. Msg. No. 231, informing the House that on June 18, 2001, the following bill was signed into law:

S.B. No. 1460, SD 1 HD 2, CD 1, RELATING TO THE INTERMEDIATE APPELLATE COURT (ACT 248).

Gov. Msg. No. 232, returning H.B. Nos. 236, 271, 282, 444, 480, 503, 638, 645, 868, 1100, 1234 and 1586 without his approval, and his statement of objections relating to the measure as follows:

"EXECUTIVE CHAMBERS
HONOLULU
June 18, 2001

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 236

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 236, entitled "A Bill for an Act Relating to Sexual Assault."

Then primary purpose of House Bill No. 236 is to address the age of consent for consensual sexual activity. The bill criminalizes consensual sexual penetration and contact with a minor, who is between the ages of 14 and 16, if the actor is more than five years older than the minor and not married to the minor.

Hawaii currently has some of the strictest statutes in the nation concerning sexual assaults. Under these statutes, it is a crime for anyone to engage in acts of sexual penetration or contact without the consent of the other person regardless of the victim's age. This bill creates crimes that only apply to consensual sexual activity and that are defined by the relative ages of the individuals involved. The legislative history of this bill reflects opposition to this approach by the Hawaii Commission on the Status of Women, the Honolulu Police Department, the Sex Abuse Treatment Center, the Coalition for the Prevention of Sexual Assault, and the Honolulu Prosecuting Attorney. These crimes that are created by this bill are overly broad and in some situations may inappropriately bring teenagers and young adults, as both victims and defendants, into the State's criminal justice system. In these cases, neither society's interests relating to criminal law enforcement nor the well-being of these teenagers and young adults will be advanced by this approach.

The legislative history of this bill demonstrates that the age of sexual consent issue involves complex social issues that are surrounded by very strong opinions within our community. At the present time, there has not been any comprehensive study as to the best way to address this issue. The need for such a comprehensive study by a broad range of community members and experts is recognized by the provision in this bill that creates an extensive task force to study the bill's impact. Such a comprehensive study should precede, not follow, the enactment of legislation in this area. Hawaii's Coalition for the Prevention of Sexual Assault is already embarked upon the process of such a study that would provide the Legislature with factual information, expert opinions, and information regarding the experience of other states that have legislated in this area. The Coalition's study can be accomplished without this bill and will provide recommendations for the best way to develop public policy in this area.

Finally, the language of this bill that creates offenses defined by the relative ages of the individuals involved can create undesirable results. For example, a 19-year-old person who exercises poor judgment and engages in consensual sexual activity with a 14-year-old person could be prosecuted and branded as a sex offender for life under this bill. Additionally, the "not less than five years older than the minor" language that is employed in the bill is vague and can result in unexpected behavioral windows of criminal activity by teenagers. For example, an 18-year-old person who is having a consensual sexual relationship with a 14-year-old minor will become a sex offender at his or her nineteenth birthday when the "not less than five years older" period is exceeded. Once the minor has a birthday, the relationship between the two would again become legal.

For the foregoing reasons, I am returning House Bill No. 236 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

PROCLAMATION

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 236, entitled "A Bill for an Act Relating to Sexual Assault," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 236 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 236 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 18th day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 18, 2001

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 271

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 271, entitled "A Bill for an Act Relating to Motor Vehicle Rental Industry."

The purpose of this bill is to allow car rental companies to take the sale of collision damage waivers (CDW) into consideration when compensating their employees.

This bill is objectionable because it would overturn an important consumer protection law and would create interpretation and enforcement problems. Currently, the law prohibits any commissions arising from sales of CDW. This ban has been very effective in reducing hard sales or scare tactics to pressure renters into buying CDW. Because many of those who rent cars are tourists, it is likely that the problems associated with sales of CDW are underreported and more tourists than we know of are still being subjected to aggressive sales practices. By allowing employers to consider sales of CDW in calculating compensation, this bill would encourage these aggressive sales tactics. Moreover, this bill would create enforcement problems because it continues the prohibition on "direct" commissions but allows "indirect" commissions on CDW sales without defining what is permitted and what is not.

For the foregoing reasons, I am returning House Bill No. 271 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

PROCLAMATION

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 271, entitled "A Bill for an Act Relating to Motor Vehicle Rental Industry," passed by the

Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 271 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 271 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 18th day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 18, 2001

STATEMENT OF OBJECTIONS
TO HOUSE BILL NO. 282

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 282, entitled "A Bill for an Act Relating to the State Council on Developmental Disabilities."

The purpose of House Bill No. 282 is to amend terminology in chapter 333E, Hawaii Revised Statutes, to comply with recent changes to the federal developmental disabilities law.

A substantially similar bill, Senate Bill No. 597, was also passed by the Legislature. However, Senate Bill No. 597 also amends sections 333F-2, 333F-18, 348-8, and 560:5-610, Hawaii Revised Statutes, to conform to the changes made to chapter 333E. Because I intend to approve Senate Bill No. 597, which will accomplish the purpose of House Bill No. 282, there is no necessity to also approve this bill.

For the foregoing reasons, I am returning House Bill No. 282 without my approval.

Respectfully,

s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 282, entitled "A Bill for an Act Relating to the State Council on Developmental Disabilities," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 282 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 282 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 18th day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 18, 2001

STATEMENT OF OBJECTIONS
TO HOUSE BILL NO. 444

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 444, entitled "A Bill for an Act Relating to Burial Sites."

The purpose of this bill is to allow the Department of Land and Natural Resources (DLNR) State Historic Preservation Division (SHPD) to provide archaeological services for a fee for consultation and removal of human skeletal remains on private property.

Currently, if human skeletal remains are found on private property, DLNR's SHPD staff is sent to investigate whether the human remains are over fifty years old and to take appropriate action to preserve and protect the human remains. There are instances in which the SHPD staff will permit the removal of the inadvertently discovered human skeletal remains when there is imminent harm to the human remains (e.g., when the ocean has eroded the remains from the shoreline). In all other cases, the landowner, developer, or permittee is advised to contract with a consulting archaeologist to remove the remains. There are about fifteen archaeological companies that provide this service.

This bill is objectionable for two primary reasons. First, there is no need for the State to compete with private archaeological firms to provide this service. There is no evidence that SHPD's rates will be more affordable than the prevailing rates of private archaeologists. Second, there is no need for SHPD to expand its program to provide this additional service.

For the foregoing reasons, I am returning House Bill No. 444 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required

to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 444, entitled "A Bill for an Act Relating to Burial Sites," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 444 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 444 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 18th day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 18, 2001

STATEMENT OF OBJECTIONS
TO HOUSE BILL NO. 480

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 480, entitled "A Bill for an Act Making an Appropriation for Business Specialist Positions."

The purpose of this bill is to appropriate funds to hire three business specialists — one for each of the school districts of Hawaii, Kauai, and Maui.

This bill is objectionable because the Department of Education already has the means to provide additional business services to the targeted school districts. In the general appropriations bill, the Legislature appropriated funds for 42.00 temporary business support assistant positions. These business support assistants will be providing the same services as the business specialists and the Department of Education will be free to assign these business support assistants to any of its school districts.

For the foregoing reasons, I am returning House Bill No. 480 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

PROCLAMATION

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required

to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 480, entitled "A Bill for an Act Making an Appropriation for Business Specialist Positions," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 480 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 480 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 18th day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 18, 2001

STATEMENT OF OBJECTIONS
TO HOUSE BILL NO. 503

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 503, entitled "A Bill for an Act Relating to State Leases."

The purpose of House Bill No. 503 is to provide a solution to the uncertainty faced by agricultural lessees whose state leases are nearing expiration. This bill allows the Board of Land and Natural Resources (BLNR), without public auction, to enter into a lease extension or a new agricultural lease with the existing lessee if: (1) the lease has expired or will expire within five years; (2) there are no other qualified bidders for a leased property, or there are other comparable lands available to other potential lessees; (3) the land is being actively and productively used for the purposes stated in the lease; (4) the current lessee is not otherwise in default under the terms of the lease or permit; and (5) the BLNR has not determined that the public interest dictates that the land should be converted to other uses.

This bill is not necessary because lease extensions are already authorized under the current statutes. Presently, to qualify for an extension, a loan to fund leasehold improvements is required. This assures that the State will be obtaining value in return for the additional lease period. Under this bill, there is no requirement for a loan; the lease is extended without the State's obtaining some value in return for the additional lease period. Furthermore, the public interest may not be served because there are no limits on the number of times a lease can be extended, which may result in the properties subject to extended leases being essentially privatized.

This bill authorizes the BLNR to negotiate an extended lease if it is determined that there are other comparable lands available in the same area that are of similar size and suitable

for similar purposes. The determination of what property is substantially comparable is subjective because, unlike parcels in a subdivision, state lands are of different sizes and contain different geographical features. Suitability would be difficult to determine. Moreover, this bill may result in increased time, effort, and costs in preparing advertising and solicitation notices for these extended leases, because, in cases where the proposed lease extension is advertised and other interested parties qualify to bid on the lease, the BLNR is required to conduct the process of advertising and qualifying bidders a second time.

For the foregoing reasons, I am returning House Bill No. 503 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

PROCLAMATION

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 503, entitled "A Bill for an Act Relating to State Leases," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 503 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 503 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 18th day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 18, 2001

STATEMENT OF OBJECTIONS
TO HOUSE BILL NO. 638

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 638, entitled "A Bill for an Act Relating to Public Assistance."

The purpose of this bill is to amend section 346-29.5, Hawaii Revised Statutes, to delete the requirement that the Department of Human Services annually file updated liens with the Bureau of Conveyances and clarify that the Department's annual update of home property liens is an internal departmental accounting measure. The bill also

removes the prohibition from initiating probate proceedings to enforce its liens and provides that the recording and tracking procedures apply to each type of lien provided in section 346-29.5.

This bill amends section 346-29.5(b) to change the numbering and alignment of the paragraphs and subparagraphs in a manner that result in internal ambiguities. The companion bill, Senate Bill No. 1113, was also passed by the Legislature and does not contain the internal ambiguities. Because I intend to approve Senate Bill No. 1113, there is no necessity to also approve this bill.

For the foregoing reasons, I am returning House Bill No. 638 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

PROCLAMATION

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 638, entitled "A Bill for an Act Relating to Public Assistance," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 638 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 638 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 18th day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 18, 2001

STATEMENT OF OBJECTIONS
TO HOUSE BILL NO. 645

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 645, entitled "A Bill for an Act Relating to Endangering the Welfare of Incompetent Persons."

The purpose of House Bill No. 645 is to expand the legal protections for the elderly and dependent adult populations by creating first and second degree penal sanctions against

persons who intentionally or recklessly act in a manner likely to be injurious to the physical or mental welfare of these vulnerable adults. However, this bill actually reduces the legal protections for these adults and fails to carry out its intended purpose.

House Bill No. 645 contains the elements of the crime of Endangering the Welfare of an Incompetent Person in the Second Degree ("Endangering 2nd") which are nearly the same as the elements of the crime of Assault in the Third Degree. Both make it a crime to "recklessly cause bodily injury to another person" and are misdemeanors. Importantly, however, it would be more difficult to prosecute a perpetrator under Endangering 2nd because it would require the prosecution to prove the additional element that the victim is an "incompetent" or "dependent" adult. Thus, Endangering 2nd does nothing to protect these vulnerable adults.

Both Endangering the Welfare of an Incompetent Person in the First Degree ("Endangering 1st") and Endangering 2nd contain the element of "bodily injury," which in turn requires proof of "physical pain." In many instances, victims of elderly or dependent adult abuse simply cannot testify at court because of their disabilities. Therefore, it would be difficult to prove beyond a reasonable doubt that those victims suffered pain as the bill requires. Additionally, many victims cannot testify with regard to their pain because they are insensate or are unable to feel pain. The unfortunate result is that otherwise egregious conduct would go without prosecution.

Finally, both Endangering 1st and 2nd fail to address the frequently occurring problem of patient or resident neglect. The original language of the bill addressed the neglect cases by allowing for the prosecution under circumstances that rose to the level where injury to the physical or mental welfare of that person occurred or was very likely to occur. Cases of neglect, which should be prosecuted, would not be prosecuted at all under this bill.

For the foregoing reasons, I am returning House Bill No. 645 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 645, entitled "A Bill for an Act Relating to Endangering the Welfare of Incompetent Persons," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 645 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 645 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 18th day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 18, 2001

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 868

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 868, entitled "A Bill for an Act Relating to the Board of Education."

The purpose of this bill is to clarify that the military liaison to the Board of Education shall be seated with board members during meetings and participate fully on board matters, except those matters discussed in executive session.

Section 302A-1101(c), Hawaii Revised Statutes, which authorizes the Board of Education to invite the senior military commander in Hawaii to appoint a nonvoting military representative to the board, already permits the military liaison to participate in Board of Education meetings. Furthermore, every Board of Education meeting agenda has a standing agenda item specifically for the military representative to provide input and advice. There is no necessity to statutorily require the military representative to be seated with the board members and to statutorily require the military representative to participate in all discussions of the board.

For the foregoing reasons, I am returning House Bill No. 868 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 868, entitled "A Bill for an Act Relating to the Board of Education," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 868 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 868 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 18th day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 18, 2001

STATEMENT OF OBJECTIONS
TO HOUSE BILL NO. 1100

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 1100, entitled "A Bill for an Act Relating to the Budget of the Office of Hawaiian Affairs."

The purpose of House Bill No. 1100 is to provide the Office of Hawaiian Affairs with funds with which to meet its operating needs for the fiscal biennium 2001-2003.

A clerical procedural error caused uncertainty as to the validity of the passage of this bill during the regular session of 2001. To eliminate the uncertainty as to the validity of the passage of the budget appropriations for the Office of Hawaiian Affairs, the Legislature convened in special session and passed a replacement bill, House Bill No. 2. Because I intend to approve House Bill No. 2 of the special session, the purpose of this bill will be achieved and this bill is no longer needed.

For the foregoing reason, I am returning House Bill No. 1100 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 1100, entitled "A Bill for an Act Relating to the Budget of the Office of Hawaiian Affairs," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 1100 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 1100 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 18th day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 18, 2001

STATEMENT OF OBJECTIONS
TO HOUSE BILL NO. 1234

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 1234, entitled "A Bill for an Act Relating to QUEST."

The purpose of House Bill No. 1234 is to accomplish the following: (1) to require the Department of Human Services (DHS) to incorporate a new risk adjustment for child births if there is a substantial disparity in the number of child births among QUEST health plans; (2) to define enabling services in accordance with federally qualified health center (FQHC) services; and (3) to increase eligibility for Med-QUEST assistance for children by including families whose income level is up to three hundred percent of the federal poverty level.

This bill is partially unnecessary, because recently enacted federal legislation requires reimbursement of enabling services to FQHCs and DHS is currently coordinating with FQHCs to identify enabling services. Furthermore, the increase in eligibility for Med-QUEST assistance for children is conditioned on the "the resources available," but no appropriation of funds is made to provide Med-QUEST services for children whose families' income level is up to three hundred percent of the federal poverty level.

For the foregoing reasons, I am returning House Bill No. 1234 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 1234, entitled "A Bill for an Act Relating to QUEST," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 1234 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 1234 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 18th day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

DONE at the State Capitol, Honolulu,
State of Hawaii
this 18th day of June, 2001.

"EXECUTIVE CHAMBERS
HONOLULU
June 18, 2001

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

STATEMENT OF OBJECTIONS
TO HOUSE BILL NO. 1586

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 1586, entitled "A Bill for an Act Relating to Unemployment."

The purpose of this bill is to extend unemployment insurance benefits for an additional six months to displaced employees of Amfac Sugar Kauai who are enrolled in and attending an approved vocational training or education program.

If all of the displaced Amfac Sugar Kauai employees utilize this program, it is estimated that the cost to the Unemployment Trust Fund may be \$5,000,000. The reduction in the Unemployment Trust Fund may result in a higher unemployment tax to all employers.

In addition, extending unemployment benefits for only former Amfac Sugar Kauai employees creates a special group of unemployed workers. The Employment Security Law should be implemented fairly for all unemployed workers. Moreover, the intent of the unemployment program is to provide economic assistance to all eligible unemployed workers on a short-term, temporary basis, and is distinguished from the traditional welfare program that is based on need.

For the foregoing reasons, I am returning House Bill No. 1586 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 1586, entitled "A Bill for an Act Relating to Unemployment," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 1586 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 1586 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

Gov. Msg. No. 233, transmitting his statement of objections to Senate Bill Numbers 549, 654, 670, 758, 927, 1028, 1473 and 1535, which he returned to the Senate without his approval as follows:

"EXECUTIVE CHAMBERS
HONOLULU
June 18, 2001

STATEMENT OF OBJECTIONS
TO SENATE BILL NO. 549

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 549, entitled "A Bill for an Act Making an Appropriation for the Establishment of Manufacturing Extension Programs."

The purpose of this bill is to appropriate \$300,000 for each of the fiscal years 2001-2002 and 2002-2003 from the employment and training fund (ETF) to the Hawaii Manufacturing Extension Partnership to match federal funds to improve performance of manufacturing enterprises in Hawaii.

The ETF is a special fund that is funded by an employer tax assessment. The expenditure of ETF funds must comply with the statutory requirements of section 383-128, Hawaii Revised Statutes. Therefore, ETF funds may only be used to offer employment-related training. This bill, however, authorizes an inappropriate use of ETF funds for such services as commercializing new manufacturing and high technology products and assisting firms to adopt new techniques and practices.

In addition, the ETF assessment rates have been reduced from 0.05 percent to 0.03 percent in 2001, and will be further reduced to 0.01 percent in 2002. ETF assessments will also sunset on December 31, 2003. Thus, ETF funds may not be available to continue the manufacturing extension programs.

For the foregoing reasons, I am returning Senate Bill 549 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or

presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 549, entitled "A Bill for an Act Making an Appropriation for the Establishment of Manufacturing Extension Programs," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 549 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 549 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 18th day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 18, 2001

STATEMENT OF OBJECTIONS
TO SENATE BILL NO. 654

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 654, entitled "A Bill for an Act Relating to Medicaid."

The purpose of this bill is to require the State to withdraw and amend the state Medicaid plan amendment that reduced the amount of reimbursement paid to Medicaid service providers.

This bill is objectionable because no funds were appropriated for the purpose of this bill. The Medicaid plan amendment was approved in 2000 by the United States Health Care Financing Administration and the budgeted amounts for the reimbursement of Medicaid service providers are based on the reduced rates. Without additional moneys for the payment of higher rates, the Department of Human Services cannot restore the pre-amendment rates.

For the foregoing reasons, I am returning Senate Bill No. 654 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or

presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 654, entitled "A Bill for an Act Relating to Medicaid," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 654 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 654 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 18th day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 18, 2001

STATEMENT OF OBJECTIONS
TO SENATE BILL NO. 670

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 670, entitled "A Bill for an Act Relating to the Hawaii State Student Council."

The purpose of this bill is to formally establish the Hawaii State Student Council in the Hawaii Revised Statutes. The bill provides for a council composed of twenty-three student representatives and the student member of the Board of Education, which will convene an annual student conference from grades 7 through 12 to discuss education and youth issues, and to prepare a report for the Governor, the Legislature, and the Board of Education. The bill also authorizes the council to establish its policies and procedures, select the student member of the Board of Education, and invite student representatives from the Hawaii Association of Independent Schools to participate in the annual student conference.

This bill is objectionable because it is not necessary to statutorily establish the council. Furthermore, increasing the membership of the council will add an unnecessary expenditure when the council, in its current form, has been successfully performing its functions without specific statutory authority. The Hawaii State Student Council has been operating since 1970 without statutory authority as a student organization under the purview of the Board of Education. In its current form seven students, one from each school district representing grades 7 through 12, meet once a month with a student adviser. The present Hawaii State Student Council already assists with planning the annual student conference, pursuant to chapter 317, Hawaii Revised Statutes, and with the selection of the Board of Education student member, as prescribed in the bill.

This bill increases the number of Hawaii State Student Council members to twenty-four students, which will require additional funds to finance the travel and other expenses for the expanded membership. Additionally, a staff member is

presently assigned to the Hawaii State Student Council, concurrently with other student activities responsibilities. Enactment of this bill may require the Department of Education to assign a position solely to assist the larger Hawaii State Student Council, and to staff the conference planning committee.

For the foregoing reasons, I am returning Senate Bill No. 670 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

PROCLAMATION

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 670, entitled "A Bill for an Act Relating to the Hawaii State Student Council," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 670 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 670 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 18th day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 18, 2001

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 758

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 758, entitled "A Bill for an Act Relating to Driver's Licenses."

The purpose of this bill is to amend section 286-108, Hawaii Revised Statutes, to require the examiner of drivers to provide written driver's license examinations in foreign languages as determined by the department of transportation.

This bill is objectionable because it is unnecessary. Chapter 19-122 of the Hawaii Administrative Rules provides for an applicant for a driver license to be examined in a foreign language if the applicant has difficulty understanding the English language. Therefore, Hawaii's driver licensing rules

already provide the means for the examiner of drivers to give written examination in a foreign language.

For the foregoing reason, I am returning Senate Bill No. 758 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

PROCLAMATION

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 758, entitled "A Bill for an Act Relating to Driver's Licenses," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 758 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 758 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 18th day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 18, 2001

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 927

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 927, entitled "A Bill for an Act Relating to Adult Day Health Care Centers."

The purpose of this bill is to appropriate \$300,000 in general funds each year for fiscal year 2001-2002 and 2002-2003, to allow the Research Corporation of the University of Hawaii (RCUH) to negotiate for the development of a program to provide for the development of adult day health care centers for the frail and elderly and for physically and mentally disabled adults. The bill will also require that a research center be included to collect data, research equipment, and test material.

While the need for health care centers is unquestioned, it is the Department of Health, not the RCUH, that should be undertaking such responsibility with the considerable funds that are already appropriated to the Department of Health. In 1991, the Legislature provided about \$2,000,000 to establish a

program for all-inclusive care for the elderly (PACE) demonstration project at Maluhia Hospital, which now has about ninety participants who are served by an interdisciplinary team of professionals. The PACE budget is currently about \$2,200,000 and is self-sufficient. Revenues come from a monthly fee of about \$2,100 per participant. Of the \$2,200,000 in revenues, about \$1,980,000 is from Medicaid payments and the balance from private paying individuals and Medicare payments. Statistical data is collected that can be shared with researchers. Because there already are successful programs in existence, there is no need to attempt to develop a program to provide for the development of adult day health care centers.

For the foregoing reasons, I am, returning Senate Bill No. 927 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

PROCLAMATION

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 927, entitled "A Bill for an Act Relating to Adult Day Health Care Centers," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 927 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 927 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 18th day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 18, 2001

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 1028

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 1028, entitled "A Bill for an Act Relating to Community Development Districts."

The purpose of this bill is to transition the duties and responsibilities of the Barbers Point Naval Air Station Redevelopment Commission (Commission) to the Hawaii Community Development Authority (HCDA).

This bill is objectionable because there is a duplication of duties and responsibilities and an uncertainty as to final decision-making authority between the Commission and the HCDA. The five new members added to the HCDA board are authorized to decide all matters that relate to the HCDA, not just matters relating to the Kalaeloa Community Development district. In addition, the quorum needed by the HCDA board for decision-making increases from six to nine, regardless of whether the five new members are actually appointed by the Governor. Finally, the boundaries of the Kalaeloa Community Development District are not defined as required by chapter 206E, Hawaii Revised Statutes.

For the foregoing reasons, I am, returning Senate Bill No. 1028 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

PROCLAMATION

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 1028, entitled "A Bill for an Act Relating to Community Development Districts," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 1028 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 1028 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 18th day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 18, 2001

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 1473

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 1473, entitled "A Bill for an Act Relating to Planning."

The purpose of this bill is to establish a special advisor for smart growth and a smart growth advisory council to assist the Governor, the Legislature, and state agencies to ensure state investments and state actions support smart growth objectives, thereby establishing a smart growth program.

This bill is unnecessary, because existing laws already allow the office of planning to develop growth objectives and strategies and advise the Governor and Legislature on planning matters. Although this bill will establish a "special advisor for smart growth," the bill specifies that the Director of Planning shall serve in that capacity. Furthermore, there is no need to statutorily establish a temporary advisory council with no appropriation of funds to operate. If the Office of Planning desires to have advice, it can obtain the advice through other means, including the establishment of temporary advisory boards or committees through executive orders.

For the foregoing reasons, I am returning Senate Bill No. 1473 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

PROCLAMATION

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 1473, entitled "A Bill for an Act Relating to Planning," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 1473 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 1473 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 18th day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU

June 18, 2001
STATEMENT OF OBJECTIONS
TO SENATE BILL NO. 1535

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 1535, entitled "A Bill for an Act

Relating to Hawaii Commission for National and Community Service."

The purpose of this bill is to statutorily establish the Hawaii Commission for National and Community Service and to appropriate \$150,000, or so much as necessary, for fiscal year 2001-2002 in order to secure additional federal funds.

This bill is unnecessary. A nearly identical temporary commission was created by Executive Order No. 94-01 pursuant to section 26-41, Hawaii Revised Statutes, in order to receive certain federal grants-in-aid. That commission continues to exist and it continues to receive federal funds for grants awarded to the commission when it was first established. The Department of Labor and Industrial Relations has provided and can continue to provide administrative support to the commission; therefore, it is also not necessary to fund a new and separate administrative staff.

For the foregoing reasons, I am returning Senate Bill No. 1535 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

PROCLAMATION

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 1535, entitled "A Bill for an Act Relating to Hawaii Commission for National and Community Service," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 1535 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 1535 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 18th day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

Gov. Msg. No. 234, informing the House that on June 21, 2001, he signed the following bills into law:

House Bill No. 432, HD 2, SD 2, CD 1, as Act 249, entitled: "MAKING AN APPROPRIATION FOR THE MILLENNIUM WORKFORCE DEVELOPMENT PROGRAM";

House Bill No. 862, HD 1, SD 2, CD 1, as Act 250, entitled: "MAKING AN APPROPRIATION FOR THE ESTABLISHMENT OF SOCIAL WORKER POSITIONS";

House Bill No. 1004, HD 1, SD 1, CD 1, as Act 251, entitled: "RELATING TO ORIGINAL JURISDICTION OF THE HAWAII SUPREME COURT";

House Bill No. 1211, HD 1, SD 1, CD 1, as Act 252, entitled: "RELATING TO FIREARMS";

House Bill No. 1233, HD 1, SD 2, CD 1, as Act 253, entitled: "RELATING TO YOUTH SERVICES";

House Bill No. 1561, HD 2, SD 1, CD 1, as Act 254, entitled: "RELATING TO EDUCATION";

House Bill No. 1662, HD 1, SD 2, CD 1, as Act 255, entitled: "RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION";

Senate Bill No. 530, SD 2, HD 2, CD 1, as Act 256, entitled: "RELATING TO SCHOOL ADMINISTRATORS";

Senate Bill No. 900, SD 2, HD 1, CD 1, as Act 257, entitled: "RELATING TO LIQUOR LICENSE APPLICATIONS"; and

Senate Bill No. 950, SD 1, HD 1, CD 1, as Act 258, entitled: "RELATING TO DIAMOND HEAD".

Gov. Msg. No. 235, informing the House that on June 22, 2001, he signed the following bill into law:

House Bill No. 200, HD 1, SD 1, CD 1, as Act 259, entitled: "RELATING TO THE STATE BUDGET".

Gov. Msg. No. 236, informing the House that on June 22, 2001, he signed the following bill into law:

Senate Bill No. 18, SD 1, HD 1, CD 1, as Act 260, entitled: "MAKING APPROPRIATIONS FOR SALARY INCREASES FOR PUBLIC EMPLOYEES".

Gov. Msg. No. 237, returning House Bill Nos. 135, 1000 and 1400 without his approval, and his statement of objections relating to the measure as follows:

"EXECUTIVE CHAMBERS
HONOLULU

June 22, 2001
STATEMENT OF OBJECTIONS
TO HOUSE BILL NO. 135

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 135, entitled "A Bill for an Act Relating to Child Passenger Safety."

The purpose of House Bill No. 135 is to clarify the child passenger restraint and seat belt laws with respect to children between 4 and 14 years of age. The bill requires that passengers who are 4 to 8 years of age, and under 80 pounds, be placed in a child safety seat or booster seat. Children over 60 pounds are exempt from this requirement if the vehicle is equipped with only lap belts in the rear seat, without shoulder straps. The bill also requires children between the ages of 8 and 14 years of age to use seat belts.

Currently, the law does not specify a weight requirement for children to be placed in child passenger restraint systems. National safety standards recommend booster seats for children ages 4 to 8 years of age and under 80 pounds in weight. Because seat belts are not designed to fit young children, the belts can ride up onto the abdomen, putting children at risk for intestinal, liver, spleen, and spinal cord injury in a crash. Presently, there are several models of

approved booster seats available that are designed for children up to 60 pounds and that can be installed using only a lap belt.

While this measure is an acknowledgment that children between the ages of 4 and 8 years old and under 80 pounds should be restrained in a safety seat for assured protection, the practical effect of this bill is to place an additional financial burden on parents. Under this bill, children who are 7 years of age and as heavy as 79 pounds must be restrained by a specially designed seat purchased by their parents. Many parents, as well as caretakers of children, will find this to be a hardship, not only because they must purchase the safety seat, but because many parents with children do not own vehicles that will accommodate multiple safety seats and children in the passenger area. Further, this bill may be an unnecessary restraint on many parents to determine the degree of safety that is required for their own child.

For the foregoing reason, I am, returning House Bill No. 135 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 135, entitled "A Bill for an Act Relating to Child Passenger Safety," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 135 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 135 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 22nd day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 22, 2001

STATEMENT OF OBJECTIONS
TO HOUSE BILL NO. 1000

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 1000, entitled "A Bill for an Act Relating to the Judiciary."

The purpose of this bill is to appropriate funds to meet the needs of the operations of the Judiciary for fiscal years 2001-2002 and 2002-2003.

A clerical procedural error caused uncertainty as to the validity of the passage of this bill during the regular session of 2001. To eliminate the uncertainty as to the validity of the passage of the Judiciary's budget appropriations, the Legislature convened in special session and passed a replacement bill, House Bill No. 1. Because I approved House Bill No. 1 as Act 1 of the special session, the purpose of this bill will be achieved and this bill is no longer needed.

For the foregoing reasons, I am returning House Bill No. 1000 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

PROCLAMATION

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 1000, entitled "A Bill for an Act Relating to the Judiciary," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 1000 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 1000 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 22nd day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 22, 2001

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 1400

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 1400, entitled "A Bill for an Act Relating to State Bonds."

The purpose of this bill is to authorize the issuance of general obligation bonds by the State. In addition, this bill declares the Legislature's findings with respect to these bond authorizations as required by Section 13 of Article VII of the Constitution of the State of Hawaii.

The provisions of this bill are substantially the same as the provisions contained in Senate Bill No. 3, which was passed by the Legislature at its special session of 2001 to update and replace this bill. Since I intend to approve Senate Bill No. 3, there is no necessity to also approve this bill.

For the foregoing reason, I am returning House Bill No. 1400 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

PROCLAMATION

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 1400, entitled "A Bill for an Act Relating to State Bonds," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 1400 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 1400 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 22nd day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

Gov. Msg. No. 238, transmitting Senate Bill Nos. 119, 204, 683, 838 and 1207 without his approval, with his statement of objections relating to the measures as follows:

"EXECUTIVE CHAMBERS
HONOLULU
June 22, 2001

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 119

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 119, entitled "A Bill for an Act Relating to Corrections."

The purpose of Senate Bill No. 119 is to require the Department of Public Safety (PSD) and the Office of Youth Services (OYS) to provide female offenders with a range and quality of programming substantially equivalent to the range and quality offered to males. These programs must be based upon the "psychosocial developmental needs of female offenders." This bill also requires PSD to create a model gender-responsive program and to award grants for the program, requires OYS to collaborate with several other agencies to develop a "comprehensive continuum of care to address the gender responsive needs of juvenile female offenders," and requires both PSD and OYS to prepare an implementation plan and a request for funds for the next legislative session.

The bill is objectionable because it is unnecessary, provides no funding to accomplish its purpose, and creates an ambiguous mandate that invites litigation for the purpose of changing funding priorities through the judicial rather than the legislative system. Under the current system, PSD and OYS can provide a range and quality of programming for female adult and juvenile offenders substantially equivalent to male inmates. In fact, PSD initiated meetings with various service providers over a year ago to accomplish this and will be strengthening its efforts to achieve greater parity.

If there is any obstacle to the establishment of such programs, it is funding. This bill, however, does not appropriate any moneys to establish gender-responsive programs. Furthermore, this bill uses terms that will likely result in litigation. People will differ as to whether a program is "substantially equivalent" or whether a program is based upon the "psychosocial developmental needs of female offenders."

For the foregoing reasons, I am returning Senate Bill No. 119 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 119, entitled "A Bill for an Act Relating to Corrections," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 119 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 119 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 22nd day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 22, 2001

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 204

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 204, entitled "A Bill for an Act Relating to Animal Quarantine."

The purpose of this bill is to reduce animal quarantine user fees during fiscal year 2001-2002. The reduction is to be funded by exempting the animal quarantine special fund from central service assessments under section 36-27, Hawaii Revised Statutes, and by exempting the fund from reimbursing the Department of Budget and Finance for any administrative expenses under section 36-30, Hawaii Revised Statutes, for fiscal year 2001-2002. Only active duty military personnel in military grades E-1 to E-6 will qualify for the greatest fee reduction.

This bill is objectionable because it is inappropriate to provide general fund support for a special-funded program that is supposed to be self-sufficient. Furthermore, this bill may be impermissibly discriminatory, because it favors active duty military personnel of certain grades and does not accord the same benefit to civilians of equivalent income levels.

For the foregoing reasons, I am returning Senate Bill No. 204 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 204, entitled "A Bill for an Act Relating to Animal Quarantine," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 204 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 204 with my

objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 22nd day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 22, 2001

STATEMENT OF OBJECTIONS
TO SENATE BILL NO. 683

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 683, entitled "A Bill for an Act Relating to Public Safety."

The purpose of this bill is to require the Legislative Reference Bureau to study various issues concerning civil process servers. This bill requires the Department of Public Safety, the Hawaii Supreme Court, the Department of the Attorney General, the Deputy Sheriffs Association, and the Hawaii Bar Association to designate representatives to aid in the study.

The Department of Public Safety and the Judiciary are currently developing a means by which to privatize service of civil process. This bill is, therefore, unnecessary.

For the foregoing reasons, I am returning Senate Bill No. 683 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 683, entitled "A Bill for an Act Relating to Public Safety," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 683 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 683 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 22nd day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 22, 2001

STATEMENT OF OBJECTIONS
TO SENATE BILL NO. 838

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 838, entitled "A Bill for an Act Relating to Hawaii Hurricane Relief Fund."

The purpose of this bill is to require the Hawaii Hurricane Relief Fund (HHRF) to develop and implement a two-year pilot program to provide grants to residential property owners for the installation of HHRF-approved wind damage mitigation devices that lessen the probability of property loss from strong winds. The grants are to be awarded on a dollar-for-dollar matching funds basis, up to a maximum of \$3,500 per insured location. The bill will appropriate \$5,000,000 for fiscal year 2001-2002 and \$5,000,000 for fiscal year 2002-2003 out of the Hurricane Relief Trust Fund to develop and implement the pilot program.

By way of a brief background, the HHRF was created in 1993 to insure against hurricane losses in Hawaii in the aftermath of the devastation caused by Hurricane Iniki and the worldwide insurance crisis. Without hurricane coverage, the orderly growth and development of the State would have been severely impeded. Presently, the homeowners insurance market is showing signs of stabilization, as several insurers are again offering hurricane coverage. In light of this, the HHRF has stopped writing new policies and stopped renewing existing policies and plans to run-off all policies by December 1, 2001.

The grant pilot program proposed by the bill would be limited to current and former policyholders of the HHRF. If grants are to be awarded, all homeowners should be eligible, as there does not appear to be a logical reason to limit the grants to HHRF policyholders. HHRF policyholders have already benefited from paying their HHRF premiums as they received the coverage they paid for. Also, premiums are not the only source of revenue for the HHRF. The HHRF also receives moneys from the special mortgage recording fee and from assessments on property and casualty insurers.

Moreover, the HHRF is currently awaiting the results of a study on the issue of hazard mitigation, pursuant to Act 153, Session Laws of Hawaii 2000. That act directed the advisory committee of the HHRF to study a mitigation plan as outlined in the act. In addition, the study is to contain proposed legislation, if necessary, and a recommendation as to which hazard mitigation program will provide the most benefit to residential homeowners. Further, should the study find that it is feasible to implement a grant program, the study is to set forth that the pros of the grant program outweigh the cons and further set forth specific details on the implementation of the grant program. This study has not yet been completed.

Furthermore, Act 153, Session Laws of Hawaii 2000, recognized the need for a detailed implementation plan of any mitigation grant program, something that is missing from this

bill. Such issues as the types and kinds of wind damage mitigation devices that would be eligible for the grants, procedures to file for the grant, and supporting documentation requirements for the grant application are all undefined. The grant application process would also appear to require various levels of expertise to advise the HHRF, including perspectives from the fields of construction and engineering. All these issues are in fact under consideration and being sorted through as part of the study described above. Consequently, it would be premature to institute a grant program as called for by this bill until this comprehensive and valuable study is completed.

For the foregoing reasons, I am returning Senate Bill No. 838 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

PROCLAMATION

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 838, entitled "A Bill for an Act Relating to Hawaii Hurricane Relief Fund," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 838 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 838 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 22nd day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

"EXECUTIVE CHAMBERS
HONOLULU
June 22, 2001

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 1207

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 1207, entitled "A Bill for an Act Relating to the University of Hawaii."

The purpose of this bill is to confirm that the University autonomy legislation did not abrogate the Eleventh Amendment immunity enjoyed by the University of Hawaii. This bill declares that any liability incurred by the University in litigation shall be a liability of the State.

There is agreement among the legislators, the executive branch, and the University that the University is still an entity of the State for purposes of the Eleventh Amendment of the Unified [United] States Constitution. Even though the University was given greater autonomy over its affairs, the autonomy measures enacted in the past few years were not intended to affect the University's protection from suit under the Eleventh Amendment.

My objections to this bill are not based on policy differences with the Legislature over the University's Eleventh Amendment status, but are based only on the method by which the status is being confirmed. To achieve the purpose of this bill, the Legislature need only expressly reaffirm that the University's Eleventh Amendment immunity was never intended to be abrogated by University autonomy legislation. Chapter 304, Hawaii Revised Statutes, should be amended to include a provision stating, "Nothing in this chapter is intended to abrogate the Eleventh Amendment immunity of the University." It is unnecessary for the State to assume all of the University's liabilities in order to assure the University's immunity under the Eleventh Amendment. Such assumption of liability by the State is contrary to the University's goal of autonomy and accountability for its actions.

For the foregoing reasons, I am returning Senate Bill No. 1207 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii

PROCLAMATION

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 1207, entitled "A Bill for an Act Relating to the University of Hawaii," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 1207 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, BENJAMIN J. CAYETANO, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return Senate Bill No. 1207 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawaii
this 22nd day of June, 2001.

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

Gov. Msg. No. 239, informing the House that on June 25, 2001, he signed the following bills into law:

House Bill No. 11, HD 2, SD 2, CD 1, as Act 261, entitled: "RELATING TO EDUCATION";

House Bill No. 94, HD 1, SD 1, CD 1, as Act 262, entitled: "RELATING TO PARENT-COMMUNITY NETWORKING CENTER PROGRAMS";

House Bill No. 161, HD 2, SD 2, CD 1, as Act 263, entitled: "RELATING TO CRIMINAL HISTORY RECORD CHECKS";

House Bill No. 284, HD 1, SD 2, CD 1, as Act 264, entitled: "RELATING TO HEALTH";

House Bill No. 462, HD 1, SD 2, CD 1, as Act 265, entitled: "RELATING TO THE UNIFORM ARBITRATION ACT";

House Bill No. 1089, HD 2, SD 2, CD 1, as Act 266, entitled: "RELATING TO AGRICULTURE";

House Bill No. 1556, as Act 267, entitled: "RELATING TO AGRICULTURAL LOANS";

Senate Bill No. 41, as Act 268, entitled: "RELATING TO CONSERVATION";

Senate Bill No. 606, as Act 269, entitled: "RELATING TO RECYCLED WATER"; and

Senate Bill No. 992, as Act 270, entitled: "RELATING TO TOBACCO".

Gov. Msg. No. 240, informing the House that on June 25, 2001 he signed the following bills into law:

House Bill No. 77, as Act 271, entitled: "RELATING TO THE WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL";

House Bill No. 173, as Act 272, entitled: "RELATING TO RENEWABLE ENERGY RESOURCES";

House Bill No. 632, as Act 273, entitled: "RELATING TO HUMAN SERVICES";

House Bill No. 840, as Act 274, entitled: "RELATING TO THE UNIVERSITY OF HAWAII";

House Bill No. 1216, as Act 275, entitled: "RELATING TO THE KOREAN CENTENNIAL CELEBRATION COMMISSION";

House Bill No. 1679, as Act 276, entitled: "RELATING TO DILLINGHAM AIRFIELD";

Senate Bill No. 97, as Act 277, entitled: "RELATING TO TELEMARKETING FRAUD";

Senate Bill No. 118, as Act 278, entitled: "RELATING TO CANCER";

Senate Bill No. 1144, as Act 279, entitled: "RELATING TO MINIMUM WAGE";

Senate Bill No. 1236, as Act 280, entitled: "RELATING TO THE UNIVERSITY OF HAWAII";

Senate Bill No. 1276, as Act 281, entitled: "RELATING TO CYBERSQUATTING";

Senate Bill No. 1365, as Act 282, entitled: "RELATING TO THE WEED AND SEED PROGRAM"; and

Senate Bill No. 1435, as Act 283, entitled: "RELATING TO HYDROGEN RESEARCH AND DEVELOPMENT".

Gov. Msg. No. 241, transmitting copies of a report prepared by the Department of Taxation entitled: "Tax Credits by Hawaii Individuals and Corporations – 1999".

Gov. Msg. No. 242, informing the House that on June 28, 2001, the following bills were signed into law:

H.B. No. 860, HD 1, SD 2, CD 1, RELATING TO THE EMPLOYEES RETIREMENT SYSTEM (Act 284);

S.B. No. 755, SD 2, HD 1, CD 1, RELATING TO HARBORS (Act 285);

H.B. No. 429, SD 1, CD 1, MAKING AN APPROPRIATION FOR BLINDNESS SKILL TRAINING (Act 286);

H.B. No. 469, HD 2, SD 1, CD 1, RELATING TO SCHOOL PERSONNEL (Act 287);

H.B. No. 498, HD 1, SD 1, CD 1, RELATING TO DOMESTIC VIOLENCE (Act 288);

H.B. No. 539, HD 1, SD 1, RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII (Act 289);

H.B. No. 540, HD 1, RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII (Act 290);

H.B. No. 545, RELATING TO THE RENTAL HOUSING TRUST FUND (Act 291);

H.B. No. 646, HD 1, SD 2, CD 1, RELATING TO THE SALE OF STERILE SYRINGES FOR THE PREVENTION OF DISEASES (Act 292);

H.B. No. 1074, HD 2, SD 2, CD 1, RELATING TO DROUGHT MITIGATING FACILITIES (Act 293);

S.B. No. 64, SD 1, HD 1, RELATING TO CRIME (Act 294);

S.B. No. 69, SD 1, HD 1, RELATING TO PROTECTIVE ORDERS (Act 295);

S.B. No. 123, SD 1, HD 2, CD 1, RELATING TO HOUSING (Act 296);

S.B. No. 209, SD 2, HD 2, RELATING TO PARKING FOR PERSONS WITH DISABILITIES (Act 297);

S.B. No. 640, SD 1, HD 1, RELATING TO AGRICULTURE (Act 298);

S.B. No. 752, SD 1, HD 1, RELATING TO STATE BOATING FACILITIES (Act 299);

S.B. No. 759, SD 1, HD 1, RELATING TO TORT ACTIONS (Act 300);

S.B. No. 932, SD 2, HD 4, CD 1, RELATING TO GOVERNMENT (Act 301);

S.B. No. 1102, SD 2, HD 1, CD 1, RELATING TO THE HAWAIIAN HOMES COMMISSION ACT (Act 302);

S.B. No. 1199, SD 2, HD 1, CD 1, RELATING TO CONCESSIONS ON PUBLIC PROPERTY (Act 303);

S.B. No. 1390, SD 1, HD 1, CD 1, RELATING TO TRADITIONAL HEALING PRACTICES (Act 304); and

S.B. No. 1561, SD 1, HD 2, CD 1, RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS (Act 305).

Gov. Msg. No. 243, informing the House that on July 2, 2001, the following bills were signed into law:

H.B. No. 1391, HD 1, SD 2, CD 1, RELATING TO THE ARTS (Act 306);

H.B. No. 1667, HD 2, SD 1, CD 1, RELATING TO STUDENT LOANS FOR TEACHERS (Act 307);

H.B. No. 1668, HD 1, SD 1, CD 1, RELATING TO REHIRING RETIRED TEACHERS IN THE DEPARTMENT OF EDUCATION (Act 308);

S.B. No. 493, SD 2, HD 2, CD 1, RELATING TO PUBLIC SCHOOLS (Act 309);

S.B. No. 865, SD 1, HD 1, CD 1, RELATING TO SCHOOL-TO-WORK (Act 310);

S.B. No. 1211, SD 2, HD 2, CD 1, RELATING TO SCHOOL FACILITIES (Act 311);

S.B. No. 1212, SD 1, HD 2, CD 1, RELATING TO EDUCATION (Act 312);

S.B. No. 1213, SD 2, HD 2, CD 1, MAKING AN APPROPRIATION FOR THE ESTABLISHMENT AND CONTINUATION OF PROFESSIONAL DEVELOPMENT SCHOOLS (Act 313);

S.B. No. 1214, SD 2, HD 1, CD 1, RELATING TO NATIONAL BOARD CERTIFICATION FOR DEPARTMENT OF EDUCATION TEACHERS (Act 314);

S.B. No. 1362, SD 2, HD 1, CD 1, RELATING TO COACHES (Act 315); and

S.B. No. 1577, SD 2, HD 2, CD 1, RELATING TO SCHOOL FACILITIES (Act 316).

Gov. Msg. No. 244, transmitting copies of the 2000 Annual Report for the Housing and Community Development Corporation of Hawaii (HCDCH), pursuant to Chapter 201G, Hawaii Revised Statutes, as amended.

**COMMUNICATIONS RECEIVED AFTER THE ADJOURNMENT
OF THE 2001 LEGISLATURE SINE DIE**

Senate Communications

Sen. Com. No. 802, returning H.B. No. 647, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE DISABILITY AND COMMUNICATION ACCESS BOARD," which passed Third Reading in the Senate on May 3, 2001.

Sen. Com. No. 803, returning H.B. No. 708, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," which passed Third Reading in the Senate on May 3, 2001.

Sen. Com. No. 804, informing the House that the Senate has reconsidered its action in disagreeing to the amendments proposed by the House to the following Senate Concurrent Resolutions and has moved to agree to the amendments. The Senate further informs the House that said resolutions have been adopted on May 3, 2001:

S.C.R. No. 45, HD 1, entitled: "REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY POLICY RECOMMENDATIONS AND FUNDING OPTIONS FOR A COMPREHENSIVE INVASIVE SPECIES PROTECTION AND CONTROL PROGRAM FOR THE STATE OF HAWAII"; and

S.C.R. No. 90, SD 1, HD 1, entitled: "ESTABLISHING A TASK FORCE TO IMPROVE THE EFFICIENCY OF LAW ENFORCEMENT AND PUBLIC SAFETY AGENCIES".

Sen. Com. No. 805, informing the House that the Senate has reconsidered its action in disagreeing to the amendments proposed by the House to the following Senate bill and has moved to agree to the amendments. The Senate further informs the House that said bill passed Final Reading on May 3, 2001:

S.B. No. 716, SD 2, HD 1, entitled: "RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES".

Sen. Com. No. 806, informing the House that the Senate has reconsidered its action in disagreeing to the amendments proposed by the House to the following Senate bills and has moved to agree to the amendments. The Senate further informs the House that said bills passed Final Reading on May 3, 2001:

S.B. No. 591, SD 2, HD 1, entitled: "RELATING TO OCCUPATIONAL THERAPISTS";

S.B. No. 1013, HD 1, entitled: "RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY"; and

S.B. No. 1054, SD 2, HD 1, entitled: "RELATING TO THE MANAGEMENT OF FINANCING AGREEMENTS".

Sen. Com. No. 807, informing the House that the Senate has reconsidered its action in disagreeing to the amendments proposed by the House to the following Senate bill and has moved to agree to the amendments. The Senate further informs the House that said bill passed Final Reading on May 3, 2001:

S.B. No. 1473, SD 2, HD 1, entitled: "RELATING TO PLANNING".

Sen. Com. No. 808, informing the House that the following bills passed Final Reading in the Senate on May 3, 2001:

H.B. No. 1667, HD 2, SD 1, CD 1, entitled: "RELATING TO STUDENT LOANS FOR TEACHERS";

S.B. No. 530, SD 2, HD 2, CD 1, entitled: "RELATING TO SCHOOL ADMINISTRATORS";

S.B. No. 704, SD 1, HD 2, CD 1, entitled: "RELATING TO CRIME VICTIM COMPENSATION";

S.B. No. 992, SD 2, HD 2, CD 1, entitled: "RELATING TO TOBACCO";

S.B. No. 1382, HD 1, CD 1, entitled: "RELATING TO STATE OFFICERS AND EMPLOYEES EXCLUDED FROM COLLECTIVE BARGAINING AND MAKING APPROPRIATIONS AND OTHER ADJUSTMENTS";

S.B. No. 1115, SD 1, HD 1, CD 1, entitled: "RELATING TO HUMAN RESOURCES";

S.B. No. 838, SD 2, HD 1, CD 1, entitled: "RELATING TO HAWAII HURRICANE RELIEF FUND";

H.B. No. 1000, HD 1, SD 2, CD 1, entitled: "RELATING TO THE JUDICIARY";

H.B. No. 1100, HD 1, SD 1, CD 1, entitled: "RELATING TO THE BUDGET OF THE HAWAIIAN AFFAIRS";

H.B. No. 1400, SD 1, CD 1, entitled: "RELATING TO STATE BONDS";

H.B. No. 1561, HD 2, SD 1, CD 1, entitled: "RELATING TO EDUCATION";

H.B. No. 432, HD 2, SD 2, CD 1, entitled: "MAKING AN APPROPRIATION FOR THE MILLENNIUM WORKFORCE DEVELOPMENT PROGRAM";

H.B. No. 1662, HD 1, SD 2, CD 1, entitled: "RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION";

S.B. No. 1028, SD 2, HD 2, CD 1, entitled: "RELATING TO COMMUNITY DEVELOPMENT DISTRICTS";

S.B. No. 716, SD 2, HD 1, entitled: "RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES"; and

S.B. No. 1473, SD 2, HD 1, entitled: "RELATING TO PLANNING".

Sen. Com. No. 809, informing the House that the Senate has discharged all of the Senate Conferees for the following:

S.B. No. 1054, SD 2, HD 1, entitled: "RELATING TO THE MANAGEMENT OF FINANCING AGREEMENTS"; and

S.C.R. 90, SD 1, HD 1, entitled: "ESTABLISHING A TASK FORCE TO IMPROVE THE EFFICIENCY OF LAW ENFORCEMENT AND PUBLIC SAFETY AGENCIES."

Departmental Communications

Dept. Com. No. 22, from Ms. Marion Higa, State Auditor, transmitting copies of the Office of the Auditor's financial

audit of the Med-QUEST Division of the Department of Human Services.

Dept. Com. No. 23, from Mr. Wayne Metcalf, Insurance Commissioner, acknowledging the receipt of a certified copy of H.C.R. No. 129, HD 1, SD 1, CD 1.

Dept. Com. No. 24, from Ms. Marion Higa, State Auditor, transmitting a copy of a report entitled: Analysis of a Proposal to Expand the Regulation of the Alarm Industry, pursuant to H.C.R. No. 65, HD 1.

Dept. Com. No. 25, from Ms. Marion Higa, State Auditor, transmitting a copy of a report entitled: Update of the 1992 Summary of Special and Revolving Funds.