

**SCRep. 1053    Public Safety and Military Affairs and Judiciary and Hawaiian Affairs on S.B. No. 704**

The purpose of this bill is to:

- (1) Repeal the July 1, 2001, sunset date of Act 278, Session Laws of Hawaii 1999, to permanently eliminate the 30 percent cap on operating expenses of the Crime Victim Compensation Commission (CVCC);
- (2) Exempt the Executive Director and Administrative Assistant of CVCC from the State's Civil Service Law; and
- (3) Appropriate funds to compensate crime victims and their providers.

CVCC, Department of the Prosecuting Attorney of the City and County of Honolulu, Sex Abuse Treatment Center, and a concerned citizen submitted testimony in support of this measure.

Your Committees have amended this bill by:

- (1) Requiring a report to the Legislature on the collection of revenues to the Crime Victim Compensation Special Fund; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 704, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 704, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Nakasone, Moses, Rath, Case, Kanoho, Yoshinaga and Whalen.

**SCRep. 1054    Health on S.B. No. 138**

The purpose of this bill is to:

- (1) Allow a caregiver to give medical and educational consent for a minor provided that the consent to medical care is limited to school-related medical care;
- (2) Require a notarized power of attorney for caregiver consent; and
- (3) Subject caregivers to penalties under part V, chapter 710, Hawaii Revised Statutes, for making a false statement on a notarized power of attorney for caregiver consent.

Na Tutu, Grandparents Raising Grandchildren supported this measure with amendments.

The Department of Human Services (DHS) supported the intent of this measure. However, DHS did not support allowing the caregiver to consent to school-related medical care based solely on possession of the notarized power of attorney for caregiver consent without further legal authorization and support.

The Department of Education (DOE) opposed this measure. DOE expressed concerns that this measure may create a loophole for individuals to obtain geographical exemptions when enrolling a child in school. DOE was also concerned that it would be difficult to determine exactly who has custody over a child, and that parental rights would be diminished.

Your Committee understands that many children in Hawaii are being abandoned for reasons such as illicit drug use, alcoholism, and divorce. Grandparents and other family members are often left to care for "abandoned" children. Although these individuals are the primary caregivers of the child, they are not allowed to make decisions for child-related school matters and school-related medical care.

Individuals testified that children under these circumstances are frequently denied enrollment in public schools. Sometimes, they are enrolled, but the previous school the child attended will not forward records to the new school. This has created hardships to caregivers as well as the children involved.

Your Committee notes that it agrees with Na Tutu's testimony that many of the children affected by this bill have parents who are not around to sign a power of attorney. Some parents are in and out of these children's lives, and even if they were presented with a power of attorney, would not sign it for fear of being responsible for child support.

In Hawaii, children commonly live with their grandparents or other extended family. Your Committee, while understanding the concerns raised by all parties, feels strongly that this situation needs to be addressed immediately. Your Committee has facilitated a collaborative effort among all interested parties to amend this bill.

Accordingly, your Committee has amended the measure by removing the substantive contents and replacing it with language which:

- (1) Defines who may be considered an eligible caregiver;
- (2) Establishes standards by which a caregiver may consent to a minor's enrollment in school;

- (3) Requires caregivers to attempt to obtain the consent of the legal parent or guardian, via certified letter, regarding the child's enrollment in school and establishes the rules and procedures for this action;
- (4) Creates the "Affidavit of Caregiver Consent" to be used by the caregiver;
- (5) Establishes penalties for false statements made in the affidavit;
- (6) Requires the Board of Education to review, and if necessary, revise the caregiver consent affidavit requirements on an annual basis;
- (7) Allows the Superintendent of Education to work with the Na Keiki Law Center with regards to the distribution of affidavits and the procedures for proof of notice; and
- (8) Makes this Act effective upon its approval.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 138, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 138, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee.

**SCRep. 1055    Health on S.B. No. 1133**

The purpose of this bill is to allow the Hawaii Healthcare Systems Corporation (HHSC) to enhance the community network of healthcare facilities throughout the State by:

- (1) Allowing more flexibility in decision-making;
- (2) Requiring a more thorough annual report and audit;
- (3) Placing accountability with regional advisory committees; and
- (4) Developing community involvement.

The Department of Health and HHSC testified in support of this measure. The State Health Planning and Development Agency (SHPDA) supported the intent of this measure.

The Hawaii Government Employees Association (HGEA) opposed this measure.

SHPDA and HGEA expressed concerns that the Director of Health (Director) would cause a conflict of interest if the Director is also a board member of HHSC. HGEA further expressed that HHSC should be held accountable to the Legislature, rather than the Director.

Your Committee understands that HHSC was established to operate and administer the public hospital system in Hawaii. Since its establishment, HHSC has achieved major improvements in its financial performance and continues to increase its revenues and decrease its costs.

Furthermore, your Committee realizes that HHSC requires more flexibility in management to increase the quality of service and care and remain financially sound. However, HHSC also serves as an in-patient safety net for many people and that closure of some of the facilities under HHSC's jurisdiction would be disastrous for community health.

Your Committee also had concerns regarding the omission of the regional public health facility management advisory committees from the decision making process with regards to the increase, decrease, or modification of the scope or type of health care services rendered by the public health facility within its respective jurisdiction.

Accordingly, your Committee has amended this bill by:

- (1) Requiring the public health facility management advisory committees for each region to submit a report which would include its recommendations for modifying, decreasing, or increasing the scope or type of health care services to be rendered by the public health facilities within its respective jurisdiction and the costs or savings associated with the modifying, decreasing, or increasing the scope or type of health care services rendered;
- (2) Requiring these reports to be submitted to the Legislature at least twenty days prior to the convening of each regular session;
- (3) Requiring recommendation of the regional public health facility management advisory committee, and approval of the Director and the Legislature before there is a substantial reduction or elimination of direct patient care services at any facility;
- (4) Amending the effective date of the measure; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1133, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1133, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1056     Education on S.B. No. 584**

The purpose of this bill is to allow the Department of Education to hire former teachers, principals, and vice-principals who have been retired from state service for not less than two years for hard-to-fill positions. This bill also provides for allowing incentive packages for classroom teachers and administrators.

The HGEA supported this bill. The Department of Education supported the intent.

Your Committee recognizes the need for qualified teachers and administrators in the public school system. It also recognizes that the state needs different ways of addressing the recruitment and retention of qualified teachers and administrators. Your Committee believes that this bill helps to address this problem.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 584, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Bukoski, McDermott, Ontai and Stonebraker.

**SCRep. 1057     Education on S.B. No. 132**

The purpose of this bill is to appropriate funds to maintain and expand the Department of Education's (DOE) Peer Education Program.

DOE, Hawaii Youth Services Network, Adult Friends for Youth, Keiki Injury Prevention Coalition, and a large number of concerned citizens and students testified in support of this measure.

Your Committee finds that many serious teenage health issues ranging from pregnancy to suicide are best addressed by having other peers enter the discussion. Although agencies and organizations are available for assistance, teens may be too embarrassed or intimidated to seek help.

Peer education programs offer a less intimidating alternative to help troubled at-risk teens to identify and solve problems. Administrative support for the program is provided by a peer education resource teacher and clerical personnel. This program is currently available in twenty-six schools statewide. More schools may be added in the next school year.

Your Committee has amended this bill by:

- (1) Inserting appropriations for fiscal year 2002-2003; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 132, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 132, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Hale, Kahikina and Bukoski.

**SCRep. 1058     Education on S.B. No. 382**

The purpose of this bill is to provide adequate salary incentives to recruit and retain qualified public school employees by requiring annual incremental or longevity salary increases for employees of Bargaining Unit 5 who have performed satisfactorily.

The Hawaii State Teachers Association testified in support of this bill. The Department of Education offered comments, and the Department of Budget and Finance opposed this measure.

Your Committee finds that employees of Bargaining Unit 5 include classroom teachers, State and District Office teachers, ROTC instructors, school librarians, registrars, counselors, and psychological examiners.

Your Committee has amended this bill by:

- (1) Placing the new provisions dealing with teacher compensation in chapter 302A, Hawaii Revised Statutes (HRS), instead of chapter 77, HRS;
- (2) Designating July 1, 2003, instead of July 3, 2003, as the date that movement between incremental and longevity steps within the salary range for employees in appropriate Bargaining Unit 05 shall be specified by law; and
- (3) Making technical, nonsubstantive amendments to correcting drafting errors.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 382, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 382, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia and Kahikina.

**SCRep. 1059 Education on S.B. No. 493**

The purpose of this bill is to establish a public-private partnership for school repair and maintenance (partnership) within the Department of Accounting and General Services (DAGS).

More specifically, this bill:

- (1) Establishes the Hawaii School Repair and Maintenance Trust Fund (Trust Fund) as a separate trust fund of Hawaii 3R's, a Hawaii nonprofit organization, to award grants or contracts for the repair and maintenance of public schools;
- (2) Requires the partnership to assist Hawaii 3R's with the implementation of the Trust Fund by providing assistance in seeking sources of funding and other areas;
- (3) Requires Hawaii 3R's to select members for the Hawaii School Maintenance and Repair Advisory Board (Board) that shall solicit and raise funds for the Trust Fund, establish criteria for the expenditure of funds, and make recommendations for grants and other expenditures;
- (4) Allows contractors, engineers, architects, surveyors, and landscape architects to claim an income tax credit for contributions of in-kind services provided to schools for repair and maintenance;
- (5) Requires the Comptroller to submit reports on the progress of the partnership and Trust Fund to the Legislature prior to the 2002, 2003, and 2004 Regular Sessions;
- (6) Appropriates \$5,000,000 to the Trust Fund for start-up and other program expenses to be matched by private sector donations and federal contributions; and
- (7) Appropriates \$41,772 for a staff person within DAGS to coordinate the partnership.

DAGS, Hawaii State Teacher Association, Chamber of Commerce of Hawaii, General Contractors Association of Hawaii, and Hawaii Business Roundtable submitted testimony in support of this bill. Hawaii's 3R's submitted testimony in support of this bill with proposed amendments. The Department of Taxation and Department of Education submitted testimony in support of the intent of this bill. Tax Foundation of Hawaii submitted comments on this bill.

Your Committee finds that this bill presents a very creative method of funding school repair and maintenance projects. There is currently a backlog of these projects totaling over \$600,000,000, and a concerted effort must be made to reduce this astonishing figure. This bill will provide a structure within which concerned members of the community may lend their money, supplies, and skills to help their schools. This type of public-private endeavor is the only way a significant number of school repair and maintenance projects will be completed.

Upon further consideration, your Committee has amended this bill by deleting its substance and replacing it with the contents of H.B. No. 472, H.D. 2, its companion measure, and making additional substantive and technical amendments to the bill. This bill has been further amended to:

- (1) Delete section 2 that created a pilot project under DAGS, and duplicated the existing organization and structure of Hawaii 3R's;
- (2) Change the membership of the Board to include principals rather than teachers; and
- (3) Clarify that donations of materials or labor for school repair and maintenance shall be tracked and recorded, but are not technically part of the accounting for the Trust Fund.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 493, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 493, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia and Kahikina.

**SCRep. 1060 Education on S.B. No. 821**

The purpose of this bill is to extend the funding for the Laptops for Learning Program (Program) and to expand the Program by starting a loaner program for students who cannot afford to purchase laptops through the Program.

The Department of Education opposed this bill.

Your Committee finds that this Program will provide students with greater access to computers.

Your Committee has amended this bill by:



- (1) Adding an unspecified appropriation for fiscal year 2002-2003; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 821, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 821, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Hale, Kahikina and Bukoski.

**SCRep. 1061 Education on S.B. No. 1212**

The purpose of this measure is to transfer the duty of licensing public school teachers from the Department of Education to the Hawaii Teacher Standards Board.

The Office of the Lieutenant Governor, HSTA, Hawaii Association of Independent Schools, Dean of the College of Education at the University of Hawaii, Hawaii Business Roundtable, Hawaii Teacher Standards Board, and the Department of Education testified in support of the measure.

Your Committee recognizes that this measure would remove the inherent conflict of interest the department currently faces as employer and licensor.

Your Committee has amended this measure to incorporate the following specific recommendations:

- (1) Provide data that can allow for identifying possible patterns or trends in the types of students who tend to be assigned to out-of-field teachers;
- (2) Provide that there will be monthly updates of changes in employee status and hiring;
- (3) Provide that no individual may be employed by the department on an emergency basis for more than four years;
- (4) Provide that no person shall be issued a license or teach on an emergency basis in the public schools without having first paid the fees established by the board in accordance with chapter 91;
- (5) After July 2002, replace references to "credentials" and "credentialing" with "permits" and "permitting" in several sections of the education law; and
- (6) Make further nonsubstantive technical changes for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1212, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1212, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia and Kahikina.  
(Representative McDermott voted no.)

**SCRep. 1062 Education on S.B. No. 1361**

The purpose of this bill is to create a volunteer incentive program (program) within the Department of Education (DOE). More specifically, this bill:

- (1) Allows volunteers who provide uncompensated services that benefit public schools to deduct from their gross income \$1 for every hour volunteered up to \$400 per taxable year;
- (2) Requires DOE to make quarterly payments to each school that participates in the program in an amount equal to \$1 for every hour of uncompensated volunteer service contributed to the school, up to \$4,800 per fiscal year; and
- (3) Appropriates funds to DOE for the creation and development of the program.

The Department of Accounting and General Services and DOE submitted testimony in support of the intent of this bill. The Department of Taxation submitted testimony in opposition to this bill. Tax Foundation of Hawaii submitted comments on this bill.

Your Committee finds that this bill will promote volunteerism and community involvement in schools. The incentives offered in the bill will encourage individuals to donate their time, and schools to seek out volunteers. Schools need as much help as they can get, and this program will provide low-cost assistance to schools in areas such as repair and maintenance, campus beautification, administrative assistance, and teacher and classroom aid.

Upon further consideration, your Committee has amended this bill by:

- (1) Requiring DOE to adopt rules for the program to maintain the safety and security integrity of the schools; and
- (2) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1361, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1361, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia and Kahikina.

**SCRep. 1063 Education on S.B. No. 1364**

The purpose of this bill, as received, is to appropriate funds for tuition reimbursement for Department of Education teachers who pursue continuing education for professional development.

Your Committee circulated a proposed draft of this bill that amends the Hawaii arts education law and appropriates funds for sixteen new teacher resource positions in the department. This proposed draft:

- (1) Continues the existence of the Hawaii arts education partners;
- (2) Encourages the Hawaii arts education partners to persevere in its efforts to fully implement the terms of the Hawaii arts education strategic plan 2001;
- (3) Continues the annual reports from the state foundation on culture and the arts including the reporting of the progress of the Hawaii arts education partners;
- (4) Appropriates funds for state resource teacher positions for each of the four main disciplines of fine arts, namely the visual arts, music, drama, theatre, and dance; and
- (5) Appropriates funds for staff development that specifically relates to the implementation of the Hawaii arts education strategic plan.

The Hawaii Alliance for Arts Education supported the proposed draft. The Department of Education supported the intent of the proposed draft.

Your Committee has amended this bill by deleting its substance and inserting the contents of the proposed draft.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1364, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1364, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Bukoski, McDermott and Ontai.

**SCRep. 1064 Education on S.B. No. 1567**

The purpose of this bill is to require the Department of Education (DOE) to provide free or subsidized bus fare to students that qualify for free or reduced school lunch and who have been forced to transfer schools due to redistricting.

The Senator from the 20<sup>th</sup> District and two individuals submitted testimony in support of this bill with proposed amendments. DOE submitted testimony in support of the intent of this bill.

Your Committee finds that some students in public schools have been required to transfer schools due to overcrowding at their school, and are now required to pay school bus fare. This situation is unfair for these students, many of whose families may not be able to afford bus fares.

Your Committee has also become aware of a situation in the Makakilo/Barbers Point area that requires attention. Some students residing in the current district served by Mauka Lani Elementary School will be transferred to Barbers Point Elementary School, which is four to five miles away. Furthermore, there are three schools that are closer to Mauka Lani Elementary School than Barbers Point Elementary School. The housing around Barbers Point Elementary School has also been largely demolished leaving the school isolated and vulnerable and with unsightly and dangerous surroundings.

Accordingly, your Committee has amended this bill by:

- (1) Requiring DOE to delay its redistricting plan for one year;
- (2) Requiring DOE to grandfather current homeowner residents into the Mauka Lani Elementary School district; and
- (3) Appropriating funds for a security guard at Barbers Point Elementary School.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1567, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1567, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Kahikina and Takumi.

**SCRep. 1065 Education on S.B. No. 823**

The purpose of this bill is to provide immunity for educational officers and teachers who provide services to exceptional children in the Felix consent decree plaintiff class (Felix class), except where their behavior is willfully negligent.

The Hawaii Government Employees Association submitted testimony in support of this bill. The Department of Education submitted testimony in support of the intent of this bill.

Your Committee finds that teachers and educational officers are being sued in their individual capacities for the services they have provided for Felix class students. The work these individuals do is extraordinarily difficult, and they should not have to fear that they will be sued for making a good faith effort to perform their job. Except when they act in a willfully negligent manner, your Committee finds that it is appropriate to immunize these teachers and educational officers from court actions. This bill will allow these individuals to perform their jobs without the constant fear that they will be held personally liable for their actions on the job.

Upon further consideration, your Committee has amended this bill by requiring the Department of Education to adopt rules to establish risk-management and related programs for school administrators, teachers, and other school personnel to mitigate the risk of lawsuits and potential for liability in the performance of their jobs.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 823, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 823, S.D. 1, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Garcia, Hale and Kahikina.

**SCRep. 1066 Education and Higher Education on S.B. No. 1535**

The purpose of this bill is to statutorily establish the Hawaii Commission for National and Community Service (HCNCS) within the Department of Labor and Industrial Relations for administrative purposes.

HCNCS, the Department of Education, Hawaii Government Employees Association, and several individuals submitted testimony in support of this bill.

Your Committees find that in 1994, HCNCS was established by a gubernatorial executive order to encourage community service and volunteer participation. HCNCS has, and will continue to promote citizen involvement in communities throughout Hawaii, and strives to develop a vision and plan for community service initiatives in Hawaii. Your Committees feel that statutorily establishing HCNCS will solidify the Legislature's commitment to support community service and volunteerism in Hawaii. By appropriating state matching funds, Hawaii stands poised to receive more than \$2,000,000 from the federal government to support volunteer programs throughout the State.

Upon further consideration, your Committees have amended this bill by making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1535, S.D. 2, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 1535, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Garcia and McDermott.

**SCRep. 1067 Transportation on S.B. No. 1203**

The purpose of this bill is to provide the Department of Transportation, Airports Division (DOT), sufficient flexibility to develop its lands and facilities by:

- (1) Permitting public lands intended for "airport related" operations to be disposed of on an expedited basis; and
- (2) Broadly defining "airport related" as a purpose or activity that requires air transportation to achieve that purpose of activity.

DOT submitted testimony in support of this measure. An individual submitted testimony in opposition to the measure.

This bill will enable DOT to enter into long term leases, as opposed to a revocable 30-day permit, for activities previously prohibited as a non-aviation purpose. In addition to the potential increase in DOT revenues and the opportunities for new business ventures, the bill brings DOT's leasing criteria more in line with Federal Aviation Administration standards.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1203, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia and Yoshinaga.

**SCRep. 1068 Transportation and Water and Land Use on S.B. No. 754**

The purpose of this bill is to give preference to commercial and industrial activities that are dependent on being adjacent to harbors in determining the use of Hawaii's scarce and limited waterfront lands by requiring the Board of Land and Natural Resources (BLNR) to establish a maritime use class in the classification of public lands.

The Chamber of Commerce, Maritime Committee and Taylor Consultants testified in support of the bill. BLNR and Hawaii's Thousand Friends testified in opposition to the bill.

Your Committees have amended this measure by changing the effective date to July 1, 2010, to facilitate further discussion.

Other technical, nonsubstantive amendments were made for clarity and style.

As affirmed by the records of votes of the members of your Committees on Transportation and Water and Land Use that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 754, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 754, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Ito, Morita and Bukoski.

**SCRep. 1069 Judiciary and Hawaiian Affairs on S.B. No. 98**

The purpose of this bill is to ensure that indigent people have equal access to justice by:

- (1) Making permanent the surcharge levied on civil cases to fund the Indigent Legal Assistance Fund (Fund);
- (2) Clarifying that pro bono advocacy does conform to the definition of "civil legal services"; and
- (3) Changing reporting requirement for the Commission on Access to Justice on the Filing Fee Surcharge Program from an annual to a biennial basis.

The Judiciary, Volunteer Legal Services Hawaii, Legal Aid Society of Hawaii, Native Hawaiian Legal Corporation, Hawaii Disability Rights Center, and the Domestic Violence Clearinghouse and Legal Hotline submitted testimony in support of the bill.

Your Committee finds that the surcharge on circuit court filings has provided an important funding source for legal services to low-income individuals and families. The Fund is key to providing equal access to the law for citizens unable to afford and retain regular legal services.

Accordingly, your Committee asserts that this bill will facilitate our continuing efforts to promote justice. Legal representation should be available for everyone and not restricted to only those who are able to afford it.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 98 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Morita, Yoshinaga and Whalen.

**SCRep. 1070 Judiciary and Hawaiian Affairs on S.B. No. 1161**

The purpose of this bill is to facilitate the disposition of abandoned or seized property on public lands by raising the minimum value from \$100 to \$1,000 before the imposition of formal public notice requirements.

The Department of Land and Natural Resources submitted testimony in support.

Your Committee finds that the current notice and sale requirements are expensive and often costs more than the auction proceeds. Increasing the minimum value to \$1,000 before the imposition of formal notice requirements will ensure that the disposition of abandoned or seized property is conducted on a more cost-effective basis.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1161, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Morita, Yoshinaga and Whalen.

**SCRep. 1071 Judiciary and Hawaiian Affairs on S.B. No. 1180**

The purpose of this bill is to exempt the Crime Victim Compensation Commission (Commission) from paying fees on central service and administrative expenses incurred for the operation of the Crime Victim Compensation Special Fund.

The Commission and Department of the Prosecuting Attorney of the City and County of Honolulu submitted testimony in support of this measure.

Your Committee finds that the Commission paid over \$45,000 in assessments for fiscal year 2000-2001, and will need to pay an estimated \$60,000 in assessments for fiscal year 2001-2002.

Even though funding for these assessments is not included in the Commission's operating budget, the Commission must use operating funds for the assessments. This has meant that the Commission has not been able to fill two of the six positions that had been budgeted for. This situation has created a staffing shortage within the Commission that has severely impacted the State's ability to adequately serve Hawaii's victims of violent crime.

Accordingly, your Committee believes this bill will promote the public good by ensuring that the Commission will have sufficient resources to carry out its responsibilities.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1180, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Morita, Yoshinaga and Whalen.

**SCRep. 1072    Public Safety and Military Affairs on S.B. No. 119**

The purpose of this bill, as received by your Committee, is to require the Department of Public Safety (DPS) to provide a range and quality of programming for female adult and juvenile offenders that are substantially equivalent to male inmates.

DPS, the Office of Youth Services, the Hawaii State Commission on the Status of Women, the American Civil Liberties Union, Hawaii Youth Services Network, the Women's Legislative Coalition, and numerous concerned individuals testified in support of this measure.

Your Committee finds that although much effort is being expended to improve services for female offenders, it is appropriate that the Legislature make a strong statement to support, reinforce, and perpetuate the good work underway.

Further, your Committee finds that there is a need for expanded community based gender-responsive programming for female adjudicated youths. This programming would provide many benefits to the participants, the community at-large, and public safety.

Upon further consideration, your Committee has amended this measure by deleting its contents and:

- (1) Inserting the substance of H.B. No. 71, H.D. 3, to address the original purpose of this measure;
- (2) Inserting the substance of H.B. No. 74, H.D. 1, to require DPS to develop and implement gender-responsive community-based programs for women offenders;
- (3) Requiring an annual report to the Legislature on gender-responsive programs for female offenders;
- (4) Requiring the Office of Youth Services to develop and implement gender-responsive community-based programs for female adjudicated youths; and
- (5) Designating the Office of Youth Services as the expending agency for gender-responsive community-based programs for female adjudicated youths.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 119, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 119, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1073    Public Safety and Military Affairs on S.B. No. 214**

The purpose of this bill is to:

- (1) Provide grants to conduct funeral and burial services for deceased World War II Filipino veterans, and for transporting the remains of these deceased veterans to the Philippines, in situations not currently addressed by the Office of Veterans Services (OVS); and
- (2) Appropriate an unspecified amount for burial grants for World War II Filipino veterans.

Testimony in support of this measure was received from OVS, a member of the Veterans Advisory Board, and concerned members of the WWII Fil-Am Veterans, Hawaii Chapter.

Your Committee finds that the Veterans Benefits and Health Care Improvement Act of 2000 (Public Law 106-419) slightly conflicts with this measure in the form it was received. Specifically, the Act allows for many of the Filipino veterans to be interred in State and federal veteran cemeteries just as other qualified veterans are. Therefore, as received, this measure would improperly provide a certain class of veterans a transportation benefit not offered to other veteran survivors.

Upon further consideration, your Committee has worked in conjunction with OVS to amend this bill to provide grants only to survivors of those Filipino veterans who were excluded by the Act. This class of survivors would include Filipino veterans who enlisted in the New Filipino Scouts between October 6, 1945, and June 30, 1947. Your Committee has also amended this measure to appropriate \$100,000 for burial grants for the qualifying veterans.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 214, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 214, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1074 Consumer Protection and Commerce and Judiciary and Hawaiian Affairs on S.B. No. 1123**

The purpose of this bill is to require the Department of Health (DOH), upon request, to verify the existence of a birth, death, marriage, or divorce certificate and the essential facts contained therein in lieu of the issuance of a certified copy of the certificate.

DOH testified in support of this bill. The Office of the Lieutenant Governor testified in support of the intent of this bill.

Currently, a certified copy of a birth, death, marriage, or divorce certificate is necessary to conduct many personal, legal, and business transactions, and the only means of verification is through certified documents.

Your Committees find that this measure will provide an alternative method to verify information contained in vital records at DOH, which should promote more expeditious processing of information.

Your Committees further find that approval of this measure will not preclude the issuance of certified copies of certificates where necessary or appropriate.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1123, S.D. 1, H.D. 1, and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Morita, Yoshinaga, Thielen and Whalen.

**SCRep. 1075 Water and Land Use on S.B. No. 1164**

The purpose of this bill is to authorize the Department of Land and Natural Resources (DLNR) to use the Forest Stewardship Fund to provide administrative support for the Forest Stewardship Program.

DLNR and the Nature Conservancy testified in support of this measure. The Environmental Center of the University of Hawaii submitted comments.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1164, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ito.

**SCRep. 1076 Water and Land Use on S.B. No. 1168**

The purpose of this bill is to facilitate the recording process in the Bureau of Conveyances by:

- (1) Clarifying recording requirements; and
- (2) Specifying that fees collected pursuant to section 502-17, Hawaii Revised Statutes, are to be deposited into the Bureau of Conveyances Special Fund.

The Department of Land and Natural Resources testified in support of this housekeeping measure.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1168 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Morita.

**SCRep. 1077 Water and Land Use on S.B. No. 981**

The purpose of this measure is to require a vote by a simple majority of the members of the Board of Land and Natural Resources (BLNR) who are qualified to vote and are present at a meeting for any decision on land use permits in the conservation district.

Your Committee received testimony in support of the measure from BLNR, Honolulu Board of Water Supply, Hawaii's Thousand Friends, Life of the Land, and the Sierra Club, Hawaii Chapter. The Land Use Research Foundation of Hawaii, Estate of James Campbell, and Hawaiian Electric Company, Inc., submitted testimony in opposition. The University of Hawaii Environmental Center submitted comments.

Under current law, failure of BLNR to render a decision on a conservation district use application (CDUA) within one hundred eighty days of acceptance of a completed application results in automatic approval. Current law also requires four votes for an action to be valid.

A state Circuit Court recently ruled that unless four of the six members of BLNR vote against a CDUA within the time limit, the CDUA is automatically approved. As a result, applicants have been able to proceed with projects on BLNR votes of three-to-two or three-to-one to deny the application.

Your Committee finds that this measure would reflect the stated intention of BLNR members voting on a CDUA decision and would prevent "approvals by default."

Current law requires a member who has any direct or indirect interest in any matter, to disqualify oneself from voting on or participating in discussion of the matter. To better assure that there is a quorum and that, in light of recusals, actions of BLNR are based on four votes either approving or disapproving BLNR action, your Committee has amended this bill by increasing BLNR membership from six to seven members.

Your Committee considered permitting BLNR members to disclose a conflict and at the chair's or BLNR's discretion, to allow the member to participate in the discussion and vote on the matter. However, no action was taken at this time because of possible conflict with other statutory provisions, and appropriate clarification for future action will be pursued.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 981, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 981, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ito.

#### **SCRep. 1078 Water and Land Use on S.B. No. 1166**

The purpose of this bill is to protect public trust trails and access roads from inappropriate or excessive use by establishing administrative fines and criminal penalties for violations relating to the Statewide Trail and Access Program.

The Department of Land and Natural Resources and the Sierra Club, Hawaii Chapter testified in support of this bill.

Your Committee has amended this bill by deleting its substance and inserting the provisions of H.B. No. 691, H.D. 1, a similar bill that passed Third Reading in the House earlier this session. As amended, this bill reduces the maximum limits on administrative fines as follows:

- (1) From \$10,000 to \$2,500 for a first violation;
- (2) From \$15,000 to \$5,000 for a second violation committed within five years of the first violation; and
- (3) From \$25,000 to \$10,000 for a third or subsequent violation committed within five years of the last violation.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1166, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1166, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Ito.

#### **SCRep. 1079 Water and Land Use and Transportation on S.B. No. 216**

The purpose of this bill is to enhance maritime safety by requiring all vessels operating in state waters to be equipped with a properly functioning emergency position indicating radio beacon (EPIRB). Canoes, surfboards, and paddleboards are exempted from this requirement.

The Department of Land and Natural Resources, the Hawaii Ocean Safety Team, and two individuals supported this bill with amendments. Paradise Cruise, Ltd., Go Bananas Hawaii, Inc., the Hawaii Motorcycle Dealers Association, Hui Wa'a Kaukahi, and three individuals offered comments. BOATS Hawaii opposed passage of this measure.

Your Committees find that the cost of an EPIRB may be prohibitive, ranging from \$800 to \$1,300. According to testimony, the Coast Guard does not require smaller commercial fishing vessels to have EPIRBs provided they operate within 20 miles of land and are equipped with a VHF radio.

Your Committees have amended this bill by:

- (1) Specifying that a marine VHF-FM radio may serve as an alternative to an EPIRB;
- (2) Exempting vessels that operate less than one mile from shore from these requirements;
- (3) Exempting certain non-mechanical vessels, including kayaks, from the same requirements, provided that these vessels are continuously escorted by a mechanically-powered vessel that is equipped with a marine VHF-FM radio or an EPIRB while operating more than one mile from shore;

- (4) Clarifying the definition of an EPIRB;
- (5) Re-stating the findings provisions of section 1; and
- (6) Making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the records of votes of the members of your Committees on Water and Land Use and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 216, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 216, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Ito, Morita, Bukoski and Garcia.  
(Representatives Jaffe, Djou, Moses and Rath voted no.)

**SCRep. 1080 Education on S.B. No. 670**

The purpose of this bill is to:

- (1) Statutorily establish the Hawaii State Student Council (HSSC); and
- (2) Require HSSC to provide for an annual conference of students from grades 7-12 to discuss youth educational and youth issues.

The Department of Education and HSSC submitted testimony in support of the intent of this bill.

Your Committee finds that HSSC has been functioning for many years. Although it is established in the State Constitution, HSSC has never been codified in the Hawaii Revised Statutes. This bill will help ensure the continued operation of HSSC for years to come.

Upon further consideration, your Committee has amended this bill by:

- (1) Specifying that HSSC shall consist of 23 student representatives from the various departmental school districts and the student member of the Board of Education (student member);
- (2) Authorizing HSSC to determine the method of selecting the student member;
- (3) Requires HSSC to establish policies and procedures governing its operation;
- (4) Allows, rather than requires, HSSC to invite members of the Hawaii Association of Independent Schools to participate in the conference;
- (5) Requires HSSC to submit an annual evaluation of the student conference to be distributed by DOE; and
- (6) Makes technical, nonsubstantive amendments for purposes of consistency and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 670, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 670, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Hale and Kahikina.

**SCRep. 1081 Education and Health on S.B. No. 957**

The purpose of this bill is to:

- (1) Require the Department of Education (DOE), through its Comprehensive Student Support System (CSSS), to adopt best practices, disclose potential conflicts of interest as part of the Individualized Education Program (IEP) process, and monitor services ordered through IEPs; and
- (2) Establish a joint legislative taskforce to monitor, assess, and support DOE's implementation of this Act and meeting the goals of CSSS.

DOE and the Hawaii'i Coalition for Health submitted testimony in opposition to this bill.

Your Committees understand that CSSS is DOE's means for ensuring a continuum of support and services that provides a social, emotional, and physical environment that is conducive to learning. Your Committees further understand that this continuum begins in the inclusive classroom, with differentiated classroom practices as the base of support for each student and that this support extends beyond the classroom to include school and community resources, initiatives, and programs as well as appropriate services procured from private providers.

However, the Committees are also mindful of the concerns of both DOE and the Hawaii Coalition for Health. Therefore, your Committee has amended this measure by deleting the substantive material of the bill and inserting language that:



- (1) Requires the Board of Education (BOE) to determine the scope of services for CSSS and designate the school complexes that shall be identified for special needs designation and need additional CSSS programs and staffing;
- (2) Requires elementary, middle, and high schools designated as special needs schools to be provided with CSSS positions;
- (3) Expands the CSSS non-teaching positions, programs, and services list which shall be used by BOE;
- (4) Requires BOE to develop a school-based health services feasibility plan which shall include the range of services of CSSS; and
- (5) Makes the Act effective on July 1, 2001.

Other technical, nonsubstantive amendments were made for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 957, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 957, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Bukoski, Ontai, Kahikina, Yonamine and Auwae.

#### **SCRep. 1082 Education and Health on S.B. No. 1303**

The purpose of this bill is to require the Department of Education (DOE) to ensure that appropriate services are provided to eligible children with disabilities through the Department's operationalization of the Felix v. Cayetano (Felix) Response Plan.

Testimony in support of this bill was received from DOE and the Department of Health (DOH).

Your Committees understand that through federal and state educational mandates via the Felix Consent Decree, eligible children with disabilities are required to receive appropriate services. It is further understood that, although many children do receive services, others still fall through the cracks and may not be receiving the necessary services to lead as productive an educational life as possible.

Your Committees feel that much more progress must be made to fulfill the mandates of the Felix Consent Decree. Therefore, your Committee has amended this measure by deleting its substance and inserting language that:

- (1) Establishes criteria that shall be used as a working definition by DOE, DOH, and all affected departments of the State to determine the eligibility for special education and mental health services in accordance with the Felix v. Cayetano consent decree;
- (2) Establishes definitions of Felix class eligible children;
- (3) Establishes a service voucher system wherein families of children found to be in the Felix class may exchange vouchers issued by DOE to obtain a set dollar amount of services;
- (4) Requires DOE to adopt a best practices model, as part of its Comprehensive Student Support System (CSSS) to guide departmental staff in the development of all Individualized Education Plans;
- (5) Establishes the Felix v Cayetano Joint Legislative Task Force to maintain legislative oversight and involvement in the implementation of CSSS; and
- (6) Changes the effective date to July 1, 2050.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1303, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1303, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kahikina, Yonamine, Bukoski, Ontai and Auwae.

#### **SCRep. 1083 Economic Development and Business Concerns on S.B. No. 1314**

The purpose of this bill is to diversify Hawaii's economy by:

- (1) Establishing a joint legislative economic task force (Task Force) to develop clear goals and to establish an implementation plan;
- (2) Appropriating funds to:
  - (A) Establish a program to attract investment from Pacific Rim countries;
  - (B) Plan, design, and construct physical improvements selected as part of a community-based strategic action planning process; and
  - (C) Market Hawaii products and services;

and

- (3) Authorizing the issuance of general obligation bonds of an unspecified amount to extend the Community-based Economic Development Loan and Grant Program to information technology for distressed rural areas.

The National Federation of Independent Business testified in support of this bill. The Department of Business, Economic Development, and Tourism supported the intent of this bill. The Chamber of Commerce of Hawaii supported the establishment of the Task Force. The Department of Budget and Finance opposed this bill.

Your Committee finds that this bill will bring together industry, government, and educational leaders to develop clear goals and implement a plan to diversify Hawaii's economy.

Your Committee has amended this bill by:

- (1) Repealing the sunset clause of Act 168, Session Laws of Hawaii 1998, to make the Hawaii Small Business Regulatory Flexibility Act permanent; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1314, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1314, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

#### **SCRep. 1084    Agriculture on S.B. No. 204**

The purpose of this bill is to reduce quarantine user fees by:

- (1) Waiving up to \$600,000 in repayment to the general fund of revenues used to establish the Animal Quarantine Special Fund (Special Fund); and
- (2) Appropriating funds to the Special Fund.

The Office of the Director of Manpower, Personnel and Administration for the U.S. Pacific Command, Military Affairs Council of the Chamber of Commerce of Hawaii, Hawaii Business Roundtable, Oahu Veterans Council, and the Hawaiian Humane Society testified in support of this bill. The Department of Agriculture opposed this bill.

Your Committee recognizes that keeping Hawaii rabies-free is an important public health and safety concern that affects the quality of life of all people in the State. The State therefore, must share the cost of maintaining the animal quarantine facility.

Your Committee finds that the creation of the Special Fund necessitated an increase in quarantine user fees. However, the high costs of quarantine fees has proven burdensome on users, particularly, military personnel who often have no choice as to where they are required to move. Your Committee believes that this bill provides a fair and equitable solution in reducing quarantine fees.

Your Committee has amended this bill by:

- (1) Deleting the appropriation;
- (2) Reducing the amount waived to \$100,000;
- (2) Exempting the Special Fund from the special fund assessment;
- (5) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 204, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 204, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ahu Isa, Davis, Gomes, Halford and Whalen.

#### **SCRep. 1085    Agriculture on S.B. No. 369**

The purpose of this bill is to provide an agricultural infrastructure improvement tax credit for the cost of agriculture infrastructure improvements made by the taxpayer for the taxable year in which the improvements were made.

The Department of Agriculture and Hawaii Farm Bureau Federation testified in support of the intent of this bill. The Tax Foundation of Hawaii and Pineapple Growers Association of Hawaii submitted comments on this bill. The Department of Taxation opposed this bill.

Your Committee finds that the devastating effects of extended periods of a drought on farmers can be minimized by the construction and restoration of water storage facilities and alleviate shortage of water problems.

Upon further consideration your Committee has amended this bill by deleting its contents and inserting section 1 of H.B. 1074, H.D. 2 and making additional amendments. As amended, this bill establishes an income tax credit for the construction of drought irrigating water storage facilities.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 369, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 369, S.D. 3, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ahu Isa, Davis, Gomes, Halford and Whalen.

**SCRep. 1086     Agriculture on S.B. No. 1264**

The purpose of this bill is to encourage the development of aquaculture in the State by:

- (1) Providing that sales to a commercial aquaculture producer or cooperative of materials, supplies, or commodities or the rental or leasing of equipment used by the commercial aquaculture producer or cooperative in the production of aquaculture products for sale be considered a wholesale sale for purposes of the General Excise Tax;
- (2) Appropriating \$4,000,000 to provide financial assistance to aquaculture enterprises on Kauai;
- (3) Appropriating \$1,000,000 to provide financial assistance to agricultural enterprises on Kauai; and
- (4) Authorizing the Department of Agriculture (DOA) to make loans of up to \$5,000,000 from the Agriculture Loan Revolving Fund or Aquaculture Loan Revolving Fund.

DOA, Hawaii Farm Bureau Federation, Hawaii Aquaculture Association, and the Kauai County Farm Bureau supported the intent of this bill. The Department of Taxation (DOTAX) opposed this bill. The Tax Foundation of Hawaii submitted comments.

Your Committee would like to thank DOTAX and DOA for their efforts in creating and bringing this bill before your Committee. Your Committee understands that DOTAX plans to work with the agriculture industry to draft rules that will be presented in a tax information bulletin after this legislative session.

Furthermore, your Committee finds that this bill will help Hawaii's developing aquaculture industry by reducing the costs of production for local aquaculture farmers and helping the industry to remain competitive in the emerging world marketplace against low-cost mainland and foreign producers.

Upon further consideration, your Committee has amended this bill by deleting its substance and inserting provisions that would provide that the sale to a licensed producer or cooperative association of seedstock for producing agricultural and aquacultural products, as well as the sale of aquacultural products, will be considered a wholesale sale for purposes of the General Excise Tax.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1264, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1264, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ahu Isa, Davis, Gomes, Halford and Whalen.

**SCRep. 1087     Judiciary and Hawaiian Affairs on S.B. No. 1126**

The purpose of the bill is to:

- (1) Make permanent the authority of the Department of Health (DOH) to obtain criminal history record information on individuals seeking employment with the Child and Adolescent Mental Health Division (CAMHD), its providers, or subcontractors who have direct contact with clients; and
- (2) Appropriate funds out of the State Criminal History Record Improvement Revolving Fund to support these efforts.

The Department of the Attorney General and DOH testified in support of this measure.

Your Committee finds that CAMHD provides an array of services for a vulnerable population of youth. This measure would allow DOH to continue to determine a person's suitability for providing direct, unsupervised, mental health services.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1126, S.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Morita, Yoshinaga and Whalen.

**SCRep. 1088     Judiciary and Hawaiian Affairs on S.B. No. 209**

The purpose of this bill is to amend the State's law regarding parking for persons with disabilities to prevent fraudulent activity and violations, and to facilitate better enforcement by:

- (1) Establishing a petty misdemeanor penalty for a physician who fraudulently assists an unqualified person to obtain a disabled parking placard;
- (2) Allowing the counties to charge a replacement fee for lost, stolen, or mutilated parking and identification placards, unless applicants for new cards submit police verification;
- (3) Establishing a petty misdemeanor penalty for a person who fraudulently manufactures or alters a disabled parking placard;
- (4) Establishing procedures for the issuance of an identification card which shall accompany the issuance of a disabled parking placard;
- (5) Establishing fines for public or private entities that fail to comply with disabled parking rules;
- (6) Allowing a person with a disability to obtain a maximum of two disabled parking placards;
- (7) Increasing the penalties for unlawfully using a disabled parking placard; and
- (8) Making other technical, stylistic changes to Hawaii's disabled parking law for the purpose of clarity.

Testimony in support was submitted by the Disability and Communication Access Board, the County of Hawaii, the Honolulu Police Department, the Honolulu Department of Customer Services, Advocates for Consumer Rights, Maui Economic Opportunity, and members of the public.

Your Committee has amended this bill by deleting the requirement that the identification cards include a photograph. In addition, your Committee has made further technical, stylistic changes for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 209, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 209, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Morita, Yoshinaga and Whalen.

#### **SCRep. 1089     Judiciary and Hawaiian Affairs on S.B. No. 1208**

The purpose of this bill is to effectuate certain housekeeping measures consistent with Act 115, Session Laws of Hawaii 1998, which authorized the University of Hawaii (UH) to retain its own attorneys.

Specifically, this bill transfers the following duties and powers from the State Attorney General (AG) to the University General Counsel (UH-Counsel):

- (1) The duty to receive service of process on behalf of UH;
- (2) The duty to represent members of the UH's board of regents in civil actions; and
- (3) The power to designate which accounts shall be deleted from UH's accounts receivable records.

UH testified in support of this bill with a proposed amendment.

Your Committee believes that the UH-Counsel should receive service of process for UH and represent members of the UH Board of Regents in keeping with the intent of Act 115.

Your Committee further believes that the UH-Counsel should have the authority to review and manage uncollectible accounts. However, executive departments transfer accounts deemed uncollectible back to the current accounts receivable if the AG finds that:

- (1) The facts as alleged and presented to the AG were not true; or
- (2) That the account has become accountable.

Accordingly, your Committee has conformed this bill to the foregoing rules with respect to UH-Counsel's handling of uncollectible accounts.

In addition, your Committee has amended this bill to:

- (1) Allow the AG to delegate to the University General Counsel, the authority to approve acquisitions or real property; and
- (2) Allow the UH-Counsel the authority to approve UH's acquisition of real property if legislative appropriations are not required.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1208, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 1208, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Morita, Yoshinaga and Whalen.

**SCRep. 1090     Judiciary and Hawaiian Affairs on S.B. No. 758**

The purpose of this bill is to accommodate applicants for a driver's license who have difficulty in understanding the English language by authorizing the Examiner of Drivers to provide written examinations in a foreign languages.

The City and County of Honolulu and Faith Action for Community Equity testified in support of this bill. The Department of Transportation testified in opposition to this measure.

Your Committee finds that the only driver's license test given other than the written English test are oral examinations in English, offered only to English-speaking persons who are illiterate. This bill will restore written tests in languages other than English which were terminated by the Department of Transportation.

The City and County of Honolulu testified that it is in the process of developing seven foreign language examinations in Japanese, Korean, Mandarin, Samoan, Tagalog, Tongan, and Vietnamese.

After careful consideration, your Committee has amended this bill by:

- (1) Requiring, rather than authorizing, the Examiner of Drivers to provide written examinations in foreign languages;
- (2) Clarifying that the Department of Transportation shall determine the foreign language examinations to be prepared; and
- (3) Making technical, nonsubstantive revisions for purposes of clarity, style, and conformity.

Lastly, your Committee urges the Department of Transportation to prepare a written examination in Hawaiian, an official language of the State of Hawaii.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 758, S.D.1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 758, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Morita, Yoshinaga and Whalen.

**SCRep. 1091     Judiciary and Hawaiian Affairs on S.B. No. 1207**

The purpose of this bill is to:

- (1) Require the University of Hawaii (UH) to develop and implement a procedure no later than October 1, 2001, for advising subsidiaries on how to avoid future claims. This would ensure that new policies are developed and existing practices are modified to avoid the repetition of similar claims;
- (2) Require UH to submit a confidential report to selected members of the Legislature on claims and remedial action taken;
- (3) Clarify that UH's immunity from suit under the Eleventh Amendment was not abrogated by Act 115, Session Laws of Hawaii (SLH) 1998; and
- (4) Specify that settlements of claims or judgments against UH may be made from legislative appropriations.

UH testified in support of this measure.

After UH was granted autonomy pursuant to Act 115, SLH 1998, a Ninth Circuit Court of Appeals decision raised the question of whether UH continues to enjoy 11<sup>th</sup> Amendment protection as an arm of the State. Your Committee has been informed that one of the factors in determining whether an entity is an arm of the state is whether a money judgment would be satisfied out of state funds. Your Committee finds that it was not the intent of the Legislature to nullify UH's immunity under the 11<sup>th</sup> Amendment.

Your Committee has amended this bill by:

- (1) Clarifying that UH general counsel shall advise its clients on how to avoid future claims and request clients to take remedial action no later than October 1st of each year;
- (2) Ensure that disclosure of this information to the Legislature will not constitute a waiver of confidentiality, and the disclosed information shall be protected from discovery or from use for any purpose in any proceeding involving UH; and
- (3) Correcting errors to conform to drafting conventions.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1207, S.D. 1, as amended herein, and recommends that it pass Second Reading be in the form attached hereto as S.B. No. 1207, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Morita, Yoshinaga and Whalen.

**SCRep. 1092 Consumer Protection and Commerce on S.B. No. 16**

The purpose of this bill is to revise Hawaii's workers' compensation medical fee schedule from a baseline of 110 percent of Medicare Resource Based Relative Value Scale system fees (Medicare) to an unspecified percentage.

Your Committee received voluminous testimony on this measure. Testimony supporting the bill was received from the Hawaii Medical Association, Hawaii Chapter American Physical Therapy Association, Hawaii Nurses' Association, Hawaii State Chiropractic Association, Hawaii State Teachers Association, the Anesthesia Medical Group, Inc., and numerous consumers and health services providers including physicians, physical therapists, orthopedic surgeons, acupuncturists, and chiropractors.

The Department of Commerce and Consumer Affairs, Department of Budget and Finance, and others commented on the bill.

Testimony in opposition was submitted by the Department of Labor and Industrial Relations (DLIR), City and County of Honolulu, WorkComp Hawaii Insurance Company, Inc., Hawaii Insurers Council, Hawaii Employers' Mutual Insurance Company, Inc., Retail Merchants of Hawaii, Building Industry Association of Hawaii, and many others, most of them contractors or suppliers doing business in the construction industry.

Your Committee heard testimony that the medical fee schedule baseline of 110 percent of Medicare, which was enacted in 1995, is inadequate to cover the cost of treating patients and processing the large amount of paperwork necessary for workers' compensation reimbursement. This has resulted in the scarcity of health service providers willing to take workers' compensation cases, reduced quality of care, delayed provision of care for injured workers, increased outlays to indemnify workers who are unable to return to work, and the emotional and physical suffering of injured workers who are frustrated by the process.

Concerns were raised that increasing the fee schedule to 130 percent of Medicare, as recommended by the Legislative Reference Bureau in a recent study, would result in a drastic increase in the premiums paid by businesses. Your Committee understands there is some question about the actual increase in premiums that would result, and that even at 130 percent of Medicare, Hawaii's fee schedule would fall below the national average.

Those opposed to the measure also questioned the need to adjust fees by increasing the Medicare baseline, which would result in an "across the board" increase in the fee schedule. This increase would also affect auto insurance premiums, which reference the workers' compensation fee schedule.

Existing law already provides for the review and adjustment of individual rates for selected providers through rulemaking by DLIR. However, because of the lack of provider input, limited departmental resources, and the effect of the Small Business Regulatory Flexibility Act, which has increased the rulemaking delay from nine months to two years, this rulemaking mechanism cannot be relied on to effect needed change.

Your Committee recognizes that the complex issues presented by this measure require additional consideration and a comprehensive solution. Accordingly, your Committee has amended this measure by changing the effective date of this bill to July 1, 2050, to facilitate continued investigation and discussion of these issues.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 16, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 16, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Morita, Yoshinaga and Whalen.

**SCRep. 1093 Economic Development and Business Concerns on S.B. No. 648**

The purpose of this bill is to further encourage the development of the high technology industry in the State of Hawaii by providing additional tax incentives and amending the current incentives.

Specifically, this bill provides incentives including:

- (1) An income tax credit equal to the tax benefit of any unused net operating loss (NOL) of a qualified high technology business (QHTB) instead of the current authorization to sell unused net operating loss carryover;
- (2) A technology infrastructure renovation and construction income tax credit;
- (3) An income tax credit and a franchise tax credit for worthless debts of QHTBs;
- (4) Exemption from the general excise tax for internet service providers;
- (5) Exemption from the public service company tax for provision of internet access;
- (6) A franchise tax credit for research activities;
- (7) A capital goods excise tax credit to be claimed against the insurance tax for tangible personal property;
- (8) Deductibility of expenses for royalties and other income notwithstanding the federal requirements with respect to expenses and interest relating to tax-exempt income;
- (9) Inclusion of incubator services as a QHTB;

(10) Inclusion of a number of business as QHTBs which had previously been excluded – these include athletics, consulting, financial services, and many others;

(11) Inclusion of sensor and optic technologies, ocean sciences, astronomy and nonfossil fuel energy related technology as qualified research;

(12) Expanded stock option provisions;

(13) A greatly expanded QHTB investment tax credit; and

(14) An expanded tax credit for research activities.

The Building Industry Association, Hawaii Electricians Enhancement Program Fund, Hawaii Opportunities Group, LLC, Square USA, Inc., Hawaii Technology Trade Association, Hawaii Venture Capital Association, Hawaii Construction Industry Association, BusinessWest Accelerator, and a concerned citizen testified in support of this bill.

The Special Advisor for Technology Development of the Office of the Governor, the Department of Taxation, and the Department of Business, Economic Development, and Tourism testified in support of the intent of this bill. The Tax Foundation of Hawaii submitted comments on this bill.

Your Committee finds that Hawaii's continued economic growth in the 21<sup>st</sup> Century will be dependent on how well we use science and technology to increase our productivity and become a major player of technological innovation in the Asia-Pacific region. This bill will provide incentives to set Hawaii apart as a tech-friendly place to do business for both technical and non-technical businesses.

Upon further consideration, your Committee has amended this bill by:

- (1) Deleting the tax credit for net operating losses and reinstating the authorization to sell unused net operating loss carryover;
- (2) Deleting the sections creating credits for worthless debts of qualified high technology businesses;
- (3) Deleting the provision for an infrastructure construction income tax credit in the section including the renovation credit and replacing the construction credit with a new section for a general excise tax exemption for QHTB office buildings; and deleting certain other tax provisions for the renovation credit;
- (4) Deletes the deductibility provision for expenses for royalties;
- (5) Deletes incubator services provisions;
- (6) Making other minor amendments to encourage high technology businesses; and
- (7) Making technical, nonsubstantive amendments for purposes of clarity, style and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 648, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 648, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

#### **SCRep. 1094     Judiciary and Hawaiian Affairs on S.B. No. 932**

The purpose of this bill is to eliminate any preferences in government contracts, programs, services, and workforce policies that favor one parent over another in the raising of children.

Parents Without Partners; the Hawaii Coalition for Dads; the Senator representing Senatorial District 20; a licensed clinical psychologist; and concerned citizens testified in support of the bill. The Department of Human Services testified in support of the intent of this measure.

Your Committee believes this bill represents a first step toward promoting shared parenting and the joint physical custody of children in Hawaii by eliminating preferential governmental treatment of one parent over the other.

Today, a presumption or preference for joint custody exists in at least 29 states plus the District of Columbia. In some cases, the preference or presumption is for joint legal custody, while in others it is for true shared parenting.

Your Committee will examine this issue in more detail during the legislative interim to determine the feasibility of establishing a joint custody presumption in the State. Ultimately, the true benefactors of this public policy will be families and, most especially, Hawaii's children.

After careful consideration, your Committee has amended this bill by:

- (1) Eliminating the exemption for preferences that:

(A) The State or a county determines to be in the best interests of the child; and

(B) Would impose an unreasonable burden on the State or a county by removing a preference from existing contracts, programs, services, or workforce policies;

(2) Removing step-parents from prohibited parental preference consideration;

(3) Deleting the purpose statement from the new section; and

(4) Making various technical, nonsubstantive revisions for purposes of clarity, style, and conformity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 932, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 932, S.D.2, H.D. 2.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Morita, Yoshinaga and Whalen.

**SCRep. 1095     Judiciary and Hawaiian Affairs on S.B. No. 1110**

The purpose of the bill is to require:

(1) Child abuse record checks for licensed child care providers;

(2) Criminal history and child abuse record checks for license-exempt providers who wish to receive a Department of Human Services (DHS) subsidy; and

(3) DHS to disclose verified criminal history and child abuse information on employees or potential employees of employers who are licensed child care providers.

DHS testified in support of this measure.

Your Committee finds that this measure would codify DHS's administrative rule requiring criminal history and child abuse record checks of persons working within licensed child care facilities. This measure would also extend this policy to license-exempt providers subsidized by DHS.

However, your Committee understands that there are strong concerns about the disclosure of criminal conviction and abuse information.

Your Committee has amended the bill by deleting the requirement that DHS disclose verified conviction and abuse information about employees or potential employees to licensed child care providers.

Technical, nonsubstantive amendments have also been made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1110, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1110, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Morita, Yoshinaga and Whalen.

**SCRep. 1096     Labor and Public Employment on S.B. No. 850**

The purpose of this measure is to repeal mandatory arbitration for Collective Bargaining Units 2, 3, 4, 6, 8, 9, 10, and 13, and restore the right to strike to these units.

The United Public Workers supported the intent of the measure, provided that the essential worker statute is repealed.

HGEA testified in opposition to the measure.

Your Committee finds that until 1995, all public employees, with the exception of firefighters and police officers, had the right to strike. Acts 202 and 208, Session Laws of Hawaii 1995, rescinded that right from Collective Bargaining Units 2, 3, 4, 6, 8, 9, 10, and 13, and replaced it with mandatory arbitration as the method by which labor disputes were to be resolved.

Your Committee believes that the concept of re-empowering these public employees with the right to strike is necessary to protect the rights of these employees. The right to strike would be more effective in protecting the rights of public employees than the current mandatory arbitration method.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 850 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Rath.



**SCRep. 1097 Labor and Public Employment on S.B. No. 1044**

The purpose of this bill is to create a new governance structure for public employees' health benefits by establishing the Hawaii Employer-Union Health Benefit Trust Fund, as a single public employee health benefits delivery system.

This bill also:

- (1) Retains basically the same eligibility requirements for employee-beneficiaries and dependent-beneficiaries as under current statutes;
- (2) Provides equal employer and employee representation through a ten-member board of trustees appointed by the Governor;
- (3) Grants greater administrative flexibility to the board of trustees;
- (4) Requires that employer contributions for active employees shall be set through collective bargaining;
- (5) Establishes fixed monthly employer contribution rates for retirees; and
- (6) Imposes cost containment requirements by:
  - (a) Setting the monthly Medicare Part B reimbursement rate at \$45.50, the current Part B reimbursement rate. Any increase to the reimbursement rate will have to be approved by the Legislature;
  - (b) Reducing the employers' contributions for health benefits for surviving spouses and dependents upon the death of a retiree if the retiree was hired after June 30, 2001; and
  - (c) Eliminating employer contributions for dependents of retirees who were employees hired on or after June 30, 2001.

The Department of Budget and Finance testified in support of the measure, suggesting amendments and HGEA/AFSCME Local 152, AFL-CIO testified in support of the bill with reservations. The Hawaii State Teachers Association (HSTA) and HSTA-Retired opposed this bill. PEHF, the City and County of Honolulu Department of Human Resources, the United Public Workers, AFSCME, Local 646, AFL-CIO, the Retirees Unit of HGEA/AFSCME Local 152, AFL-CIO, and the Office of Information Practices offered comments.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1044, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Rath.

**SCRep. 1098 Labor and Public Employment on S.B. No. 1058**

The purpose of this bill is to reduce public employer costs by requiring that the amount ported to employee organizations for health benefit plans and group life insurance be based on the most cost effective plan that provides the same level of benefits for participants in the plans of the Public Employee Health Fund (PEHF) and employee organizations.

This bill also:

- (1) Confirms the employer's authority to audit employee organization health benefits and group life insurance plans; and
- (2) Requires employee organizations to return to PEHF the employer's share of refunds from their insurance carriers.

The Department of Budget and Finance (B&F) supported this bill but suggested an amendment. The Hawaii State Teachers Association, the United Public Workers, AFSCME, Local 646, AFL-CIO, and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO opposed this measure. PEHF offered comments.

According to B&F, PEHF ports employer contributions for health benefit and group life insurance plans to employee organizations for employee-beneficiaries enrolled in employee organization health plans. Currently, the amount ported is based on the benefit plan with the largest enrollment as set forth in negotiated public sector collective bargaining agreements.

Over the years, PEHF has experienced higher employer costs due to competition with employee organization health plans that enroll employees who are younger as well as families that are smaller than those enrolled in PEHF plans. PEHF ports contributions based on this higher rate of contribution to employee organizations, which can offer more attractive plans because of its enrollee population and lower contribution rates. As a result of this arrangement, PEHF plans are adversely affected.

B&F stated concerns about the bill's 60 percent of actual plan cost limit on employer contributions, and requested amendments eliminating any reference to a specific percentage limit. Your Committee requests that the Committee on Finance examine and resolve B&F's concerns, which are financial in nature.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1058, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Rath.

**SCRep. 1099 Labor and Public Employment on S.B. No. 1145**

The purpose of this bill is to enable the Department of Labor and Industrial Relations (DLIR), Unemployment Insurance (UI) Division, to use federal funds transferred to Hawaii, pursuant to the federal Balanced Budget Act of 1997 (Act), to support the UI Division's ongoing efforts to implement an interactive voice response that will permit claimants to file new claims and weekly certifications by telephone.

Specifically, this bill amends existing state law to conform to the requirement of the Act by requiring that moneys credited to the State's account in federal fiscal years ending in 2000, 2001, and 2002, be used solely for the administration of the unemployment compensation program.

DLIR submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1145 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Rath.

**SCRep. 1100 Labor and Public Employment on S.B. No. 24**

The purpose of this bill is to enable a public agency to conduct experimental modernization projects to make the agency's operation more efficient and productive.

Specifically, the bill authorizes human resource programs in state and county agencies, effective July 1, 2001, to institute experimental projects to determine whether specific personnel changes are desirable. Although Act 253, Session Laws of Hawaii 2000, the Civil Service Reform Act, authorizes public agencies to conduct experimental modernization projects, agencies cannot initiate these projects until July 1, 2002, the effective date of Act 253.

Your Committee received testimony in support of this bill from the Department of Accounting and General Services, the Board of Water Supply of the City and County of Honolulu, the Hawaii Government Employees Association, and three individuals.

Your Committee finds that this bill will allow state and county public agencies to improve their operation and customer service by implementing pilot projects as early as July 1, 2001. Although Act 253 clearly enables and supports improvements in human resources programs, the effective date of Act 253, July 1, 2002, prevents the timely initiation of any experimental modernization projects that may be ready earlier. This measure will authorize such projects to begin on July 1, 2001, eliminating an unnecessary waiting period for agencies ready to conduct pilot projects. Your Committee wishes to clarify, at the request of the Department of Human Services of the City and County of Honolulu, that the experimental modernization projects are not subject to personnel or civil service laws or rules.

Upon further consideration, your Committee has amended this bill to clarify that the intention of this measure is to require that authorization to begin these experimental modernization projects is given only until Act 253, Session Laws of Hawaii 2000, takes effect as originally enacted. Specifically, new material added to section 74(c) of Act 253, Session Laws of Hawaii 2000, in section 4 of the bill, which requires full cooperation from state and county personnel agencies regarding modernization projects, has been deleted, while the substance of that same provision has been retained in section 3(c) to take effect on July 1, 2001 and to be repealed on June 30, 2002.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 24, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 24, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Rath.

**SCRep. 1101 Labor and Public Employment on S.B. No. 1144**

The purpose of this bill is to:

- (1) Increase Hawaii's \$5.25 per hour minimum wage to \$5.75 per hour beginning January 1, 2002, and \$6.25 per hour beginning January 1, 2004; and
- (2) Remove the tip credit provisions of the minimum wage law, which allow employers to pay tipped workers less than the minimum wage.

Testimony in support of this measure was received from the Department of Human Services, Department of Labor and Industrial Relations, Hawaii State AFL-CIO, ILWU Local 142, Hawaii State Teachers Association, Hawaii Catholic Conference, American Friends Service Committee, and several concerned individuals.

The Hawaii Restaurant Association provided comments.

Testimony in opposition to the bill was submitted by the National Federation of Independent Business and Chamber of Commerce of Hawaii.

Your Committee finds that it is time to raise Hawaii's minimum wage. The minimum wage was last increased in 1993 and its value has been eroded over the years due to inflation. Adjusted for inflation, the wage would be worth only \$4.70 per hour in 2001. Federal welfare reform has given those on welfare incentive to work, and an increase in the minimum wage is needed to help these workers survive.

Your Committee understands that increases in the minimum wage burdens businesses, especially small businesses employing minimum wage workers. Your Committee finds that placing too great a burden on these businesses will defeat the purpose of this measure by eliminating the business and the minimum wage jobs that the business supports.

Upon further consideration, your Committee has amended this measure to provide a workable balance between the interests of business and workers. As amended, this bill increases the minimum wage to \$5.50 per hour in 2002, and \$6.00 per hour, beginning July 1, 2003.

Your Committee has also amended the bill to retain and amend the tip credit to 10 percent below the applicable minimum wage. This will provide flexibility in the law for entry level jobs that have the potential to provide income at levels higher than the minimum wage.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1144, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1144, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Rath.

#### **SCRep. 1102 Labor and Public Employment on S.B. No. 849**

The purpose of this bill is to prohibit an arbitration panel from using the reallocation of funds from existing programs or current levels of service previously authorized by the Legislature for the purpose of funding new or enhanced collective bargaining cost items.

The Department of Budget and Finance submitted testimony in support of this bill. United Public Workers and Hawaii Government Employees Association submitted testimony in opposition to this bill.

Your Committee finds that public employees right to secure reasonable salary increases through collective bargaining must be respected and upheld. However, the State must also be in a position to protect the interests of the general public when negotiating collective bargaining agreements. This bill will ensure that the State's ability to pay collective bargaining negotiated awards is realistically assessed in the arbitration process.

Your Committee has amended this bill by further restricting and clarifying the factors that may be considered by an arbitration panel in reaching a decision on collective bargaining agreements. More specifically, your Committee clarified that an arbitration panel shall:

- (1) Consider federal restrictions on the use of moneys;
- (2) Consider the ramifications on remaining collective bargaining agreements not yet agreed to, including consideration of costs for contributions to the health fund;
- (3) Not assess the employer's ability to fund cost items based on the premise that the employer may impose new taxes, fees, or charges, or develop other sources of revenue;
- (4) Not consider revenue estimates exceeding the latest Council of Revenues report; and
- (5) No longer consider other factors not specified that are "normally or traditionally" taken into consideration.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 849, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 849, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Rath.

#### **SCRep. 1103 Labor and Public Employment on S.B. No. 749**

The purpose of this bill is to ensure compliance with federal and state laws regarding employment and bid preferences for state residents by:

- (1) Establishing definitions of "state resident", "state contractor", and "state subcontractor"; and
- (2) Increasing the bid preference in favor of state contractors from seven to 13 percent on state public works contracts for \$10,000,000 or less.

Testimony in support of this measure was submitted by: Hawaii State AFL-CIO; Hawaii Building and Construction Trades Council, AFL-CIO; Hawaii Construction Industry Association; Hawaii Island Contractors' Association; International Brotherhood of

Electrical Workers, Local Union 1186; Local 625, Ironworkers Union; Laborers' International Union of North America, Local 368, AFL-CIO; Plumbers and Fitters Union Local 675; Nordic Construction, Ltd.; Grace Pacific Corporation; Hawaii Operating Engineers Industry Stabilization Fund; Allied Construction, Inc.; Royal Contracting Co., Ltd.; Ron's Construction Corporation; Ralph S. Inouye Co., Ltd.; S & M Sakamoto, Inc.; Jayar Construction, Inc.; T. Iida Contracting, Ltd.; Walter Y. Arakaki, General Contractor, Inc.; Isemoto Contracting Co., Ltd.; and Koga Engineering & Construction, Inc. The State Procurement Office also testified in support and offered amendments. Kiewit Pacific Co. offered comments.

Your Committee has amended this bill by:

- (1) Requiring that an affidavit be submitted to the head of the purchasing agency instead of the chief procurement officer. This will expedite the procurement process;
- (2) Increasing the bid preference in favor of state contractors to an unspecified amount; and
- (3) Making technical, nonsubstantive amendments to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 749, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 749, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.

**SCRep. 1104 Labor and Public Employment on S.B. No. 1052**

The purpose of this bill is to change the salary growth assumption rate from a variable rate to an undetermined fixed percentage rate to calculate annual employer contributions to the Employees' Retirement System (ERS).

The Department of Budget and Finance, ERS Board of Trustees, and the Hawaii State Teachers Association supported this measure.

The current statute requires ERS to calculate annual employer contributions using a "variable" salary growth rate. However, because the current three-year rolling average assumption changes with each actuarial valuation, it has resulted in considerable volatility in state and county annual appropriations. Therefore, the ERS Actuary recommended that the salary increase assumption rate be changed to a fixed rate of four percent per year.

Your Committee has amended this bill by:

- (1) Providing that actuarial valuations be made for fiscal years after June 30, 1999; and
- (2) Adding an assumed salary increase of four percent.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1052, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1052, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Rath.

**SCRep. 1105 Labor and Public Employment on S.B. No. 1082**

The purpose of this bill is to clarify which programs qualify for worker's compensation coverage for students engaged in work-based learning programs by changing the name of the School-to-Work Work-based Program to the Work-based Learning Program.

The Department of Education supported the intent of the measure.

Your Committee believes that the name change will broaden the base of programs under which the State will be deemed the employer for the students' workers' compensation coverage, rather than the private employer. In addition, your Committee believes that more private sector employers will be encouraged to participate in the program.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1082, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1082, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Rath.

**SCRep. 1106 Labor and Public Employment on S.B. No. 446**

The purpose of this measure, as received, is to assist students and dislocated employees of Amfac Kauai Sugar by:

- (1) Clarifying that services performed by students who are employed by a school, university, or college during any part of the calendar year are excluded from unemployment compensation;
- (2) Granting a 12-month extension of unemployment insurance benefits to dislocated employees of Amfac Kauai sugar workers;
- (3) Creating a temporary special fund to be known as the Dislocated Amfac Sugar Kauai Employee Unemployment Compensation Fund (Fund); and
- (4) Appropriating funds to be deposited into this Fund.

The Hawaii State Commission on the Status of Women and ILWU Local 142 supported this measure. The Department of the Attorney General and the Department of Land and Industrial Relations opposed this measure.

Your Committee has amended this bill by deleting its entire contents and replacing it with the contents of H.B. No. 1586, which was heard earlier this session. As amended, this bill extends the unemployment insurance benefits for the displaced employees of Amfac Sugar Kauai for an additional period of twelve months.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 446, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 446, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Rath.  
(Representative Djou voted no.)

#### **SCRep. 1107 Labor and Public Employment on S.B. No. 28**

The purpose of this bill is to provide employees with more time to plan for their future employment by increasing from 45 to 90 days the advance notification time period that an employer must provide prior to implementing a closure, partial closure, or relocation of a business.

The Hawaii State AFL-CIO and ILWU Local 142 testified in support of this measure. The Department of Labor and Industrial Relations opposed passage of this bill.

Your Committee finds that federal law requires a 60-day notification period for large plant closings or substantial layoffs. The Worker Adjustment Retraining Notification (WARN) law requires employers with 100 or more employees to provide 60 days advance written notice before a business closes down or lays off:

- (1) At least one-third of the employees; and
- (2) At least 50 employees.

To conform to this federal standard, your Committee has amended this bill by reducing the notification period from 90 days to 60 days.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 28, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 28, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Souki.  
(Representatives Djou, Moses and Rath voted no.)

#### **SCRep. 1108 Labor and Public Employment on S.B. No. 449**

The purpose of this bill is to strengthen the State's Whistleblowers' Protection Act. More specifically, this bill increases the penalties for violations, extending the duration of the statute of limitations, and provides remedies to employees who have not been adequately protected under part III of section 378, Hawaii Revised Statutes, relating to unlawful suspension or discharge.

The Hawaii State Commission on the Status of Women, ILWU Local 142, Common Cause Hawaii, National Employment Lawyers Association, Hawaii State AFL-CIO, Hawaii Government Employees Association, Hawaii State Teachers Association, Hawaii Nurses' Association, and an individual submitted testimony in support of this bill. The Chamber of Commerce of Hawaii, Hawaii Island Chamber of Commerce, Hawaii Chapter of the Society of Human Resource Management, and an individual submitted testimony in opposition to this bill. The Department of Labor and Industrial Relations and an individual submitted comments on this bill.

Your Committee finds that it is important that employees be encouraged to report violations of law that occur in the workplace. It is in the public interest to strengthen the Whistleblowers' Protection Act to assist employees in coming forward who might otherwise fear retaliatory discharge or other consequences for doing the right thing.

Upon further consideration, your Committee has amended this bill by deleting its substance and inserting provisions allowing a person who alleges a violation to bring a civil action within 180 after the occurrence of the alleged violation.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 449, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 449, S.D. 2, H.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representative Rath.  
(Representative Djou voted no.)

**SCRep. 1109     Agriculture on S.B. No. 986**

The purpose of this bill is to amend the definition of "aquaculture" to reflect the long-term trends in the industry.

The Department of Agriculture testified in support of this bill. The Department of Land and Natural Resources (DLNR) supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Clarifying that DLNR must still approve any stock before it can be released; and
- (2) Making technical, nonsubstantive changes for purposes of clarity, style, and consistency.

Your Committee finds that it is not the Legislature's intention to reduce or restrict any of DLNR's management authority over aquacultured species by passage of this bill.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 986, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 986, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ahu Isa, Takumi, Halford and Whalen.

**SCRep. 1110     Energy and Environmental Protection on S.B. No. 1135**

The purpose of this bill is to streamline the notification process for hazardous waste brokers by:

- (1) Deleting the requirement that a hazardous waste broker obtain a notarized statement from the owner of the facility or land acknowledging the broker's activities;
- (2) Replacing the annual notification requirement with an initial notification and a notification of any changes; and
- (3) Requiring notification of each place of business.

The Department of Health (DOH) testified in support of this measure.

Your Committee finds that the notification process required of hazardous waste brokers to DOH can be simplified without endangering the public health or the environment.

This bill is similar to H.B. No. 660, H.D. 1, which passed Third Reading in the House earlier this session.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1135 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1111     Water and Land Use and Public Safety and Military Affairs on S.B. No. 887**

The purpose of this bill is to require the Department of Defense (DOD) and the Department of Land and Natural Resources (DLNR), in consultation with Veterans of the 100<sup>th</sup> Infantry Battalion, to select a site and prepare plans for a memorial at Sand Island state recreation area to honor the soldiers of the 100<sup>th</sup> Infantry Battalion.

DLNR and DOD testified in support of this measure.

Your Committees agree that the acts of heroism and the significant accomplishments of the men of the 100<sup>th</sup> Infantry Battalion during the European Campaign in W.W.II have brought fame not only to the unit itself, but also to the State of Hawaii.

Your Committees encourage the DOD, and the Veterans of the 100<sup>th</sup> Infantry Battalion to secure donations for the memorial through private source. Additional funding if required should be requested from the 2002 Legislature.

As affirmed by the records of votes of the members of your Committees on Water and Land Use and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 887, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ito, Morita, B. Oshiro, Meyer, Saiki and Souki.

**SCRep. 1112     Tourism and Culture on H.R. No. 27**

The purpose of this resolution is to request Hawaii's Governor, or his designee, to take all necessary actions to establish a sister-state affiliation with the Province of Thua Thien-Hue of the Socialist Republic of Vietnam.

Your Committee received testimony in favor of this measure from the Department of Business, Economic Development and Tourism, Vietnamese-American Chamber of Commerce, Association of Chinese From Vietnam, Cambodia and Laos, Directions, Inc., The Limtiaco Company, University of Hawaii, PacMar, Inc., M&D International, DaleCo Inc., TAF International, Inc., Pacific Affairs Associates, Grand Pacific Resources, and a private citizen.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 27 and recommends that it be referred to the Committee on Economic Development and Business Concerns.

Signed by all members of the Committee except Representative Ahu Isa.

**SCRep. 1113     Tourism and Culture on H.C.R. No. 24**

The purpose of this concurrent resolution is to request Hawaii's Governor, or his designee, to take all necessary actions to establish a sister-state affiliation with the Province of Thua Thien-Hue of the Socialist Republic of Vietnam.

Your Committee received testimony in favor of this measure from the Department of Business, Economic Development and Tourism, Vietnamese-American Chamber of Commerce, Association of Chinese From Vietnam, Cambodia and Laos, Directions, Inc., The Limtiaco Company, University of Hawaii, PacMar, Inc., M&D International, DaleCo Inc., TAF International, Inc., Pacific Affairs Associates, Grand Pacific Resources, and a citizen of Hawaii

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 24 and recommends that it be referred to the Committee on Economic Development and Business Concerns.

Signed by all members of the Committee except Representative Ahu Isa.

**SCRep. 1114     Tourism and Culture on H.R. No. 83**

The purpose of this resolution is to request the Governor to appoint officials from various agencies of the State and County government, and representatives from the tourism and business industry to review and make recommendations on how the Hilo area can maximize the economic opportunities presented by the cruise industry.

Testimony in support of this measure was received from the Lieutenant Governor, Department of Transportation, County of Hawaii, ILWU Local 142, Hawaii Island Chamber of Commerce, and Waldron Steamship. The American Classic Voyages Co. testified in support of this measure but identified a number of issues related to the development of the Hilo area as a visitor destination. The Big Island Visitors Bureau submitted testimony in support of this measure but with a suggested amendment.

Your Committee has amended this resolution to more appropriately identify the Big Island Chapter of the Hawaii Visitors and Convention Bureau (aka) Big Island Visitors Bureau to be a participant in the task force.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 83, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. 83, H.D. 1.

Signed by all members of the Committee except Representative Ahu Isa.

**SCRep. 1115     Tourism and Culture on H.C.R. No. 88**

The purpose of this concurrent resolution is to request the Governor to appoint officials from various agencies of the State and County government, and representatives from the tourism and business industry to review and make recommendations on how the Hilo area can maximize the economic opportunities presented by the cruise industry.

Testimony in support of this measure was received from the Lieutenant Governor, Department of Transportation, County of Hawaii, ILWU Local 142, Hawaii Island Chamber of Commerce, and Waldron Steamship. The American Classic Voyages Co. testified in support of this measure but identified a number of issues related to the development of the Hilo area as a visitor destination. The Big Island Visitors Bureau submitted testimony in support of this measure but with a suggested amendment.

Your Committee has amended this concurrent resolution to more appropriately identify the Big Island Chapter of the Hawaii Visitors and Convention Bureau to be a participant in the task force.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 88, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.C.R. No. 88, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ahu Isa.

**SCRep. 1116     Tourism and Culture on H.R. No. 84**

The purpose of this resolution is to request the Hawaii Tourism Authority (HTA) to convene a task force consisting of representatives from various State, County and Federal agencies to study ways to provide safe access to view volcano eruptions and establish a visitor observatory to offer safety and educational information.

Testimony in support of this measure was received from several members of the HTA, the Department of Land and Natural Resources, and the University of Hawaii at Hilo. The County of Hawaii submitted testimony in support of this measure but with suggested amendments.

Your Committee is cognizant that worldwide competition in the visitor industry gets more intense each year, and to gain a competitive edge, we need to pay attention to those distinctive features that no other destination has. Our active volcano is one of those features; however, it is imperative that we provide safe ways to take advantage of this attraction to our visitors and residents. A task force is a good start to identify the means to create a better structure for quality information dissemination and safe viewing of our active volcano.

To this effect, your Committee has amended this measure by:

- (1) Expanding the make up of the task force to include participation from the Hawaiian Volcano Observatory and the affected community;
- (2) Making technical, nonsubstantive changes for clarity, style and consistency.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 84, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 84, H.D. 1.

Signed by all members of the Committee except Representative Ahu Isa.

**SCRep. 1117     Tourism and Culture on H.C.R. No. 89**

The purpose of this concurrent resolution is to request the Hawaii Tourism Authority (HTA) to convene a task force consisting of representatives from various State, County and Federal agencies to study ways to provide safe access to view volcano eruptions and establish a visitor observatory to offer safety and educational information.

Testimony in support of this measure was received from several members of the HTA, the Department of Land and Natural Resources, and the University of Hawaii at Hilo. The County of Hawaii submitted testimony in support of this measure but with suggested amendments.

Your Committee is cognizant that worldwide competition in the visitor industry gets more intense each year, and to gain a competitive edge, we need to pay attention to those distinctive features that no other destination has. Our active volcano is one of those features; however, it is imperative that we provide safe ways to take advantage of this attraction to our visitors and residents. A task force is a good start to identify the means to create a better structure for quality information dissemination and safe viewing of our active volcano.

To this effect, your Committee has amended this measure by:

- (1) Expanding the make up of the task force to include participation from the Hawaiian Volcano Observatory and the affected community;
- (2) Making technical, nonsubstantive changes for clarity, style and consistency.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 89, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 89, H.D. 1.

Signed by all members of the Committee except Representative Ahu Isa.

**SCRep. 1118     Tourism and Culture on H.R. No. 129**

The purpose of this resolution is to preserve the competitiveness and health of Hawaii's largest industry.

Testimony in support of this measure was received by the Hawaii Hotel Association, Textron Systems Kauai, and Maui Economic Development Board, Inc. Comments were received from the Department of Business, Economic Development, and Tourism, the Hawaii Tourism Authority, and the Department of Taxation.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.



As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 129, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 129, H.D. 1.

Signed by all members of the Committee except Representatives Takumi and Ontai.

**SCRep. 1119    Tourism and Culture on H.C.R. No. 138**

The purpose of this concurrent resolution is to preserve the competitiveness and health of Hawaii's largest industry.

Testimony in support of this measure was received by the Hawaii Hotel Association, Textron Systems Kauai, and Maui Economic Development Board, Inc. Comments were received from the Department of Business, Economic Development, and Tourism, the Hawaii Tourism Authority, and the Department of Taxation.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 138, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 138, H.D. 1.

Signed by all members of the Committee except Representatives Takumi and Ontai.

**SCRep. 1120    Consumer Protection and Commerce on S.B. No. 171**

The purpose of this bill is to clarify requirements under Act 99, Session Laws of Hawaii (SLH) 1999, (Clean Claims Act), which provides for prompt reimbursement of health care provider insurance claims. This bill:

- (1) Defines the term "clean claim";
- (2) Requires health insurers to provide a system for immediate verification of insurance enrollee eligibility;
- (3) Deletes the requirement that health insurers provide notice of the specific reason for contesting, denying or delaying a claim;
- (4) Removes language that conditions interest owed by health insurers on late claim payments, on whether or not notice was timely provided;
- (5) Requires health insurers to submit a quarterly report to the Insurance Commissioner of unpaid claims and the reasons these claims were contested; and
- (6) Becomes effective on July 29, 2051.

The Hawaii Medical Service Association testified in support of this bill. The Insurance Division of the Department of Commerce and Consumer Affairs, Hawaii Chapter American Physical Therapy Association, and Hawaii Medical Association supported the measure and proposed amendments.

The Clean Claims Act was intended to ensure prompt reimbursement of claims made under a health insurance policy by establishing minimum reimbursement requirements and contested claim procedures. However, your Committee finds that there continues to be a problem with health care providers not receiving prompt payment, and insurers withholding payment pending receipt of further information without specifying the information required.

Your Committee finds that the deletion of the notice requirement would provide health care insurers with a means of delaying payments, and has reinstated the notice provisions of the Clean Claims Act.

Your Committee has further amended this bill by:

- (1) Including language that allows insurers to eliminate separately mailed notices and instead, include notice with the weekly reimbursement reports currently sent to providers;
- (2) Making the Clean Claim Act permanent by repealing the July 1, 2002, sunset date of the Act; and
- (3) Changing the effective date of the bill from July 29, 2051, to upon approval.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 171, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 171, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Kanoho, Morita, Souki and Yoshinaga.

**SCRep. 1121    Health on H.C.R. No. 40**

The purpose of this concurrent resolution is to urge the President and the Congress of the United States of America to lead the nation in finding solutions to reduce the high cost of prescription drugs on a national level.

The Hawaii Medical Services Association and The Hawaii Pharmacists Association submitted testimony in support of this measure.

Your Committee finds that the rising cost of healthcare in the United States is partly attributed to the increasing costs of prescription medications. These costs also represent a large portion of health care premiums.

Moreover, your Committee believes that:

- (1) Reevaluating current drug manufacturing and marketing policies; and
- (2) Formulating a national policy to ensure uniformity among all fifty states, will be a big step in the process of lowering the cost of prescription medications.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 40 and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

#### **SCRep. 1122 Health on H.C.R. No. 41**

The purpose of this concurrent resolution is to request that pharmaceutical companies doing business in Hawaii develop a unified system to assist the needy who qualify for free prescription drugs.

The Hawaii Pharmacists Association (HPA) testified in support of the intent of this measure.

Your Committee finds that pharmaceutical costs represent a large portion of health care costs in Hawaii. Your Committee further finds that there are programs to assist the needy in obtaining prescription drugs free or at reduced prices. This system is sometimes fragmented. A more unified type of system is required to provide low- or no-cost drugs to the needy.

Your Committee, with recommendations by HPA, has amended this concurrent resolution by:

- (1) Narrowing the scope of this concurrent resolution only to pharmaceutical companies that have programs to assist in providing drugs to the needy;
- (2) Urging, instead of mandating, companies to develop a consumer-friendly unified system for free prescription drugs;
- (3) Including the Medicine Bank as an option in obtaining free prescription medication; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 41, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as H.C.R. No. 41, H.D. 1.

Signed by all members of the Committee.

#### **SCRep. 1123 Tourism and Culture and Economic Development and Business Concerns on H.R. No. 113**

The purpose of this resolution is to:

- (1) Recognize the accomplishments of the Hawaii Tourism Authority (HTA) in the pursuit of its tourism strategic plan, Ke Kumu;
- (2) Encourage the HTA to continue its efforts to strengthen the tourism component of Hawaii's economy; and
- (3) Request the HTA to emphasize the need for encouraging reinvestment in the tourism infrastructure, including major visitor destination areas, as well as, projects to protect the natural environment.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism, two individuals from the HTA, Hawaii Hotel Association, Hawaii Restaurant Association, Textron Systems Kauai, Hawaii Coalition Against Legalized Gambling, and Maui Economic Development Board, Inc.

As affirmed by the records of votes of the members of your Committees on Tourism and Culture and Economic Development and Business Concerns that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 113 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takumi and Ontai.

**SCRep. 1124 Tourism and Culture and Economic Development and Business Concerns on H.C.R. No. 116**

The purpose of this concurrent resolution is to:

- (1) Recognize the accomplishments of the Hawaii Tourism Authority (HTA) in the pursuit of its tourism strategic plan, Ke Kumu;
- (2) Encourage the HTA to continue its efforts to strengthen the tourism component of Hawaii's economy; and
- (3) Request the HTA to emphasize the need for encouraging reinvestment in the tourism infrastructure, including major visitor destination areas, as well as, projects to protect the natural environment.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism, two individuals from the HTA, Hawaii Hotel Association, Hawaii Restaurant Association, Textron Systems Kauai, Hawaii Coalition Against Legalized Gambling, and Maui Economic Development Board, Inc.

As affirmed by the records of votes of the members of your Committees on Tourism and Culture and Economic Development and Business Concerns that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 116 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takumi and Ontai.

**SCRep. 1125 Consumer Protection and Commerce on S.B. No. 937**

The purpose of this bill is to deny the benefits of the assigned claims insurance program to persons who sustain accidental harm to which liability or uninsured motorist coverage applies.

The Department of Commerce and Consumer Affairs, Insurance Division submitted testimony in support of this bill.

Your Committee finds that this bill is necessary to clarify the purpose of the assigned claims program, which is to provide minimum coverage to those who are injured by uninsured drivers and have no other available means of recovery.

This bill clarifies that a person, who has no applicable liability coverage because the driver was uninsured or coverage has been denied, does not qualify for an assigned claim if that person is entitled to uninsured motorist benefits under any applicable policy. This coverage limitation is consistent with the policy that assigned claims are provided as a measure of last resort.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 937 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Yoshinaga and Whalen.

**SCRep. 1126 Consumer Protection and Commerce on S.B. No. 841**

The purpose of this bill is to repeal the sunset date of the act authorizing the regulation of check cashing enterprises.

Cash in Advance, Inc., and Check 'n Go, Inc., submitted testimony in support of this bill. The Department of Commerce and Consumer Affairs submitted comments.

Your Committee finds that check cashing enterprises provide a service that benefits their clientele. However, the business clearly has the potential to take unfair advantage of their clients. This measure would allow the state to continue to protect consumers of check cashing services through oversight of the check cashing industry.

Your Committee has amended this bill by changing the effective date to June 30, 2001.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 841, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 841, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Kanoho, Morita, Souki and Yoshinaga.

**SCRep. 1127 Consumer Protection and Commerce on S.B. No. 1062**

The purpose of this bill is to authorize the conversion of professional and vocational licenses when the licensee changes its form of business.

Testimony in support of this bill was received from the Department of Commerce and Consumer Affairs, Professional and Vocational Licensing Division.

Your Committee finds that Act 280, Session Laws of Hawaii 1999, established requirements for the conversion of business entities, but failed to address the issue of a converted business entity's professional or vocational license. This measure cures this

oversight by authorizing the conversion of professional and vocational licenses of business entities that have converted into or merged to form new entities, upon compliance with application and fee requirements and continuing compliance with licensing requirements.

Your Committee has amended this bill by making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1062, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1062, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Kanoho, Morita, Souki and Yoshinaga.

**SCRep. 1128 Consumer Protection and Commerce and Judiciary and Hawaiian Affairs on S.B. No. 97**

The purpose of this bill is to create a criminal offense of telemarketing fraud. This offense, punishable as a Class B felony, involves theft through communications made at least in part through the telephone. These communications must involve direct or implied claims of receiving anything of value or of recovering losses in connection with a prize promotion. The measure also provides for forfeiture of property used in the commission of the crime.

The Department of Commerce and Consumer Affairs, the Executive Office of Aging, the Honolulu Police Department, the City and County of Honolulu Department of the Prosecuting Attorney, the Policy Advisory Board for Elder Affairs, the Hawaii Government Employees Association, and the American Association of Retired Persons submitted testimony in support of this bill. The Office of the Public Defender submitted comments.

Your Committees find that telemarketing fraud is one of the fastest growing forms of fraud in the United States. It is estimated that American consumers lose over \$40,000,000 a year with the elderly as a frequent target. Telemarketers often target older citizens, knowing many of them have significant assets from a lifetime of saving. In Hawaii, a Maui senior citizen was recently victimized and lost his entire life savings of \$40,000.

This measure is part of a larger effort to combat this serious crime. Federal and State agencies have employed an array of weapons, such as the Federal Trade Commission's Telemarketing Sales Rule and the State of Hawaii's Telemarketing Fraud Prevention Act. Additionally, consumer protection agencies nationwide, including Hawaii's Office of Consumer Protection, have engaged in broad-based educational efforts alerting citizens to the dangers posed by telemarketing fraud.

However, more needs to be done. This measure would allow Hawaii to increase its efforts and provide greater protection to its citizens from unscrupulous telemarketing practices.

Your Committees have amended this bill by making technical, nonsubstantive changes, for purposes of style, clarity and consistency, which include a definition for the term "telemarketing," and clarification that the measure is not intended to apply retrospectively.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 97, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 97, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ahu Isa, Case and Yoshinaga.

**SCRep. 1129 Consumer Protection and Commerce and Judiciary and Hawaiian Affairs on S.B. No. 1078**

The purpose of this measure, which is a companion to House Bill 602, H.D. 1, is to update Hawaii's laws governing securities.

This bill proposes to:

- (1) Modernize and clarify State law to provide:
  - (A) Greater certainty in the capital formation process involving limited offerings; and
  - (B) A new transactional exemption consistent with federal law involving stock options as compensation;
- (2) Make the State law more uniform with respect to registration requirements for dealers, investment advisors, and their representatives; and
- (3) Repeal the requirement that an appeal of a decision rendered by the Commissioner of Securities to the circuit court be heard de novo.

Testimony in support of this measure was received from the Commissioner of Securities and the Investment Company Institute.

Your Committees find that it is in the best interest of the State to enact legislation that modernizes and maintains the uniformity of Hawaii's business registration laws with those of other states. By adopting language that is consistent with the majority of other states and by incorporating the latest developments in securities law, this measure will improve the State's regulatory effectiveness through the coordination and uniform interpretation of laws of other states.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1078, S.D. 1, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case and Yoshinaga.

**SCRep. 1130 Consumer Protection and Commerce on S.B. No. 207**

The purpose of this bill is to eliminate the requirement that the registered owner of a vehicle obtain the written consent of the vehicle's legal owner prior to shipping the vehicle interisland.

Young Brothers, Limited submitted testimony in support of this bill.

The Honolulu Police Department submitted testimony in opposition to this bill, expressing concern that this bill would cause an increase in vehicles stolen in Honolulu and shipped to neighbor islands.

The Hawaii's Bankers Association submitted comments.

Your Committee finds that the current written requirement, to obtain written consent from the legal owner prior to shipping vehicles interisland, imposes an unnecessary burden upon shipping companies and consumers.

Further, your Committee finds that the documentation pertaining to vehicles being shipped interisland and the physical inspection of vehicle identification numbers by shippers, as required by this bill, will be sufficient to preclude the shipping of stolen vehicles.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 207 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Morita, Yoshinaga and Whalen.

**SCRep. 1131 Consumer Protection and Commerce on S.B. No. 210**

The purpose of this bill is to ensure the efficient licensing of port pilots by requiring the Director of the Department of Commerce and Consumer Affairs (DCCA) to test and license port pilots when more licensed port pilots are needed.

DCCA, Fairway Navigation Inc., Hawaii Pilots Association, and two private citizens submitted testimony in support of this bill.

DCCA's rule-based policy of licensing port pilots only when new pilots are needed, was changed last year when the Attorney General advised DCCA that the policy was not sufficiently authorized by statute. In response, DCCA adopted a new process involving open testing and licensing of deputy port pilots regardless of need. This procedure imposes unjustified costs on private industry. It fails to recognize that the port pilot training program is funded entirely by a strict tariff schedule collected from each vessel served by a port pilot. This measure will address efficiency and constitutional concerns by codifying the previous system of deputy and port pilot licensing.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 210, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Morita, Yoshinaga and Whalen.

**SCRep. 1132 Consumer Protection and Commerce on S.B. No. 1065**

The purpose of this measure is to clarify requirements for the licensure of architects consistent with administrative rules and current standards of professional training by colleges and universities.

Specifically, this measure:

- (1) Clarifies that persons licensed by other jurisdictions must meet standards applicable to all other applicants before being licensed in this State; and
- (2) For purposes of licensing, recognizes degrees in architecture, such as a master's or higher degree, in addition to a five-year architectural degree.

Testimony in support of this measure was received from the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects (Board), American Institute of Architects, and the University of Hawaii.

Currently, the law controlling recognition of architect licenses of other jurisdictions, or licensing by endorsement, allows the Board to determine whether licensing requirements of another jurisdiction are "satisfactory." Where there is some question, the Board may require the applicant to pass a written examination.

Administrative rules adopted by the Board provide for assessment of the qualifications of an applicant for a license by endorsement, and require an applicant for a license by endorsement to meet the State's generally applicable architect licensing

standards, which include an examination on Hawaii law. This bill amends the license by endorsement provisions to better reflect the Board's administrative rules, and to affirm the Board's discretion in these matters.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1065, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1065, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Yoshinaga and Whalen.

**SCRep. 1133 Consumer Protection and Commerce on S.B. No. 1066**

The purpose of this bill is to reduce the probability of future health insurer insolvencies by increasing minimum net worth requirements applicable to mutual benefit societies and health maintenance organizations. The stricter standards under this bill require the maintenance of a minimum net worth equal to three times the average of monthly net claims incurred during the past calendar year, if the sum is greater than \$1,500,000 or other sums based upon existing minimum net worth formulas.

The Insurance Division (Insurance Division) of the Department of Commerce and Consumer Affairs submitted testimony in support of bill. The University Health Alliance submitted testimony in support of the amendments proposed by the Insurance Division. Comments on the bill were submitted by AlohaCare. Testimony in opposition to the bill was received from the Chamber of Commerce of Hawaii.

Your Committee finds that the recent seizures of several health insurers by the Insurance Division underscore the need for more stringent minimum net worth requirements for mutual benefit societies and health maintenance organizations. However, your Committee also understands that if net worth requirements are too stringent, they will adversely affect a health insurer's ability to operate its business, as well as the consumers that the insurer serves.

Your Committee has amended this bill that reflects a compromise between the Insurance Division and regulated industry by:

- (1) Deleting the requirement that a mutual benefit society or health maintenance organization maintain a minimum net worth equal to three times the average of monthly net claims incurred during the past calendar year;
- (2) Raising the minimum net worth requirement from the current \$1,500,000 to \$2,000,000, to be completely phased in by December 31, 2002;
- (3) Mandating each mutual benefit society and health maintenance organization to prepare and make available quarterly net-worth reports for review by the Insurance Commissioner;
- (4) Establishing a fine for failure to produce required quarterly net-worth reports; and
- (5) Changing the effective date from July 1, 2050, to upon approval.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1066, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1066, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Kanoho, Morita, Souki and Yoshinaga.

**SCRep. 1134 Consumer Protection and Commerce on S.B. No. 1067**

The purpose of this bill is to reduce the potential for residential hurricane insurer insolvency in the event of a hurricane, by requiring the Insurance Commissioner (Commissioner) to use an actuarial analysis to evaluate a residential hurricane insurer's ability to pay claims.

Testimony in support of this bill was submitted by the Insurance Division (Division) of the Department of Commerce and Consumer Affairs and Hawaii Association of Realtors. The Hawaii Insurers Council opposed the bill.

Currently, there is no legal authority allowing the Insurance Commissioner to determine, on a continuing basis, whether an insurer of catastrophic risks is over exposed. Under the law, insurers must meet certain capitalization requirements before doing business in Hawaii. The licensing process also allows the Division to examine an insurer's ability to pay claims. However, the Division cannot legally withhold a certificate of authority if capitalization requirements are met.

After an insurer receives its certificate of authority, it is subject to triennial examinations which may be accelerated depending on the Division's review of the insurer's quarterly reports. Should a review of these reports reveal that the insurer has a cash flow problem or that its finances are suspect, the Division may initiate supervision or seizure proceedings in an attempt to remedy the situation. For a typical insurer that pays claims regularly in addition to collecting premiums, this process allows the Division to detect adverse trends and take appropriate corrective action to stave off an insolvency.

On the other hand, when an insurer covers mostly hurricane risks, there is no slow "bleeding" of the company for the Division to detect. Until a catastrophe does occur, everything will probably appear fine on paper. Premiums will continue to be paid and coverages will be placed. The insurer will not be held accountable for policyholder claims until a hurricane strikes. When this

occurs, if the insurer has insufficient assets or reinsurance to meet its obligations, it will be too late for the Division to take any other action than to seize control of the insurer and proceed into liquidation.

This bill attempts to provide the Division with the tools needed to assess the financial health of residential hurricane insurers.

This measure has been amended in light of concerns expressed by interested parties and a compromise developed by the Division. The requirement of an actuarial analysis has been removed. Instead, this measure:

- (1) Provides that insurers will obtain an estimate of the maximum loss the insurer faces in the event of a 100 year hurricane, that is, a hurricane of a severity unlikely to occur more than once in 100 years;
- (2) Requires that the Commissioner be given access to that estimate, as well as financial information, aggregate premiums, coverage limits, and other information necessary to determine the insurer's ability to cover its 100 year hurricane insurance exposure;
- (3) Authorizes the Commissioner to further examine the insurer's financial health and commence supervisory and other appropriate proceedings if the insurer's capitalization and available reinsurance is determined to be inadequate; and
- (4) Takes effect upon approval, but provides that insurers will not be subject to the Act until January 1, 2002.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1067, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1067, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Morita, Souki, Yoshinaga and Whalen.

**SCRep. 1135 Consumer Protection and Commerce on S.B. No. 1069**

The purpose of this bill is to correct erroneous statutory cross references and inconsistent dates in the state insurance law.

Testimony in support of this bill was received from the Department of Commerce and Consumer Affairs, Insurance Division, and the American Council of Life Insurers.

Your Committee finds that this housekeeping measure is necessary to correct inaccurate statutory cross references that render the insurance chapters of the Hawaii Revised Statutes internally inconsistent.

Your Committee has made technical, nonsubstantive amendments to this bill for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1069, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1069, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Kanoho, Morita, Souki and Yoshinaga.

**SCRep. 1136 Consumer Protection and Commerce on S.B. No. 1079**

The purpose of this measure is to correct errors and clarify ambiguities in the Limited Liability Partnership (LLP) law.

The Business Registration Division of the Department of Commerce and Consumer Affairs testified in support of this measure.

This measure corrects or clarifies language in provisions of the LLP law relating to partnership name, statement of qualification, cancellation of LLP status, and foreign LLPs. These amendments will provide clearer guidelines for LLPs and make Hawaii's law more consistent with other state laws modeled on the National Conference of Commissioners on Uniform State Laws Uniform Partnership Act.

Your Committee has amended this bill by making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1079, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1079, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Yoshinaga and Whalen.

**SCRep. 1137 Consumer Protection and Commerce on S.B. No. 1390**

The purpose of this bill is to amend the law relating to Hawaiian healers.

Testimony in support of this bill was received from Papa Ola Lokahi, the Director of Preventative and Integrative Medicine at the Waianae Coast Comprehensive Health Center, and two concerned individuals.

Your Committee finds that Act 162, Session Laws of Hawaii 1998 (Act 162), responded to concerns that the performance of traditional Hawaiian healing practices would constitute the unauthorized practice of medicine under state law. To address this concern, Act 162:

Temporarily exempted Hawaiian healers from the requirement that a person obtain a license before practicing medicine; and

Authorized Papa Ola Lokahi, a non-profit Hawaiian health organization that serves as an umbrella for native Hawaiian health care planning activities in the State, to provide interim certification of Hawaiian healers.

The medical license exemption under Act 162 was to expire on July 1, 2002. Additionally, Act 162 only provided for the establishment of a single panel to certify Hawaiian healers. Unfortunately, Act 162 failed to recognize the Hawaiian tradition of recognizing localized healing practices.

This bill recognizes the value of Hawaiian healing practices by making the medical license exemption granted to Hawaiian healers under Act 162, permanent. This bill also provides Papa Ola Lokahi with a process by which to convene panels of Hawaiian healers to address issues related to Hawaiian healing practices on a localized basis. The bill enables Papa Ola Lokahi to appoint subsequent members to its panel as it deems necessary to carry out its purposes.

Your Committee has amended this bill by:

- (1) Adding language to protect panel members and persons who participate in selection of panel members, from tort liability; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1390, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1390, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Morita, Souki, Yoshinaga and Whalen.

#### **SCRep. 1138 Consumer Protection and Commerce and Judiciary and Hawaiian Affairs on S.B. No. 1077**

The purpose of this bill is to conform Hawaii's trademark law to the most recent version of the Model State Trademark Act.

Testimony in support of this measure was received from the Business Registration Division, Department of Commerce and Consumer Affairs. An attorney expressed concerns about this measure, including its necessity, its administrative burden and cost, and its lack of funding and low filing fee.

Your Committees find that Hawaii's current law provides the trademark holder with little more than the holder's mark. This bill protects state trademark holders by allowing for greater damage awards for trademark infringements, includes a comprehensive definition section, and addresses issues and situations that are not contained in the current law.

Your Committees agree that it is in the State's best interest to enact trademark legislation that modernizes and maintains the uniformity of Hawaii's business registration laws by adopting model language that is uniform with a majority of other states, and by incorporating the latest development in business registration law.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1077, S.D. 1, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Yoshinaga and Whalen.  
(Representatives Marumoto and Thielen voted no.)

#### **SCRep. 1139 Energy and Environmental Protection and Water and Land Use on H.R. No. 8**

The purpose of this resolution is to increase the State's sources of renewable energy by requesting the Department of Business, Economic Development, and Tourism (DBEDT), through its personnel having expertise in energy and technology, to update its study regarding the feasibility of developing wave power as a renewable energy resource for Hawaii.

DBEDT and two individuals testified in support of the resolution.

Your Committees find that it is logical and imperative that this ocean-state take advantage of existing wave power technology and continue its further development to solve the disadvantages associated with wave power, such as the relative high construction cost due to mooring problems, complexity of the power producing structure, and time variability of the wave resource. The future of Hawaii warrants, at the very least, an updated study to determine the feasibility of adding wave energy to its renewable energy portfolio.



As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Water and Land Use that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 8 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ito.

**SCRep. 1140 Energy and Environmental Protection and Water and Land Use on H.C.R. No. 3**

The purpose of this concurrent resolution is to increase the State's sources of renewable energy by requesting the Department of Business, Economic Development, and Tourism (DBEDT), through its personnel having expertise in energy and technology, to update its study regarding the feasibility of developing wave power as a renewable energy resource for Hawaii.

DBEDT and two individuals testified in support of the concurrent resolution.

Your Committees find that it is logical and imperative that this ocean-state take advantage of existing wave power technology and continue its further development to solve the disadvantages associated with wave power, such as the relative high construction cost due to mooring problems, complexity of the power producing structure, and time variability of the wave resource. The future of Hawaii warrants, at the very least, an updated study to determine the feasibility of adding wave energy to its renewable energy portfolio.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Water and Land Use that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 3 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Ito.

**SCRep. 1141 Energy and Environmental Protection and Higher Education on H.R. No. 115**

The purpose of this resolution is to request the University of Hawai'i, Department of Business, Economic Development, and Tourism, and other interested participants to prepare a preliminary assessment on developing a sustainable energy sector in Hawai'i.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism; University of Hawai'i School of Ocean and Earth Science and Technology; The 'Aina Institute; Hawaiian Electric Company and its affiliated subsidiaries – Maui Electric Company and Hawaiian Electric Light Company; Hawai'i Renewable Energy Alliance; Center for a Sustainable Future; Sierra Club; Life of the Land; Kaua'i Electric; The Gas Company; and two individuals.

Your Committees find that the assessment would benefit from a variety of participants, and several testifiers expressed their interest in taking part in the process. Your Committees also find that any assessment on energy sustainability in Hawaii should consider the impediments to renewable energy in Hawaii and the geographical boundaries and unique characteristics of each island.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Higher Education that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 115 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Thielen, Arakaki, Ito, Kahikina, McDermott and Stonebraker.

**SCRep. 1142 Energy and Environmental Protection and Higher Education on H.C.R. No. 122**

The purpose of this concurrent resolution is to request the University of Hawai'i, Department of Business, Economic Development, and Tourism, and other interested participants to prepare a preliminary assessment on developing a sustainable energy sector in Hawai'i.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism; University of Hawai'i School of Ocean and Earth Science and Technology; The 'Aina Institute; Hawaiian Electric Company and its affiliated subsidiaries – Maui Electric Company and Hawaiian Electric Light Company; Hawaii Renewable Energy Alliance; Center for a Sustainable Future; Sierra Club; Life of the Land; Kaua'i Electric; The Gas Company; and two individuals.

Your Committees find that the assessment would benefit from a variety of participants, and several testifiers expressed their interest in taking part in the process. Your Committees also find that any assessment on energy sustainability in Hawaii should consider the impediments to renewable energy in Hawaii and the geographical boundaries and unique characteristics of each island.

As affirmed by the records of votes of the members of your Committees on Energy and Environmental Protection and Higher Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 122 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho, Thielen, Arakaki, Ito, Kahikina, McDermott and Stonebraker.

**SCRep. 1143 Energy and Environmental Protection on H.R. No. 117**

The purpose of this resolution is to enhance the standing of the Natural Energy Laboratory of Hawaii Authority (NELHA) in the business and financial community by requesting the Board of Directors of NELHA (Board) to:

- (1) Develop recommendations to modify the composition of the Board to include more private sector participation;
- (2) Consider adding the Special Advisor on Technology Development to the Governor and the Executive Director of NELHA as voting members; and
- (3) Allow the Chairperson of the Research Advisory Committee to be designated as the representative for the President of the University of Hawaii.

The Board and an individual testified in support of the intent of the resolution.

Your Committee finds that more private sector participation on the Board is consistent with and furthers NELHA's present goals that include the commercialization of its research and development and engaging in retail, commercial, and tourism activities that will financially support its research and development.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 117 and recommends its adoption.

Signed by all members of the Committee except Representative Ito.

**SCRep. 1144     Energy and Environmental Protection on H.C.R. No. 124**

The purpose of this concurrent resolution is to enhance the standing of the Natural Energy Laboratory of Hawaii Authority (NELHA) in the business and financial community by requesting the Board of Directors of NELHA (Board) to:

- (1) Develop recommendations to modify the composition of the Board to include more private sector participation;
- (2) Consider adding the Special Advisor on Technology Development to the Governor and the Executive Director of NELHA as voting members; and
- (3) Allow the Chairperson of the Research Advisory Committee to be designated as the representative for the President of the University of Hawaii.

The Board and an individual testified in support of the intent of the concurrent resolution.

Your Committee finds that more private sector participation on the Board is consistent with and furthers NELHA's present goals that include the commercialization of its research and development and engaging in retail, commercial, and tourism activities that will financially support its research and development.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 124 and recommends its adoption.

Signed by all members of the Committee except Representative Ito.

**SCRep. 1145     Education on H.C.R. No. 161**

The purpose of this measure is to request Kamehameha Schools to conduct a feasibility study on establishing a resource center for students, parents, and teachers on the island of Kauai.

A representative from Kamehameha Schools commented on the measure.

Your Committee finds that the Hawaiian students on the island of Kauai lack the educational resources available for students on Oahu.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 161 and recommends its adoption.

Signed by all members of the Committee except Representatives Garcia, Schatz, Takumi, McDermott and Ontai.

**SCRep. 1146     Public Safety and Military Affairs on S.B. No. 683**

The purpose of this bill as received is to require that all civil process servers, designated as deputy sheriffs, carry identification cards and wear badges that identify them as deputy sheriffs.

Your Committee received testimony in support of this measure from the Hawaii Deputy Sheriffs Association and numerous concerned individuals and deputy sheriffs. Your Committee received testimony in opposition to this measure from the Department of Public Safety.

Your Committee finds that the situation this measure intends to remedy is worthy of further scrutiny. The serving of civil processes is a necessary function for the efficient operation of the judicial system. However, due to the wide array of civil process

documents to be served, your Committee is reluctant to simply take the existing situation and provide badges to deputy sheriffs without first taking a careful look at the effects, benefits, and drawbacks of that course of action.

Your Committee further finds that there is a legitimate concern for the safety and legitimacy of deputy sheriffs attempting to serve civil processes. However, issuing badges to these deputies possibly raises questions regarding liability for the State. Further complicating the situation is the current practice for civil process documents to refer to police officers and sheriffs when, in fact, they have a very limited role in serving the documents. The judiciary allows anyone over the age of 18 to serve civil processes. Deputy sheriffs of the civil section receive 40 hours of training, whereas uniformed deputy sheriffs attend a four-month law enforcement recruit training. Clearly, the ability and training of these groups vary over a wide range, yet the existing law is silent on allocating the civil process work among them.

Therefore, upon further consideration, your Committee has amended this bill by:

- (1) Deleting the original contents;
- (2) Establishing a civil process server task force under the Department of Public Safety;
- (3) Requiring the task force to submit a report to the legislature concerning:
  - (a) The appropriate roles of uniformed deputy sheriffs, the deputy sheriffs of the civil section, and those people authorized by the judiciary to serve civil processes;
  - (b) The proper forms of identification to be issued for the different classes of process servers and deputy sheriffs;
  - (c) What training should be required of those individuals desiring to be identified as deputy sheriffs of the civil section;
  - (d) The most prudent way to address the concerns of liability to the State arising from the actions of process servers; and
  - (e) Other matters concerning the serving of civil processes that the members of the task force may identify.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 683, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 683, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Saiki and Souki.

#### **SCRep. 1147 Education on S.B. No. 1104**

The purpose of this bill is to allow foster parents to sign routine school forms and recreational permission slips for foster children in their care to avoid unnecessary delays.

The Department of Education, Department of Human Services, and Hawaii Youth Services Network submitted testimony in support of this bill.

Your Committee finds that this bill will facilitate foster parents' abilities to readily access educational and recreational activities for their foster children, and will help remove impediments that these families face.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1104, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Schatz, Takumi, Bukoski, Halford and McDermott.

#### **SCRep. 1148 Education on H.R. No. 61**

The purpose of this measure is to request that the Department of Education establish the Student Crimestoppers Program in all Hawaii departmental school districts.

The City and County of Honolulu Police Department and the Hawaii State Student Conference supported the measure. The Department of Education supported the intent of the measure.

Your Committee finds that the Student Crimestoppers Program has allowed students to become involved in reducing crime in their schools.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 61 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Schatz, Takumi, Bukoski, Halford and McDermott.

#### **SCRep. 1149 Education on H.C.R. No. 62**

The purpose of this measure is to request that the Department of Education establish the Student Crimestoppers Program in all Hawaii departmental school districts.

The City and County of Honolulu Police Department and the Hawaii State Student Conference supported the measure. The Department of Education supported the intent of the measure.

Your Committee finds that the Student Crimestoppers Program has allowed students to become involved in reducing crime in their schools.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 62 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Schatz, Takumi, Bukoski, Halford and McDermott.

**SCRep. 1150 Education on H.C.R. No. 84**

The purpose of this measure, as referred to committee, is to urge President Bush and the United States to increase funding for special education to meet the federal commitment under the Individuals with Disabilities Education Act (IDEA).

The State of Hawaii Attorney General, Department of Education, and one individual supported this measure.

Your Committee finds that the Felix Consent Decree remains one of the state's biggest concerns. Further, the lack of funding from the federal government has put the state in a difficult financial situation.

Upon further consideration, your Committee has amended this measure by deleting the contents and replacing it with language similar to Senate Resolution 90. This measure establishes a joint Senate and House Committee to investigate the state's efforts to comply with the Felix Consent Decree. This Committee shall:

- (1) Gather information;
- (2) Make recommendations to the Senate and House;
- (3) Have every power and function allowed to an investigating Committee by law;
- (4) Be appointed by the Senate President and the Speaker of the House;
- (5) Be composed of both majority and minority members; and
- (6) Submit written findings and recommendations to the Senate and House twenty days prior to the convening of the Regular Session of 2002.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 84, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 84, H.D. 1.

Signed by all members of the Committee except Representatives Abinsay, Garcia, Takumi, Bukoski and McDermott.

**SCRep. 1151 Education and Health on H.R. No. 40**

The purpose of this measure is to establish a task force to assess and determine ways to reduce the paperwork and duplicative process requirements related to exceptional children and Felix class children.

The Departments of Health and Education opposed this measure.

Your Committees find that although efforts have been made, there must be further ways of reducing paperwork related to exceptional children and Felix class children.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 40 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Schatz, Takumi, Bukoski, Ontai and Yonamine.

**SCRep. 1152 Education and Health on H.C.R. No. 36**

The purpose of this measure is to establish a task force to assess and determine ways to reduce the paperwork and duplicative process requirements related to exceptional children and Felix class children.

The Departments of Health and Education opposed this measure.

Your Committees find that although efforts have been made, there must be further ways of reducing paperwork related to exceptional children and Felix class children.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 36 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Schatz, Bukoski, Ontai, Takumi and Yonamine.

**SCRep. 1153 Education and Legislative Management on H.R. No. 87**

The purpose of this measure is to request that the Office of the Auditor conduct a management and financial audit of the Comprehensive Student Support System of the Department of Education. The Office of the Auditor is requested to submit a report of its findings and recommendations, including a report of the personnel involved in:

- (1) instruction;
- (2) management; and
- (3) student support.

The DOE commented on this measure.

Your Committees find that an audit of management and finance is necessary to make sure that the Comprehensive Student Support System is functioning efficiently and properly to serve to greatest amount of students.

As affirmed by the records of votes of the members of your Committees on Education and Legislative Management that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 87 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay, Garcia, Bukoski and McDermott.

**SCRep. 1154 Education and Legislative Management on H.C.R. No. 91**

The purpose of this measure is to request that the Office of the Auditor conduct a management and financial audit of the Comprehensive Student Support System of the Department of Education. The Office of the Auditor is requested to submit a report of its findings and recommendations, including a report of the personnel involved in:

- (1) instruction;
- (2) management; and
- (3) student support.

The DOE commented on this measure.

Your Committees find that an audit of management and finance is necessary to make sure that the Comprehensive Student Support System is functioning efficiently and properly to serve to greatest amount of students.

As affirmed by the records of votes of the members of your Committees on Education and Legislative Management that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 91 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay, Garcia, Bukoski and McDermott.

**SCRep. 1155 Education and Legislative Management on H.C.R. No. 156**

The purpose of this measure is to request the Legislative Reference Bureau to study the implications of establishing local boards of education along county boundaries.

The Board of Education opposed this measure. The Legislative Reference Bureau commented on this measure.

Your Committees find that Hawaii is unique in having a statewide Board of Education. They recognize that this statewide system has worked well for Hawaii in the past--that recently great strides have been made in student achievement. Your Committees find that local county school boards of education is an issue that has been discussed at length and deserves a thorough study by the legislature.

Your Committees have amended this measure by deleting the second resolved clause because examining twenty-five largest school districts would have no meaningful comparison to Hawaii.

As affirmed by the records of votes of the members of your Committees on Education and Legislative Management that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 156, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 156, H.D. 1.

Signed by all members of the Committee except Representatives Abinsay, Garcia, Bukoski and McDermott.

**SCRep. 1156 Tourism and Culture on H.R. No. 135**

The purpose of this resolution, as received, is to request the Department of Business, Economic Development, and Tourism to convene a committee to designate official symbols of the State of Hawaii.

Your Committee circulated a proposed draft of this measure for the purpose of receiving public testimony. The purpose of this draft is to request the Department of Accounting and General Services (DAGS) to develop a uniform policy on travel for state employees.

DAGS submitted testimony in support of the intent of this proposed draft.

Your Committee finds that it is necessary to ensure that travel by state employees is conducted in a responsible and fiscally prudent manner. However, the travel needs of each department vary greatly, and it would be prohibitively prescriptive to create only one statewide travel policy for employees.

Therefore, your Committee has amended this measure to request DAGS to conduct a review of travel policies for all executive departments and agencies and submit a report of policy recommendations. In addition, your Committee has amended the proposed draft by:

- (1) Deleting some extraneous WHEREAS clauses;
- (2) Changing the title to read: "HOUSE RESOLUTION REQUESTING THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES TO CONDUCT A REVIEW OF EMPLOYEE TRAVEL POLICIES FOR ALL STATE EXECUTIVE DEPARTMENTS AND AGENCIES AND SUBMIT A REPORT OF POLICY SUGGESTIONS"; and
- (3) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 135, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.R. No. 135, H.D. 1.

Signed by all members of the Committee except Representatives Takumi and Ontai.

**SCRep. 1157 Tourism and Culture on H.C.R. No. 146**

The purpose of this concurrent resolution, as received, is to request the Department of Business, Economic Development, and Tourism to convene a committee to designate official symbols of the State of Hawaii.

Your Committee circulated a proposed draft of this measure for the purpose of receiving public testimony. The purpose of this draft is to request the Department of Accounting and General Services (DAGS) to develop a uniform policy on travel for state employees.

DAGS submitted testimony in support of the intent of this proposed draft.

Your Committee finds that it is necessary to ensure that travel by state employees is conducted in a responsible and fiscally prudent manner. However, the travel needs of each department vary greatly, and it would be prohibitively prescriptive to create only one statewide travel policy for employees.

Therefore, your Committee has amended this measure to request DAGS to conduct a review of travel policies for all executive departments and agencies and submit a report of policy recommendations. In addition, your Committee has amended the proposed draft by:

- (1) Deleting some extraneous WHEREAS clauses;
- (2) Changing the title to read: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES TO CONDUCT A REVIEW OF EMPLOYEE TRAVEL POLICIES FOR ALL STATE EXECUTIVE DEPARTMENTS AND AGENCIES AND SUBMIT A REPORT OF POLICY SUGGESTIONS"; and
- (3) Making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 146, as amended herein, and recommends that it be referred to the Committee on Legislative Management in the form attached hereto as H.C.R. No. 146, H.D. 1.

Signed by all members of the Committee except Representatives Takumi and Ontai.

**SCRep. 1158 Public Safety and Military Affairs on H.R. No. 167**

The purpose of this resolution is to request the Department of Public Safety to appropriate funds for a full-time temporary exempt position for the Women's Community Correctional Center (WCCC) in Kailua to supervise inmates and workers in the WCCC nursery and building maintenance program.

Government Efficiency Teams, Inc., Wahine Builders, Allied Builders and Contractors, Hawaii Substance Abuse Coalition, American Civil Liberties Union, Community Alliance on Prisons, and a concerned individual submitted testimony in support of this measure. The Department of Public Safety supported the intent of this measure. Na Leo Pohai submitted comments on this measure.

Your Committee finds that the work already accomplished by inmates, staff, and the private sector on this project is laudable and should be continued. The women inmates involved are well on their way to becoming members of the skilled trades and earning good wages upon their return to the community. Your Committee is especially pleased that the community support for this undertaking is high.

Upon further consideration, your Committee has amended this measure by:

(1) Amending the title to read: "HOUSE RESOLUTION REQUESTING THE DEPARTMENT OF PUBLIC SAFETY TO ESTABLISH A FULL-TIME TEMPORARY EXEMPT POSITION FOR THE WOMEN'S COMMUNITY CORRECTIONAL CENTER (WCCC) IN KAILUA TO SUPERVISE INMATES AND WORKERS IN THE WCCC NURSERY AND BUILDING MAINTENANCE PROGRAM;"

(2) Acknowledging the continuing contributions of Allied Builders and Contractors and providing that they be sent a certified copy of this measure; and

(3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 167, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 167, H.D. 1.

Signed by all members of the Committee except Representatives Saiki and Souki.

#### **SCRep. 1159     Public Safety and Military Affairs on H.C.R. No. 193**

The purpose of this concurrent resolution is to request the Department of Public Safety to appropriate funds for a full-time temporary exempt position for the Women's Community Correctional Center (WCCC) in Kailua to supervise inmates and workers in the WCCC nursery and building maintenance program.

Government Efficiency Teams, Inc., Wahine Builders, Allied Builders and Contractors, Hawaii Substance Abuse Coalition, American Civil Liberties Union, Community Alliance on Prisons, and a concerned individual submitted testimony in support of this measure. The Department of Public Safety supported the intent of this measure. Na Leo Pohai submitted comments on this measure.

Your Committee finds that the work already accomplished by inmates, staff, and the private sector on this project is laudable and should be continued. The women inmates involved are well on their way to becoming members of the skilled trades and earning good wages upon their return to the community. Your Committee is especially pleased that the community support for this undertaking is high.

Upon further consideration, your Committee has amended this measure by:

(1) Amending the title to read: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF PUBLIC SAFETY TO ESTABLISH A FULL-TIME TEMPORARY EXEMPT POSITION FOR THE WOMEN'S COMMUNITY CORRECTIONAL CENTER (WCCC) IN KAILUA TO SUPERVISE INMATES AND WORKERS IN THE WCCC NURSERY AND BUILDING MAINTENANCE PROGRAM;"

(2) Acknowledging the continuing contributions of Allied Builders and Contractors and providing that they be sent a certified copy of this measure; and

(3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 193, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 193, H.D. 1.

Signed by all members of the Committee except Representatives Saiki and Souki.

#### **SCRep. 1160     Human Services and Housing on H.R. No. 76**

The purpose of this resolution is to:

(1) Express the Legislature's strong support of efforts to improve Lanakila Multi-purpose Senior Center (Lanakila); and

(2) Urge the Department of Accounting and General Services (DAGS) to appropriate funds for essential improvements needed at Lanakila.

Catholic Charities Elderly Services (Catholic Charities) and a concerned citizen submitted testimony in support of the measure. DAGS supported the intent of the measure.

Your Committee finds that Lanakila provides a much-needed service to the seniors in Honolulu, including programs improving their mental, emotional, and physical well-being. Catholic Charities has supported operations of Lanakila above and beyond what is provided by government funding, but it can no longer afford to allocate existing funds to Lanakila's improvement projects.

Your Committee notes that the building is in dire need of repair. The estimated cost to repair the entire facility is in excess of \$2,000,000. However, the seniors understand that the current economy and fiscal situation of the State would not allow such a large allocation. After much deliberation, they narrowed it down to approximately \$500,000 in repairs, which they believed were absolutely necessary.

Although the repairs are still considered necessities rather than luxuries, the seniors realize that pending government employee wage negotiations warrant further reduction in the moneys they are requesting. They are now asking for only \$160,000 to cover basic safety and sanitation needs including:

- (1) Restroom repairs including installation of handicapped-accessible stalls to comply with the Americans with Disabilities Act; and
- (2) Clearing of the sewer line and installation of a valve to prevent back up after heavy rains.

Your Committee is very supportive of providing these very basic necessities for the seniors at Lanakila. Other members of the Legislature and community have also shown great support of this very worthwhile effort.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 76 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

#### **SCRep. 1161 Human Services and Housing on H.C.R. No. 86**

The purpose of this concurrent resolution is to:

- (1) Express the Legislature's strong support of efforts to improve Lanakila Multi-purpose Senior Center (Lanakila); and
- (2) Urge the Department of Accounting and General Services (DAGS) to appropriate funds for essential improvements needed at Lanakila.

Catholic Charities Elderly Services (Catholic Charities) and a concerned citizen submitted testimony in support of the measure. DAGS supported the intent of the measure.

Your Committee finds that Lanakila provides a much-needed service to the seniors in Honolulu, including programs improving their mental, emotional, and physical well-being. Catholic Charities has supported operations of Lanakila above and beyond what is provided by government funding, but it can no longer afford to allocate existing funds to Lanakila's improvement projects.

Your Committee notes that the building is in dire need of repair. The estimated cost to repair the entire facility is in excess of \$2,000,000. However, the seniors understand that the current economy and fiscal situation of the State would not allow such a large allocation. After much deliberation, they narrowed it down to approximately \$500,000 in repairs, which they believed were absolutely necessary.

Although the repairs are still considered necessities rather than luxuries, the seniors realize that pending government employee wage negotiations warrant further reduction in the moneys they are requesting. They are now asking for only \$160,000 to cover basic safety and sanitation needs including:

- (1) Restroom repairs including installation of handicapped-accessible stalls to comply with the Americans with Disabilities Act; and
- (2) Clearing of the sewer line and installation of a valve to prevent back up after heavy rains.

Your Committee is very supportive of providing these very basic necessities for the seniors at Lanakila. Other members of the Legislature and community have also shown great support of this very worthwhile effort.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 86 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

#### **SCRep. 1162 Water and Land Use on H.R. No. 70**

The purpose of this resolution is to utilize the resources found in the Kalihi Valley District Park on Oahu by requesting the Department of Land and Natural Resources (DLNR) to negotiate with Kamehameha Schools, Bishop Museum, and the Office of Hawaiian Affairs (OHA) to lease the District Park for a native Hawaiian education center at a dollar per year.

Bishop Museum and an individual testified in support of this measure. DLNR offered comments.



Your Committee has amended this measure by:

- (1) Replacing references to Kalihi Valley District Park with Kalihi Valley Nature Park which is a State Park Reserve;
- (2) Changing the title to correctly read: "HOUSE RESOLUTION REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO NEGOTIATE WITH KAMEHAMEHA SCHOOLS, BISHOP MUSEUM, AND THE OFFICE OF HAWAIIAN AFFAIRS TO LEASE KALIHI VALLEY NATURE PARK FOR A NATIVE HAWAIIAN EDUCATION CENTER"; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 70, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs in the form attached hereto as H.R. No. 70, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Schatz and Bukoski.

**SCRep. 1163    Water and Land Use on H.C.R. No. 75**

The purpose of this concurrent resolution is to utilize the resources found in the Kalihi Valley District Park on Oahu by requesting the Department of Land and Natural Resources (DLNR) to negotiate with Kamehameha Schools, Bishop Museum, and the Office of Hawaiian Affairs (OHA) to lease the District Park for a native Hawaiian education center at a dollar per year.

Bishop Museum and an individual testified in support of this measure. DLNR offered comments.

Your Committee has amended this measure by:

- (1) Replacing references to Kalihi Valley District Park with Kalihi Valley Nature Park which is a State Park Reserve;
- (2) Changing the title to correctly read: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO NEGOTIATE WITH KAMEHAMEHA SCHOOLS, BISHOP MUSEUM, AND THE OFFICE OF HAWAIIAN AFFAIRS TO LEASE KALIHI VALLEY NATURE PARK FOR A NATIVE HAWAIIAN EDUCATION CENTER"; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 75, as amended herein, and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs in the form attached hereto as H.C.R. No. 75, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Schatz and Bukoski.

**SCRep. 1164    Tourism and Culture on H.C.R. No. 203**

The purpose of this concurrent resolution is to honor Richard "Buffalo" Kalolo'okalani Keaulana as an ambassador of surfing.

The Representative from the 43<sup>rd</sup> district and two individuals submitted testimony in support of this measure.

Your Committee finds that "Buffalo" Keaulana has been an important figure in surfing and water sports in Hawaii for many years. He has saved lives at Makaha beach for 25 years as a lifeguard, and has truly become an ambassador of Hawaiian culture, and especially its oceanic heritage.

Your Committee has amended this bill by:

- (1) Changing the title to read: "HOUSE CONCURRENT RESOLUTION HONORING RICHARD "BUFFALO" KALOLO'OKALANI KEAULANA AS AN AMBASSADOR OF SURFING AND HAWAIIAN WATER SPORTS;
- (2) Adding additional background material; and
- (3) Adding several new individuals to whom certified copies of the concurrent resolution are to be transmitted.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 203, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 203, H.D. 1.

Signed by all members of the Committee except Representatives Takumi and Ontai.

**SCRep. 1165    Water and Land Use on H.C.R. No. 56**

The purpose of this concurrent resolution is to address safety concerns of jet ski owners and users in Hilo Bay on the island of Hawaii by requesting the Department of Land and Natural Resources (DLNR) to reevaluate the existing boundaries of the Hilo Bay Recreational Thrill Craft Zone (Zone).

DLNR offered comments.

Your Committee finds that the challenge is to find a suitable area that balances the needs of a variety of users of Hilo Bay. The existing Zone has its drawbacks. Because it is located almost one mile from shore, assistance is not readily available in case of equipment failure or injury. Moreover, this Zone is also susceptible to rogue waves that have caused accidents. At the same time, however, an alternative site cannot interfere with commercial harbor operations or outrigger canoe training and racing areas. Your Committee hopes DLNR will find a site that will be acceptable to all parties involved.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 56 and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, Schatz and Bukoski.

**SCRep. 1166 Water and Land Use on H.R. No. 109**

The purpose of this resolution is to address concerns regarding the manner in which the Department of Land and Natural Resources (DLNR) establishes lease rent values by requesting the State Auditor to review DLNR's procedures and to submit a report to the Legislature.

DLNR and an individual testified in support of this measure. The Hawaii Chapter of the Appraisal and Institute EnviroWatch, Inc., offered comments.

Among the concerns are whether:

- (1) Residential R-5 or R-10 zoned property is used in determining the ground rent for state agricultural lease properties;
- (2) The appraisal methodology has prevented lessees from securing mortgages on leases from private lenders; and
- (3) Independent appraisers, in preparing state appraisals, review DLNR's lease files and other unrecorded transactions.

Your Committee requests that the State Auditor also review any pertinent information that may be provided by individuals who have first-hand experience with the lease appraisal process.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 109 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Ito, Schatz and Bukoski.

**SCRep. 1167 Water and Land Use on H.C.R. No. 113**

The purpose of this concurrent resolution is to address concerns regarding the manner in which the Department of Land and Natural Resources (DLNR) establishes lease rent values by requesting the State Auditor to review DLNR's procedures and to submit a report to the Legislature.

DLNR and an individual testified in support of this measure. The Hawaii Chapter of the Appraisal and Institute EnviroWatch, Inc., offered comments.

Among the concerns are whether:

- (1) Residential R-5 or R-10 zoned property is used in determining the ground rent for state agricultural lease properties;
- (2) The appraisal methodology has prevented lessees from securing mortgages on leases from private lenders; and
- (3) Independent appraisers, in preparing state appraisals, review DLNR's lease files and other unrecorded transactions.

Your Committee requests that the State Auditor also review any pertinent information that may be provided by individuals who have first-hand experience with the lease appraisal process.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 113 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives Ito, Schatz and Bukoski.

**SCRep. 1168 Public Safety and Military Affairs on H.R. No. 43**

The purpose of this resolution is to request the police departments to adopt risk-focused policing and team up with schools and criminal justice system participants to form a community-wide treatment system to alleviate crime and community problems in high-risk areas.

Your Committee received testimony in support of the intent of this measure from the Department of Education.

Your Committee finds that the risk-focused policing model has been effective in Redlands, California, and that it may be a promising model to explore in our State. Your Committee does have some concerns regarding the availability of police officers to carry out this program and the possibility that it could displace other successful policing models already in place. However, your Committee defers to the police departments as to the scale and appropriateness of any implementation of this model.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 43 and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1169     Public Safety and Military Affairs on H.C.R. No. 39**

The purpose of this concurrent resolution is to request the police departments to adopt risk-focused policing and team up with schools and criminal justice system participants to form a community-wide treatment system to alleviate crime and community problems in high-risk areas.

Your Committee received testimony in support of the intent of this measure from the Department of Education.

Your Committee finds that the risk-focused policing model has been effective in Redlands, California, and that it may be a promising model to explore in our State. Your Committee does have some concerns regarding the availability of police officers to carry out this program and the possibility that it could displace other successful policing models already in place. However, your Committee defers to the police departments as to the scale and appropriateness of any implementation of this model.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 39 and recommends that it be referred to the Committee on Judiciary and Hawaiian Affairs.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1170     Education on H.R. No. 60**

The purpose of this measure is to request the Board of Education to offer Scholastic Assessment Test (SAT) preparation courses in public high schools for elective credit.

The Hawaii State Student Conference supported this measure. The Department of Education supported the intent of the measure.

Your Committee finds that SAT preparation is important for high school students who want to go to college. Further, students who take preparation courses will usually do better on the SAT.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 60 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Schatz, Takumi, Bukoski, Halford and McDermott.

**SCRep. 1171     Education on H.C.R. No. 61**

The purpose of this measure is to request the Board of Education to offer Scholastic Assessment Test (SAT) preparation courses in public high schools for elective credit.

The Hawaii State Student Conference supported this measure. The Department of Education supported the intent of the measure.

Your Committee finds that SAT preparation is important for high school students who want to go to college. Further, students who take preparation courses will usually do better on the SAT.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 61 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Schatz, Takumi, Bukoski, Halford and McDermott.

**SCRep. 1172     Education on H.R. No. 62**

The purpose of this resolution is to urge the Department of Education (DOE) to improve lavatories in public schools.

The Hawaii State Student Conference submitted testimony in support of this measure. DOE submitted testimony in support of this resolution. The American Cancer Society submitted comments on this resolution.

Your Committee finds that students are currently forced to endure unsanitary conditions in public school restrooms. This problem has been one of public school students' most consistent concerns regarding the condition of their schools. Students should not have to use restrooms that are unclean and that often lack basic supplies and doors on stalls.

Upon further consideration, your Committee has amended this measure by:

- (1) Deleting prostate cancer from the list of communicable diseases that can be contracted from unsanitary restroom conditions; and
- (2) Making technical, nonsubstantive amendments for consistency and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 62, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 62, H.D. 1.

Signed by all members of the Committee except Representatives Schatz, Takumi, Bukoski, Halford and McDermott.

#### **SCRep. 1173      Education on H.C.R. No. 63**

The purpose of this concurrent resolution is to urge the Department of Education (DOE) to improve lavatories in public schools.

The Hawaii State Student Conference submitted testimony in support of this measure. DOE submitted testimony in support of this concurrent resolution. The American Cancer Society submitted comments on this concurrent resolution.

Your Committee finds that students are currently forced to endure unsanitary conditions in public school restrooms. This problem has been one of public school students' most consistent concerns regarding the condition of their schools. Students should not have to use restrooms that are unclean and that often lack basic supplies and doors on stalls.

Upon further consideration, your Committee has amended this measure by:

- (1) Deleting prostate cancer from the list of communicable diseases that can be contracted from unsanitary restroom conditions; and
- (2) Making technical, nonsubstantive amendments for consistency and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 63, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 63, H.D. 1.

Signed by all members of the Committee except Representatives Schatz, Takumi, Bukoski, Halford and McDermott.

#### **SCRep. 1174      Education on H.C.R. No. 5**

The purpose of this concurrent resolution is to request the Department of Education (DOE) to develop a plan that encourages parental involvement in their children's education.

An individual submitted testimony in support of this measure. DOE submitted testimony in support of the intent of this measure.

Your Committee finds that parental involvement is crucial to student learning. Research indicates that students whose parents participate actively in their education perform much better in school. However, many parents do not know the best way to become involved in their children's schooling. It would be very beneficial for DOE to encourage parental involvement, and help parents understand what their role should be in the educational process.

Upon further consideration, your Committee has amended this measure by:

- (1) Specifying that DOE's plan should include the involvement of School/Community-based Management, the State Parent, Teacher, Student Association, and other community organizations;
- (2) Changing the title to "REQUESTING THE DEPARTMENT OF EDUCATION TO DEVELOP A PLAN THAT ENCOURAGES PARENTS TO BECOME MORE ACTIVELY INVOLVED IN THEIR CHILDREN'S EDUCATION"; and
- (3) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 5, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 5, H.D. 1.

Signed by all members of the Committee except Representatives Takumi, Bukoski, Halford and McDermott.

**SCRep. 1175 Education on H.C.R. No. 33**

The purpose of this concurrent resolution is to request the Department of Education (DOE) to establish mandatory community service, work experience, or service learning as a requirement for graduation from high school.

An individual submitted testimony in opposition to this concurrent resolution. DOE submitted comments on this concurrent resolution.

Your Committee finds that community service, service learning, and work experience are vital to ensure that students are prepared for the workforce and to be contributing members of society. Incorporating these components into high school will make for better graduates who are more skilled, compassionate, and ready for the real world.

Upon further consideration, your Committee has amended this measure by:

- (1) Requesting the Board of Education (BOE), rather than DOE, to carry out the purposes of this concurrent resolution as BOE is the body that sets graduation requirements for public schools;
- (2) Changing its title to read: "REQUESTING THE BOARD OF EDUCATION TO ESTABLISH MANDATORY COMMUNITY SERVICE, WORK EXPERIENCE, OR SERVICE LEARNING AS A REQUIREMENT FOR GRADUATION FROM HIGH SCHOOL"; and
- (3) Making technical amendments for style and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 33, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 33, H.D. 1.

Signed by all members of the Committee except Representatives Schatz, Takumi, Bukoski, Halford and McDermott.

**SCRep. 1176 Education on H.C.R. No. 45**

The purpose of this concurrent resolution is to request the Superintendent of Education to convene a task force to develop a demonstration project for gifted and talented students in the Pearl City High School complex.

The Department of Education submitted testimony in opposition to this concurrent resolution.

Your Committee finds that students with advanced abilities require extra attention to ensure that they develop their talents fully. Such students should be nurtured and encouraged to cultivate and develop their capabilities. Your Committee finds that it would be beneficial to conduct a demonstration project in the Pearl City High School complex to help develop programs for gifted and talented students.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 45 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Schatz, Takumi, Bukoski, Halford and McDermott.

**SCRep. 1177 Education and Health and Legislative Management on H.C.R. No. 100**

The purpose of this measure is to request the Auditor to continue to oversee, on the Legislatures behalf, the Executive Branch's efforts to provide effective services to Felix class children.

The Department of the Attorney General and the Department of Education commented on the measure.

Your Committees find that this measure is a work in progress. It has been agreed that the Superintendent of Education shall work with the Committee on Finance to come up with a house draft that will address the:

- (1) Factual errors in the measure; and
- (2) Effectiveness of service provided by the department.

As affirmed by the records of votes of the members of your Committees on Education and Health and Legislative Management that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 100 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Abinsay, Garcia, Bukoski, Auwae and McDermott.

**SCRep. 1178 Health and Human Services and Housing on H.R. No. 74**

The purpose of this resolution is to request the Department of Health (DOH) and the Department of Human Services (DHS) to convene an Ad Hoc Task Force (Task Force) to develop a comprehensive strategy to utilize faith-based health and human services in Hawaii.

Victory Ohana and concerned citizens testified in support of this measure.

DOH and DHS commented that current procurement laws for health and human services contracts with the State has already been addressed.

The Hawaii Youth Services Network submitted comments.

Your Committees understand that despite a multitude of federal and state programs to battle social distress, many social problems continue to plague our society. Your Committees find that faith-based and other community organizations provide valuable social services to the distressed population in our community and that these groups should be welcomed as partners with the State in an attempt to solve the many societal ills we face today.

Moreover, your Committees recognize that although these organizations have a paramount goal of compassionate results, and that private and charitable community groups, including religious ones, should have the fullest opportunity permitted by law to compete on a level playing field, so long as they achieve valid public purposes, such as curbing crime, conquering addiction, strengthening families and neighborhoods, and overcoming poverty, faith-based and religious organizations oftentimes face barriers that prevent them from assisting needy persons and providing their services to the community through governmental contracts.

This type of community service is a worthwhile cause, and every effort should be made to allow faith-based organizations to assist the community. Although DHS and DOH have stated that there is no discrimination in awarding contracts, based on religion, other entities have been known to make complaints when faith-based organizations are awarded contracts which create barriers for these organizations to provide services to the community.

Accordingly, your Committees have amended this measure by requesting the Task Force to:

- (1) Assess the procedures by which the contracts for services with community-based and faith-based organizations are awarded and report any differences or inequities;
- (2) Identify any barriers that these organizations may face when applying for, or after being awarded, a contract to provide health services or human services;
- (3) Address the issues of separation of church and state as provided for in the Constitution of the United States and how it plays a role, if any, in the awarding of contracts for services with these organizations; and
- (4) Include faith-based organizations as part of this Task Force.

Other technical, nonsubstantive amendments were made for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 74, as amended herein, and recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs in the form attached hereto as H.R. No. 74, H.D. 1.

Signed by all members of the Committee.

#### **SCRep. 1179    Health and Human Services and Housing on H.C.R. No. 79**

The purpose of this concurrent resolution is to request the Department of Health (DOH) and the Department of Human Services (DHS) to convene an Ad Hoc Task Force (Task Force) to develop a comprehensive strategy to utilize faith-based health and human services in Hawaii.

Victory Ohana and concerned citizens testified in support of this measure.

DOH and DHS commented that current procurement laws for health and human services contracts with the State has already been addressed.

The Hawaii Youth Services Network submitted comments.

Your Committees understand that despite a multitude of federal and state programs to battle social distress, many social problems continue to plague our society. Your Committees find that faith-based and other community organizations provide valuable social services to the distressed population in our community and that these groups should be welcomed as partners with the State in an attempt to solve the many societal ills we face today.

Moreover, your Committees recognize that although these organizations have a paramount goal of compassionate results, and that private and charitable community groups, including religious ones, should have the fullest opportunity permitted by law to compete on a level playing field, so long as they achieve valid public purposes, such as curbing crime, conquering addiction, strengthening families and neighborhoods, and overcoming poverty, faith-based and religious organizations oftentimes face barriers that prevent them from assisting needy persons and providing their services to the community through governmental contracts.

This type of community service is a worthwhile cause, and every effort should be made to allow faith-based organizations to assist the community. Although DHS and DOH have stated that there is no discrimination in awarding contracts, based on religion, other entities have been known to make complaints when faith-based organizations are awarded contracts which create barriers for these organizations to provide services to the community.

Accordingly, your Committees have amended this measure by requesting the Task Force to:

- (1) Assess the procedures by which the contracts for services with community-based and faith-based organizations are awarded and report any differences or inequities;
- (2) Identify any barriers that these organizations may face when applying for, or after being awarded, a contract to provide health services or human services;
- (3) Address the issues of separation of church and state as provided for in the Constitution of the United States and how it plays a role, if any, in the awarding of contracts for services with these organizations; and
- (4) Include faith-based organizations as part of this Task Force.

Other technical, nonsubstantive amendments were made for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 79, as amended herein, and recommend that it be referred to the Committee on Judiciary and Hawaiian Affairs in the form attached hereto as H.C.R. No. 79, H.D. 1.

Signed by all members of the Committee.

#### **SCRep. 1180     Health and Education on H.C.R. No. 6**

The purpose of this concurrent resolution is to request the Department of Health and the Department of Education to develop a plan to improve the oral health for children in the State of Hawaii.

DOH, the Christian Science Committee on Publication for Hawaii, and various concerned citizens submitted testimony supporting the intent of this measure.

Some of the testifiers recommended that this measure should exclude fluoride as any part of this plan to improve oral health and include dental hygienists as a part of the overall health care plan.

Your Committees understand that Hawaii faces an oral health care crisis. It is apparent throughout the community that Hawaii has one of the worst, if not the worst, rates of dental disease in the nation. Many children in Hawaii have limited access to much-needed dental disease prevention, early intervention, and dental treatment services. Your Committees believe that developing a plan to deal with children's oral health care needs will greatly reduce dental problems.

Your Committees agree that dental hygienists are an integral part of the oral health care solution and should be included as part of this health care plan. Accordingly, your Committees have amended this measure by:

- (1) Including dental hygienists as a part of the comprehensive health care plan and community programs for children; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 6, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 6, H.D. 1.

Signed by all members of the Committee except Representatives Garcia, Schatz, Takumi, Bukoski and Ontai.

#### **SCRep. 1181     Health and Education on S.C.R. No. 7**

The purpose of this concurrent resolution is to request the Department of Health and the Department of Education to develop a plan to improve the oral health of children in the State of Hawaii.

DOH, the Christian Science Committee on Publication for Hawaii, and various concerned citizens submitted testimony supporting the intent of this measure.

Some of the testifiers recommended that this measure should exclude fluoride as any part of this plan to improve oral health and include dental hygienists as a part of the overall health care plan.

Your Committees understand that Hawaii faces an oral health care crisis. It is apparent throughout the community that Hawaii has one of the worst, if not the worst, rates of dental disease in the nation. Many children in Hawaii have limited access to much-needed dental disease prevention, early intervention, and dental treatment services. Your Committees believe that developing a plan to deal with children's oral health care needs will greatly reduce dental problems.

As affirmed by the records of votes of the members of your Committees on Health and Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 7, S.D. 1, and recommend that be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Schatz, Takumi, Bukoski and Ontai.

#### **SCRep. 1182     Water and Land Use on H.R. No. 125**

The purpose of this resolution is to address the growing threat of invasive species of macroalgae on Hawaii's reefs by requesting the Department of Land and Natural Resources (DLNR) to study and plan for:

- (1) A demonstration project in Kaneohe Bay, Oahu, to determine the best methods to control or eliminate the macroalgae that threaten endemic corals;
- (2) A workshop of experts to develop the best methods to control or eliminate macroalgae; and
- (3) A community outreach and education program to inform the public about the macroalgae threat and how the public can help prevent its spread.

Two individuals testified in support of this resolution. DLNR supported the intent of this measure, and the Sierra Club, Hawaii Chapter offered comments.

Your Committee finds that adequate funding is an important component to the success of this undertaking. DLNR is currently seeking federal and private funds to help to address this problem.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 125 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Morita, Schatz and Bukoski.

**SCRep. 1183 Water and Land Use on H.C.R. No. 133**

The purpose of this concurrent resolution is to address the growing threat of invasive species of macroalgae on Hawaii's reefs by requesting the Department of Land and Natural Resources (DLNR) to study and plan for:

- (1) A demonstration project in Kaneohe Bay, Oahu, to determine the best methods to control or eliminate the macroalgae that threaten endemic corals;
- (2) A workshop of experts to develop the best methods to control or eliminate macroalgae; and
- (3) A community outreach and education program to inform the public about the macroalgae threat and how the public can help prevent its spread.

Two individuals testified in support of this concurrent resolution. DLNR supported the intent of this measure, and the Sierra Club, Hawaii Chapter offered comments.

Your Committee finds that adequate funding is an important component to the success of this undertaking. DLNR is currently seeking federal and private funds to help to address this problem.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 133 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Morita, Schatz and Bukoski.

**SCRep. 1184 Water and Land Use on H.R. No. 160**

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to proceed with the implementation of this action which had been unanimously adopted by the Board of Land and Natural Resources in December 1971. Board approval followed a request by the DLNR Division of State Parks to create a low-cost "primitive park" which would provide for the excavation and preservation of archaeological findings as well as controlled access to these areas. These actions were, in turn, generated by S.R. No. 267, which was adopted 30 years ago by the 1971 Legislature.

In testifying in support of this measure, DLNR indicated that these areas should be protected and eventually given state park status. However, it cited limited funding and staffing. Supporting testimony was also submitted by The Trust for Public Land and two individuals.

Necessary funding could be inserted into this year's executive budget or await further consideration next session.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 160 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Schatz and Bukoski.

**SCRep. 1185 Water and Land Use on H.C.R. No. 185**

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to proceed with the implementation of this action which had been unanimously adopted by the Board of Land and Natural Resources in December 1971. Board approval followed a request by the DLNR Division of State Parks to create a low-cost "primitive park" which would



provide for the excavation and preservation of archaeological findings as well as controlled access to these areas. These actions were, in turn, generated by S.R. No. 267, which was adopted 30 years ago by the 1971 Legislature.

In testifying in support of this measure, DLNR indicated that these areas should be protected and eventually given state park status. However, it cited limited funding and staffing. Supporting testimony was also submitted by The Trust for Public Land and two individuals.

Necessary funding could be inserted into this year's executive budget or await further consideration next session.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 185 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ito, Schatz and Bukoski.

**SCRep. 1186     Water and Land Use on H.R. No. 90**

The purpose of this resolution is to protect the unique resources that exist in Hawaii's caves and lava tubes by requesting the Department of Land and Natural Resources (DLNR) to establish the Hawaii Caves Task Force to devise a workable statutory plan for ownership and use of Hawaii's caves.

DLNR, Hawaii Speleological Society, Hawaii Cave Grotto, and an individual offered comments.

Recently, there has been a steady increase in lava tube explorations for commercial purposes. For example, daily tours are conducted in Kaeleku Caverns in Hana, Maui. Some of these tours are advertised throughout Hawaii.

Increased usage of lava tubes raises a host of concerns and issues including property rights, access, liability, and the protection of natural as well as cultural resources that exist in these caves. However, unlike other states, Hawaii has no statute regarding cave law that could address many of these issues.

Your Committee has amended this measure by:

- (1) Specifying that the membership of the Task Force not be limited to the parties listed;
- (2) Providing for a broader representation on the Task Force from environmental organizations instead of a DLNR environmentalist;
- (3) Specifying that the Task Force include representation from the burial councils instead of one member from each island's burial council; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 90, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 90, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Schatz and Bukoski.

**SCRep. 1187     Water and Land Use on H.C.R. No. 94**

The purpose of this concurrent resolution is to protect the unique resources that exist in Hawaii's caves and lava tubes by requesting the Department of Land and Natural Resources (DLNR) to establish the Hawaii Caves Task Force to devise a workable statutory plan for ownership and use of Hawaii's caves.

DLNR, Hawaii Speleological Society, Hawaii Cave Grotto, and an individual offered comments.

Recently, there has been a steady increase in lava tube explorations for commercial purposes. For example, daily tours are conducted in Kaeleku Caverns in Hana, Maui. Some of these tours are advertised throughout Hawaii.

Increased usage of lava tubes raises a host of concerns and issues including property rights, access, liability, and the protection of natural as well as cultural resources that exist in these caves. However, unlike other states, Hawaii has no statute regarding cave law that could address many of these issues.

Your Committee has amended this measure by:

- (1) Specifying that the membership of the Task Force not be limited to the parties listed;
- (2) Providing for a broader representation on the Task Force from environmental organizations instead of a DLNR environmentalist;
- (3) Specifying that the Task Force include representation from the burial councils instead of one member from each island's burial council; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 94, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 94, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Schatz and Bukoski.

**SCRep. 1188 Health on H.R. No. 50**

The purpose of this resolution is to:

- (1) Urge health care insurers to include coverage for hearing care in insurance plans for older adult patients; and
- (2) Encourage physicians to use appropriate health screening when caring for older adult patients.

The Executive Office on Aging testified in support of this measure with an amendment. Kaiser Permanente commented that hearing screening is already covered in their insurance plans.

Your Committee understands that the health, safety, and quality of life of an individual is affected by their ability to hear. Furthermore, your Committee recognizes that hearing loss is one of the most chronic conditions that affect the elderly in the United States, especially women.

Routine hearing screening of the elderly could make a difference for a person who might otherwise consciously disregard the noticeable signs of hearing loss. Signs of hearing loss at a hearing screening may alert individuals to seek medical attention for their condition and may result in lower medical costs in the long run due to early detection of a disorder.

Your Committee finds that there are health care plans designed for persons aged 65 and older who are recipients of Medicare coverage and that insurance coverage for annual or other routine screening for hearing loss can be built into these plans.

Accordingly, your Committee has amended this measure by:

- (1) Limiting hearing care coverage to health insurance plans designed for those aged sixty-five and older, namely the Medicare population; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 50, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as H.R. No. 50, H.D. 1.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 1189 Health on H.C.R. No. 48**

The purpose of this concurrent resolution is to:

- (1) Urge health care insurers to include coverage for hearing care in insurance plans for older adult patients; and
- (2) Encourage physicians to use appropriate health screening when caring for older adult patients.

The Executive Office on Aging testified in support of this measure with an amendment. Kaiser Permanente commented that hearing screening is already covered in their insurance plans.

Your Committee understands that the health, safety, and quality of life of an individual is affected by their ability to hear. Furthermore, your Committee recognizes that hearing loss is one of the most chronic conditions that affect the elderly in the United States, especially women.

Routine hearing screening of the elderly could make a difference for a person who might otherwise consciously disregard the noticeable signs of hearing loss. Signs of hearing loss at a hearing screening may alert individuals to seek medical attention for their condition and may result in lower medical costs in the long run due to early detection of a disorder.

Your Committee finds that there are health care plans designed for persons aged 65 and older who are recipients of Medicare coverage and that insurance coverage for annual or other routine screening for hearing loss can be built into these plans.

Accordingly, your Committee has amended this measure by:

- (1) Limiting hearing care coverage to health insurance plans designed for those aged sixty-five and older, namely the Medicare population; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 48, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce in the form attached hereto as H.C.R. No. 48, H.D. 1.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 1190 Health on H.R. No. 52**

The purpose of this resolution is to request that the Department of Health (DOH) and the Department of Education (DOE) jointly:

- (1) Determine whether the diagnosis of Attention Deficit Disorder (ADD) or Attention Deficit Hyperactivity Disorder (ADHD) in Hawaii has been excessive;
- (2) Determine whether Hawaii's children are being subjected to excessive use of psychiatric medications to modify their behavior; and
- (3) Research, examine, and recommend non-drug alternatives to solve this problem.

DOE and a concerned citizen supported the intent of this measure.

DOH testified in opposition to this measure.

Your Committee understands that the diagnosis of ADD and ADHD is a complex process that may be treated with medications. However, your Committee further understands that, rather than treating these disorders with unnecessary medication, discussing the use of other alternatives that would enable the affected children to be happy and cooperative learners, friends, and family members is paramount.

Your Committee believes that non-pharmaceutical means of controlling ADD and ADHD, such as EEG Biofeedback, need to be examined. Accordingly, your Committee has amended this measure by:

- (1) Defining the EEG Biofeedback treatment method;
- (2) Including EEG Biofeedback as one of the non-drug alternatives for the treatment of ADD and ADHD; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 52, as amended herein, and recommends that it be referred to the Committee on Education in the form attached hereto as H.R. No. 52, H.D. 1.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 1191 Health on H.C.R. No. 51**

The purpose of this concurrent resolution is to request that the Department of Health (DOH) and the Department of Education (DOE) jointly:

- (1) Determine whether the diagnosis of Attention Deficit Disorder (ADD) or Attention Deficit Hyperactivity Disorder (ADHD) in Hawaii has been excessive;
- (2) Determine whether Hawaii's children are being subjected to excessive use of psychiatric medications to modify their behavior; and
- (3) Research, examine, and recommend non-drug alternatives to solve this problem.

DOE and a concerned citizen supported the intent of this measure.

DOH testified in opposition to this measure.

Your Committee understands that the diagnosis of ADD and ADHD is a complex process that may be treated with medications. However, your Committee further understands that, rather than treating these disorders with unnecessary medication, discussing the use of other alternatives that would enable the affected children to be happy and cooperative learners, friends, and family members is paramount.

Your Committee believes that non-pharmaceutical means of controlling ADD and ADHD, such as EEG Biofeedback, need to be examined. Accordingly, your Committee has amended this measure by:

- (1) Defining the EEG Biofeedback treatment method;
- (2) Including EEG Biofeedback as one of the non-drug alternatives for the treatment of ADD and ADHD; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 51, as amended herein, and recommends that it be referred to the Committee on Education in the form attached hereto as H.C.R. No. 51, H.D. 1.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 1192 Health on H.R. No. 124**

The purpose of this resolution is to request the Department of Labor and Industrial Relations (DLIR) to develop a plan to equalize the amount of the employer contribution for prepaid health care plans in the public and private sectors.

The Hawaii Business League submitted testimony in support of this measure. DLIR supported the intent of the measure with amendments.

Your Committee understands that HPHCA was designed to protect Hawaii's people against catastrophic economic hardship resulting from the high cost of medical care. However, DLIR testified that Congressional action is necessary to amend HPHCA. Moreover, public sector benefits can be negotiated through the collective bargaining process, while private sector benefits are fixed by law.

Health insurance premiums have risen as a result of increased health care costs. Therefore, many employers today find that they are paying approximately 100 percent of their employee's health care premiums.

Accordingly, your Committee has amended this measure by changing its scope to address DLIR concerns. As amended, this measure requests the assistance of Hawaii's Congressional Delegation to amend the HPHCA, instead of requesting the DLIR study. Further, this measure has been amended by:

- (1) Amending the title to read: "REQUESTING THE MEMBERS OF HAWAII'S CONGRESSIONAL DELEGATION TO SEEK AND SUPPORT A BROADER EXEMPTION OF THE HAWAII PREPAID HEALTH CARE ACT TO ENSURE EQUALITY IN THE AMOUNTS PAID BY PUBLIC AND PRIVATE EMPLOYERS FOR HEALTH CARE PREMIUMS;"
- (2) Transmitting a certified copy of this measure only to members of Hawaii's Congressional Delegation; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 124, as amended herein, and recommends that it be referred to the Committee on Labor and Public Employment in the form attached hereto as H.R. No. 124, H.D. 1.

Signed by all members of the Committee except Representatives Yonamine and McDermott.

**SCRep. 1193 Health on H.C.R. No. 132**

The purpose of this concurrent resolution is to request the Department of Labor and Industrial Relations (DLIR) to develop a plan to equalize the amount of the employer contribution for prepaid health care plans in the public and private sectors.

The Hawaii Business League submitted testimony in support of this measure. DLIR supported the intent of the measure with amendments.

Your Committee understands that HPHCA was designed to protect Hawaii's people against catastrophic economic hardship resulting from the high cost of medical care. However, DLIR testified that Congressional action is necessary to amend HPHCA. Moreover, public sector benefits can be negotiated through the collective bargaining process, while private sector benefits are fixed by law.

Health insurance premiums have risen as a result of increased health care costs. Therefore, many employers today find that they are paying approximately 100 percent of their employee's health care premiums.

Accordingly, your Committee has amended this measure by changing its scope to address DLIR concerns. As amended, this measure requests the assistance of Hawaii's Congressional Delegation to amend the HPHCA, instead of requesting the DLIR study. Further, this measure has been amended by:

- (1) Amending the title to read: "REQUESTING THE MEMBERS OF HAWAII'S CONGRESSIONAL DELEGATION TO SEEK AND SUPPORT A BROADER EXEMPTION OF THE HAWAII PREPAID HEALTH CARE ACT TO ENSURE EQUALITY IN THE AMOUNTS PAID BY PUBLIC AND PRIVATE EMPLOYERS FOR HEALTH CARE PREMIUMS;"
- (2) Transmitting a certified copy of this measure only to members of Hawaii's Congressional Delegation; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 132, as amended herein, and recommends that it be referred to the Committee on Labor and Public Employment in the form attached hereto as H.C.R. No. 132, H.D. 1.

Signed by all members of the Committee except Representatives Yonamine and McDermott.

**SCRep. 1194    Health on H.C.R. No. 174**

The purpose of this concurrent resolution is to request the Department of Health (DOH) to maintain the Crisis Shelter and crisis team on the grounds of the Old Waimano Home indefinitely.

The Research Center of Hawaii, Kokua Mau Work Center, and concerned citizens submitted testimony in support of this measure.

The Department of Health (DOH) supported the intent of this measure. The State Council on Developmental Disabilities and Disability and Communications Access Board (DCAB) opposed this measure.

Your Committee understands that the Crisis Shelter at Waimano serves a useful purpose and helps with the transition of clients from an institutional setting into the community. Your Committee finds that it would be difficult to place some of these clients in the community without the support services provided by the Crisis Shelter.

Some of the testifiers in opposition stated that support needs to be in place to address crisis situations regardless of whether the State or private sector provides the services, and regardless of the location. The primary concern of these testifiers is that the facility remains open until a viable alternative program is found. DOH assured your Committee that the Crisis Shelter will not be closed until an appropriate provider is operational and capable of providing outreach services.

Accordingly, your Committee has amended this measure by:

- (1) Amending the title to read: "REQUESTING THE DEPARTMENT OF HEALTH TO MAINTAIN THE CRISIS SHELTER AND CRISIS TEAM ON THE GROUNDS OF WAIMANO TRAINING SCHOOL AND HOSPITAL UNTIL SUCH TIME THAT ADEQUATE COMMUNITY SERVICES FOR THE POPULATION SERVED BY THE CRISIS SHELTER ARE AVAILABLE;"
- (2) Changing the name of the institution from Waimano Home to Waimano Training School and Hospital to reflect the current name of the facility;
- (3) Amending erroneous dates and information regarding the closure of the facility and provision of services; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 174, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 174.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 1195    Health on H.C.R. No. 175**

The purpose of this concurrent resolution is to request the Department of Health (DOH) to conduct a definitive study on the effectiveness of fluoridation that addresses:

- (1) The health and safety of fluoridating Hawaii's drinking water;
- (2) Education and awareness efforts in the community; and
- (3) Effects of fluoridation on the environment.

Additionally, DOH is requested to:

- (1) Examine studies of other cities and states that have fluoridated water; and
- (2) Develop an implementation plan and cost analysis.

DOH, Kokua O'Kalani, and Kokua Council submitted testimony in support of this measure. A concerned citizen supported the intent of this measure.

Down to Earth Natural Foods and numerous concerned citizens submitted testimony in opposition of this measure. Many of the testifiers expressed concern that DOH would be the only agency involved in conducting the study, as they are known advocates of fluoridation. Those testifiers suggested that if this measure passes, another agency should be involved in the study as well.

Your Committee understands that Hawaii has one of the worst, if not the worst, rates of dental disease in the United States, especially among children. Moreover, your Committee finds that many of these diseases are due to the limited access to much-needed dental disease prevention, early intervention, and dental treatment services. Furthermore, an improvement in oral health improves the physical and psychological well being of the community.

Although proponents claim that fluoridation is proven to be safe, effective, and efficient across the nation, Hawaii ranks last among all fifty states in the proportion of state residents with access to fluoridated drinking water. Your Committee realizes that we live in a unique environment and that many concerns still exist over this public health measure.

Your Committee has considered the concerns brought forth by those in opposition to this measure, and has amended this measure accordingly by:

- (1) Requiring DOH and Hawaii Citizens for Health (HCH) to jointly conduct the study of the effectiveness of fluoridating the water system;
- (2) Addressing the concerns of water fluoridation's impact on reef and marine life;
- (3) Including the effects of fluoridation on children and adults with chemical sensitivities;
- (4) Requiring DOH and HCH as part of their study, to consider military bases and facilities throughout the State of Hawaii that already use fluoridated water;
- (5) Addressing concerns that dental caries and dental disease may be more prevalent among different ethnic groups in Hawaii;
- (6) Deleting the requirement of a draft plan for the implementation of fluoridation in Hawaii; and
- (7) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 175, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 175, H.D. 1.

Signed by all members of the Committee except Representatives Yonamine and McDermott.

**SCRep. 1196 Legislative Management on H.R. No. 135**

DAGS submitted testimony in support of the intent of this proposed draft.

The purpose of this resolution is to request the Department of Accounting and General Services to review employee travel policies for state executive departments and agencies and submit a report of policy suggestions.

Your Committee finds that while it is appropriate to allow state employees to travel for certain reasons, such as to acquire education or information relevant to their type of work, it is equally important to set a standard travel policy. Such a policy should reflect the State's intention to minimize costs, while affording employees the opportunity to enhance their skills, knowledge, and job performance.

Your Committee agrees that the State could save on cost by establishing a uniform policy on employee intrastate and interstate travel that requires justification for travel and allows department heads to grant written exceptions to that policy, if necessary.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 135, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1197 Legislative Management on H.C.R. No. 146**

The purpose of this concurrent resolution is to request the Department of Accounting and General Services to review employee travel policies for state executive departments and agencies and submit a report of policy suggestions.

Your Committee finds that while it is appropriate to allow state employees to travel for certain reasons, such as to acquire education or information relevant to their type of work, it is equally important to set a standard travel policy. Such a policy should reflect the State's intention to minimize costs, while affording employees the opportunity to enhance their skills, knowledge, and job performance.

Your Committee agrees that the State could save on costs by establishing a uniform policy on employee intrastate and interstate travel that requires justification for travel and allows department heads to grant written exceptions to that policy, if necessary.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 146, H.D. 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1198 Legislative Management on H.R. No. 63**

The purpose of this Resolution is to request the Legislative Reference Bureau to conduct a study on the feasibility of implementing a state pharmaceutical assistance program.

Specifically, this Resolution requests the compilation of data on the status of prescription drugs in Hawaii, including the number and percentage of uninsured and underinsured, the profile of users and need, and the scope of available programs and access to prescription drugs. Information is also requested from other states with similar programs.

Your Committee received testimony in support of this measure from the Hawaii Pharmacists Association and testimony commenting on the measure from the Legislative Reference Bureau.

Upon further consideration, your Committee has amended this measure to incorporate the suggestion made by the Legislative Reference Bureau to remove the references to the "underinsured" and "profiles" in order to make the study less confusing, better focused, and targeted to the needs of the Legislature.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 63, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 63, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1199 Legislative Management on H.C.R. No. 129**

The purpose of this Concurrent Resolution is to request the Legislative Reference Bureau to conduct a study on the feasibility of implementing a state pharmaceutical assistance program.

Specifically, this Concurrent Resolution requests the compilation of data on the status of prescription drugs in Hawaii, including the number and percentage of uninsured and underinsured, the profile of users and need, and the scope of available programs and access to prescription drugs. Information is also requested from other states with similar programs.

Your Committee received testimony in support of this measure from the Hawaii Pharmacists Association and testimony commenting on the measure from the Legislative Reference Bureau.

Upon further consideration, your Committee has amended this measure to incorporate the suggestion made by the Legislative Reference Bureau to remove the references to the "underinsured" and "profiles" in order to make the study less confusing, better focused, and targeted to the needs of the Legislature.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 129, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 129, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1200 Health on H.R. No. 168**

The purpose of this resolution is to request the Department of Health (DOH) and the Department of Human Services to:

- (1) Develop strategies to meet the oral health care needs of underserved areas and underserved populations, particularly children; and
- (2) Submit a report to the Legislature prior to the convening of the Regular Session of 2002.

DOH, the Christian Science Committee on Publication for Hawaii, and several concerned citizens supported the intent of this measure. Many concerned citizens submitted testimony supporting the measure with amendments to specifically exclude consideration of fluoridation of drinking water.

Down to Earth Natural Foods opposed the measure.

Your Committee finds that Hawaii has a disproportionately high rate of dental disease, especially among children. Many children in the community have limited access to much-needed dental disease prevention, early intervention, and dental treatment services. Furthermore, your Committee recognizes that through the improvement of oral health, the general well-being of the community will be greatly enhanced.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 168 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Yonamine and McDermott.

**SCRep. 1201 Health on H.C.R. No. 194**

The purpose of this concurrent resolution is to request the Department of Health (DOH) and the Department of Human Services to:

(1) Develop strategies to meet the oral health care needs of underserved areas and underserved populations, particularly children; and

(2) Submit a report to the Legislature prior to the convening of the Regular Session of 2002.

DOH, the Christian Science Committee on Publication for Hawaii, and several concerned citizens supported the intent of this measure. Many concerned citizens submitted testimony supporting the measure with amendments to specifically exclude consideration of fluoridation of drinking water.

Down to Earth Natural Foods opposed the measure.

Your Committee finds that Hawaii has a disproportionately high rate of dental disease, especially among children. Many children in the community have limited access to much-needed dental disease prevention, early intervention, and dental treatment services. Furthermore, your Committee recognizes that through the improvement of oral health, the general well-being of the community will be greatly enhanced.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 194 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Yonamine and McDermott.

#### **SCRep. 1202 Health on H.C.R. No. 83**

The purpose of this concurrent resolution is to endorse the proclamation of February as National Heart Failure Awareness Month.

The Department of Health and a concerned citizen testified in support of this measure.

Your Committee understands that this proclamation would promote research and education related to heart failure and increase the awareness among patients with heart failure and their caregivers on the effective diagnosis and treatments which will prolong and enhance their quality of life.

Moreover, your Committee finds that heart failure is one of the most common causes of death of people in the United States. Furthermore, your Committee was informed that Angiotensin Converting Enzyme (ACE) inhibitors may be a tremendously effective treatment for congestive heart failure and will improve a person's longevity and quality of life if used properly.

Accordingly, your Committee has amended this measure by:

- (1) Amending the title to read: "ENDORING THE PROCLAMATION OF EACH FEBRUARY AS HAWAII HEALTHY HEART AWARENESS MONTH;"
- (2) Clarifying that this proclamation refers to every February occurring after the adoption of this concurrent resolution; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 83, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 83, H.D. 1.

Signed by all members of the Committee except Representative McDermott.

#### **SCRep. 1203 Judiciary and Hawaiian Affairs on H.C.R. No. 117**

The purpose of this concurrent resolution is to request the Office of Elections to conduct a study to determine the feasibility of providing same-day voter registration for Hawaii residents who desire to participate in elections.

Supportive testimony was submitted by the Libertarian Party of Hawaii, the League of Women Voters of Hawaii, the Center for Voting and Democracy, Common Cause Hawaii, and a concerned citizen. The Office of Elections testified in support of the intent of the measure.

Historically, voter participation on the national level has shown a decrease over the past twenty years. In an effort to stem this trend, election administrators in the State of Hawaii and nationwide have undertaken efforts to remove "administrative obstacles and impediments" to improve the public's access to voter registration. These efforts include:

- (1) The establishment of self-subscribing mail-in affidavits found at all State agencies, State libraries, Post Offices, the Yellow Pages of the phone book and on the internet; and
- (2) The implementation of the "Motor Voter" registration program, which allows the public to register to vote when applying for or renewing a driver's license.

Unfortunately, the problem of declining voter participation does not appear to be one that can be easily addressed by administrative measures. It will require the collaborative efforts of the political parties, candidates, elected officials, civil and community organizations, and election administrators.



Accordingly, your Committee believes the study proposed by this measure will provide the Legislature with concrete recommendations on ways of enhancing voter participation – and in particular whether the establishment of a same-day voter registration program in our State is feasible and warranted.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 117 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Kanoho, Yoshinaga and Thielen.

**SCRep. 1204 Health on H.R. No. 16**

The purpose of this resolution is to support the funding of a second ambulance to serve the Waianae Coast.

Testimony in support of this measure was received from the Waianae Coast Comprehensive Health Center and the Department of Health (DOH).

Your Committee realizes that the Waianae Coast has a growing population, consisting of over 40,000 citizens. Moreover, your Committee understands that the City and County of Honolulu is woefully lacking in the provision of adequate Emergency Medical Services (EMS) to that area. In fact, when the single ambulance that services this community is on a call, a "back up" unit must respond from the Makakilo, Waipahu, Aiea, or Wahiawa area which may take upwards of 40 minutes. This response time is ridiculously inadequate and does not meet the standards set forth by the DOH's EMS Systems Branch.

Moreover, your Committee realizes that the Waianae Coast ranks highest in the number of trauma cases handled by ambulance units on O'ahu and second highest in cardiac cases. Thus, in a life and death situation, which many of these cases are, the response time by the so-called "back up" units is unacceptable and may be life endangering.

Therefore, your Committee would like to stress that more can and needs to be done to assist the residents of the Waianae community with respect to their emergency medical care.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 16 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 1205 Health on H.C.R. No. 14**

The purpose of this concurrent resolution is to support the funding of a second ambulance to serve the Waianae Coast.

Testimony in support of this measure was received from the Waianae Coast Comprehensive Health Center and the Department of Health (DOH).

Your Committee realizes that the Waianae Coast has a growing population, consisting of over 40,000 citizens. Moreover, your Committee understands that the City and County of Honolulu is woefully lacking in the provision of adequate Emergency Medical Services (EMS) to that area. In fact, when the single ambulance that services this community is on a call, a "back up" unit must respond from the Makakilo, Waipahu, Aiea, or Wahiawa area which may take upwards of 40 minutes. This response time is ridiculously inadequate and does not meet the standards set forth by the DOH's EMS Systems Branch.

Moreover, your Committee realizes that the Waianae Coast ranks highest in the number of trauma cases handled by ambulance units on O'ahu and second highest in cardiac cases. Thus, in a life and death situation, which many of these cases are, the response time by the so-called "back up" units is unacceptable and may be life endangering.

Therefore, your Committee would like to stress that more can and needs to be done to assist the residents of the Waianae community with respect to their emergency medical care.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 14 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 1206 Health on H.R. No. 72**

The purpose of this resolution is to request the State Health Planning and Development Agency (SHPDA) to develop a "State of Hawaii Health Policy Guidebook" based on the Hawaii Health Performance Plan.

The Hawaii State Health Coordinating Council, SHPDA, H2P2 Plan Development Committee, Certificate of Need Review Panel, Hawaii County Sub-area Health Planning Council, Windward Oahu Sub-area Health Planning Council, Tri-isle Sub-area Health Planning Council, West Oahu Sub-area Health Planning Council, Honolulu Sub-area Health Planning Council, Kauai Sub-area Health Planning Council, Hawaii Medical Service Association, Queen's Development Corporation, Straub Clinic and Hospital, and Hawaii Disability Rights Center Submitted testimony in support of this resolution.

Your Committee notes that SHPDA is mandated by statute to be Hawaii's primary health planning and development agency and serves in both a regulatory and collaborative planning and development capacity. It is through its planning and development activities that the Hawaii Health Performance Plan was conceived and now serves as the foundation upon which SHPDA's other activities are based.

Your Committee further notes that through the collaborative efforts of both public and private agencies and the diligent work of SHPDA, the health care industry, and communities throughout the State, a "map" of Hawaii's health care development vision was able to be developed.

Your Committee understands that this guidebook will place Hawaii in step with the health care community nationwide, and in fact, place Hawaii at the forefront of community health planning in the United States. Moreover, this guidebook will have a significant positive impact on the health of our island's communities.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 72 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 1207 Health on H.C.R. No. 77**

The purpose of this concurrent resolution is to request the State Health Planning and Development Agency (SHPDA) to develop a "State of Hawaii Health Policy Guidebook" based on the Hawaii Health Performance Plan.

The Hawaii State Health Coordinating Council, SHPDA, H2P2 Plan Development Committee, Certificate of Need Review Panel, Hawaii County Sub-area Health Planning Council, Windward Oahu Sub-area Health Planning Council, Tri-isle Sub-area Health Planning Council, West Oahu Sub-area Health Planning Council, Honolulu Sub-area Health Planning Council, Kauai Sub-area Health Planning Council, Hawaii Medical Service Association, Queen's Development Corporation, Straub Clinic and Hospital, and Hawaii Disability Rights Center Submitted testimony in support of this concurrent resolution.

Your Committee notes that SHPDA is mandated by statute to be Hawaii's primary health planning and development agency and serves in both a regulatory and collaborative planning and development capacity. It is through its planning and development activities that the Hawaii Health Performance Plan was conceived and now serves as the foundation upon which SHPDA's other activities are based.

Your Committee further notes that through the collaborative efforts of both public and private agencies and the diligent work of SHPDA, the health care industry, and communities throughout the State, a "map" of Hawaii's health care development vision was able to be developed.

Your Committee understands that this guidebook will place Hawaii in step with the health care community nationwide, and in fact, place Hawaii at the forefront of community health planning in the United States. Moreover, this guidebook will have a significant positive impact on the health of our island's communities.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 77 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 1208 Health on H.R. No. 141**

The purpose of this resolution is to urge the Department of Health (DOH), the Department of Education (DOE), and the Department of Agriculture to further encourage the consumption of five or more daily servings of fruits and vegetables.

DOH, the Board of Agriculture, HPC Foods, Pineapple Growers Association of Hawaii, Vegetarian Society of Hawaii, and a concerned citizen testified in support of this measure.

Your Committee realizes that virtually all authorities in the field of nutrition agree that Americans should increase their consumption of fruits and vegetables to reduce health risks. The daily consumption of five or more fruits or vegetables results in a healthier lifestyle, reduced cancer risk, and overall improved community health. Moreover, through the increased consumption of fruits and vegetables, the agricultural industry will feel a secondary effect of increased sales and production.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 141, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 141, H.D. 1.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 1209 Health on H.C.R. No. 151**

The purpose of this concurrent resolution is to urge the Department of Health (DOH), the Department of Education (DOE), and the Department of Agriculture to further encourage the consumption of five or more daily servings of fruits and vegetables.

DOH, the Board of Agriculture, HPC Foods, Pineapple Growers Association of Hawaii, Vegetarian Society of Hawaii, and a concerned citizen testified in support of this measure.

Your Committee realizes that virtually all authorities in the field of nutrition agree that Americans should increase their consumption of fruits and vegetables to reduce health risks. The daily consumption of five or more fruits or vegetables results in a healthier lifestyle, reduced cancer risk, and overall improved community health. Moreover, through the increased consumption of fruits and vegetables, the agricultural industry will feel a secondary effect of increased sales and production. Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 151, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 151, H.D. 1.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 1210 Health and Human Services and Housing on H.R. No. 139**

The purpose of this resolution is to urge the United States Congress and the Health Care Financing Administration to adjust Hawaii's aeromedical reimbursement rates by providing for immediate phase-in of the proposed Medicare fee schedule.

The Department of Health and Hawaii Air Ambulance (HAA) submitted testimony in support of this measure.

Your Committees note that Hawaii's Medicare reimbursement rates are based on a formula which differs from the rest of the nation with rates set by the airports to which the service flies. Your Committees also note that the Bush administration has put a freeze on all new rule changes, affecting the new fee schedule which was to go into effect this year.

Your Committees recognize that HAA provides a valuable service and is the only capable aeromedical transportation service in the State. Furthermore, your Committees note that at the present Medicare rates, HAA is barely covering its operational costs and may not be able to provide this service much longer if this trend continues.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 139 and recommend that be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 1211 Health and Human Services and Housing on H.C.R. No. 150**

The purpose of this concurrent resolution is to urge the United States Congress and the Health Care Financing Administration to adjust Hawaii's aeromedical reimbursement rates by providing for immediate phase-in of the proposed Medicare fee schedule.

The Department of Health and Hawaii Air Ambulance (HAA) submitted testimony in support of this measure.

Your Committees note that Hawaii's Medicare reimbursement rates are based on a formula which differs from the rest of the nation with rates set by the airports to which the service flies. Your Committees also note that the Bush administration has put a freeze on all new rule changes, affecting the new fee schedule which was to go into effect this year.

Your Committees recognize that HAA provides a valuable service and is the only capable aeromedical transportation service in the State. Furthermore, your Committees note that at the present Medicare rates, HAA is barely covering its operational costs and may not be able to provide this service much longer if this trend continues.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 150 and recommend that be referred to the Committee on Finance.

Signed by all members of the Committee except Representative McDermott.

**SCRep. 1212 Health on H.R. No. 130**

The purpose of this resolution is to request that the House of Representatives and the Senate of the State of Hawaii agree to a moratorium on fluoridation legislation until such a time as the issue of fluoridation, which is currently under investigation by Congress, should be debated by the Congress of the United States and/or litigated in the United States Supreme Court, and those findings are published.

The Coalition for Safe Drinking Water, We, the Women of Hawaii, Hawaii Citizens for Health, West Side Watershed Council of Kauai, Down to Earth Natural Foods, and numerous other citizens submitted testimony in support of this measure.

The Department of Health submitted testimony in opposition to this measure.

The Board of Water Supply submitted comments on this measure.

Your Committee understands that Hawaii has one of the worst, if not the worst, rates of dental disease in the United States, especially among children. Moreover, your Committee realizes that many of these diseases are due to the limited access to much-needed dental disease prevention, early intervention, and dental treatment services. Furthermore, it is recognized that an improvement in oral health also improves the physical and psychological well-being of the community at large.

Although proponents assert that fluoridation has proven to be safe, effective, and efficient across the nation, and Hawaii ranks last among all fifty states for the proportion of state residents with access to fluoridated drinking water, your Committee realizes that we live in a unique environment and that many concerns still exist over this public health measure.

Moreover, your Committee understands that scientific investigations regarding the efficacy and safety of fluoridation of public water supplies is currently being conducted by the Congress of the United States.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language that requires the transmittal of a certified copy of this resolution along with a letter urging that the study be completed as soon as possible;
- (2) Amending the title to read: "HOUSE RESOLUTION URGING CONGRESS TO EXPEDITE ITS INVESTIGATION OF WATER FLUORIDATION AND AGREEING TO EXERCISE RESTRAINT IN INTRODUCING ANY FLUORIDATION LEGISLATION UNTIL THE U.S. CONGRESS CONCLUDES ITS INVESTIGATION AND PUBLISHES ITS REPORT ON FLUORIDATION OR THE U.S. SUPREME COURT RULES ON ITS SAFETY AND EFFECTIVENESS, OR UNTIL WATER FLUORIDATION IS APPROVED BY THE U.S. FOOD AND DRUG ADMINISTRATION";
- (3) Stating that the House of Representatives and Senate agree to exercise restraint in the introduction of fluoridation legislation until Congress concludes its investigation into fluoridation and the United States Food and Drug Administration determines that fluoridation is safe and effective; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 130, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 130, H.D. 1.

Signed by all members of the Committee except Representative McDermott.  
(Representative Yonamine voted no.)

#### **SCRep. 1213    Health on H.C.R. No. 139**

The purpose of this concurrent resolution is to request that the House of Representatives and the Senate of the State of Hawaii agree to a moratorium on fluoridation legislation until such a time as the issue of fluoridation, which is currently under investigation by Congress, should be debated by the Congress of the United States and/or litigated in the United States Supreme Court, and those findings are published.

The Coalition for Safe Drinking Water, We, the Women of Hawaii, Hawaii Citizens for Health, West Side Watershed Council of Kauai, Down to Earth Natural Foods, and numerous other citizens submitted testimony in support of this measure.

The Department of Health submitted testimony in opposition to this measure.

The Board of Water Supply submitted comments on this measure.

Your Committee understands that Hawaii has one of the worst, if not the worst, rates of dental disease in the United States, especially among children. Moreover, your Committee realizes that many of these diseases are due to the limited access to much-needed dental disease prevention, early intervention, and dental treatment services. Furthermore, it is recognized that an improvement in oral health also improves the physical and psychological well-being of the community at large.

Although proponents assert that fluoridation has proven to be safe, effective, and efficient across the nation, and Hawaii ranks last among all fifty states for the proportion of state residents with access to fluoridated drinking water, your Committee realizes that we live in a unique environment and that many concerns still exist over this public health measure.

Moreover, your Committee understands that scientific investigations regarding the efficacy and safety of fluoridation of public water supplies is currently being conducted by the Congress of the United States.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language that requires the transmittal of a certified copy of this concurrent resolution along with a letter urging that the study be completed as soon as possible;
- (2) Amending the title to read: "HOUSE CONCURRENT RESOLUTION URGING CONGRESS TO EXPEDITE ITS INVESTIGATION OF WATER FLUORIDATION AND AGREEING TO EXERCISE RESTRAINT IN INTRODUCING ANY FLUORIDATION LEGISLATION UNTIL THE U.S. CONGRESS CONCLUDES ITS INVESTIGATION AND PUBLISHES ITS REPORT ON FLUORIDATION OR THE U.S. SUPREME COURT RULES ON ITS SAFETY AND EFFECTIVENESS, OR UNTIL WATER FLUORIDATION IS APPROVED BY THE U.S. FOOD AND DRUG ADMINISTRATION";

(3) Stating that the House of Representatives and Senate agree to exercise restraint in the introduction of fluoridation legislation until Congress concludes its investigation into fluoridation and the United States Food and Drug Administration determines that fluoridation is safe and effective; and

(4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 139, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 139, H.D. 1.

Signed by all members of the Committee except Representative McDermott.  
(Representative Yonamine voted no.)

#### **SCRep. 1214     Judiciary and Hawaiian Affairs on H.R. No. 118**

The purpose of this resolution is to demonstrate the House of Representative's support for Project Ka Hale Pono's petition to the Department of Hawaiian Home Lands for a parcel of land to build a youth center.

Supportive testimony was submitted by a homesteader in Anahola, Island of Kauai, and a concerned private citizen. Comments were also submitted by the Department of Hawaiian Home Lands.

Through a highly collaborative and inclusive process, Project Ka Hale Pono has brought together the resources of government, education, communities and private agencies to develop plans for a youth center in Anahola, Island of Kauai. This group, known as Anahola Based Community Development, is developing an application for federal funding to build the youth center.

Once completed, the youth center, to be known as Ka Hale Pono, will serve as a venue for needed services in the community, including after-school programs, family computer literacy classes, health services, informational sessions on college opportunities and financial aid, life skills training and training for workforce development.

In light of this, your Committee believes the adoption of this resolution will demonstrate the Legislature's support for the project, as well as reaffirm the State's commitment to improving the quality of life for our citizenry.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 118 and recommends its adoption.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Kanoho, Yoshinaga and Thielen.

#### **SCRep. 1215     Judiciary and Hawaiian Affairs on H.C.R. No. 125**

The purpose of this concurrent resolution is to demonstrate the Legislature's support for Project Ka Hale Pono's petition to the Department of Hawaiian Home Lands for a parcel of land to build a youth center.

Supportive testimony was submitted by a homesteader in Anahola, Island of Kauai, and a concerned private citizen. Comments were also submitted by the Department of Hawaiian Home Lands.

Through a highly collaborative and inclusive process, Project Ka Hale Pono has brought together the resources of government, education, communities and private agencies to develop plans for a youth center in Anahola, Island of Kauai. This group, known as Anahola Based Community Development, is developing an application for federal funding to build the youth center.

Once completed, the youth center, to be known as Ka Hale Pono, will serve as a venue for needed services in the community, including after-school programs, family computer literacy classes, health services, informational sessions on college opportunities and financial aid, life skills training and training for workforce development.

In light of this, your Committee believes the adoption of this concurrent resolution will demonstrate the Legislature's support for the project, as well as reaffirm the State's commitment to improving the quality of life for our citizenry.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 125 and recommends its adoption.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Kanoho, Yoshinaga and Thielen.

#### **SCRep. 1216     Judiciary and Hawaiian Affairs on H.C.R. No. 23**

The purpose of this concurrent resolution is to demonstrate the Legislature's:

- (1) Support for the sovereign rights of Native Hawaiians; and
- (2) Recognition of the immediate need to develop a government-to-government relationship between a Hawaiian nation and the United States.

More specifically, this concurrent resolution requests that the Secretary of the Interior meet with representatives of the Hawaiian people to initiate the process of articulating and implementing a federal policy of Hawaiian self-government with a distinct, unique,

and special trust relationship. Furthermore, Congress is urged to support any legislation introduced for the purpose of achieving Hawaiian self-government.

Supportive testimony was submitted by the Office of Hawaiian Affairs. The Department of Hawaiian Home Lands testified in support of the intent of this measure.

Your Committee believes that the Hawaiian people, as the indigenous people of Hawaii, should enjoy the same rights as the indigenous Native Americans recognized by the federal government. Federal recognition would clarify the status of the Hawaiian people and shield them from legal challenges on their traditional and customary rights.

After careful consideration, your Committee has amended this concurrent resolution by:

- (1) Deleting the last WHEREAS clause, which provided that "the State of Hawaii would benefit substantially from the recognition of a Hawaiian nation because it would mean less state responsibility, less burden on state resources, and a stimulated economy as Hawaii businesses and programs become available";
- (2) Clarifying that "the Legislature of the State of Hawaii respectfully urges Congress to support any legislation introduced for the purpose of achieving Hawaiian self-government"; and
- (3) Making technical, nonsubstantive revisions for purposes of clarity, style and conformity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 23, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 23, H.D. 1.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Kanoho, Yoshinaga and Thielen.

#### **SCRep. 1217    Energy and Environmental Protection on H.R. No. 64**

The purpose of this resolution was to oppose a proposed experiment involving the ocean sequestration of carbon dioxide.

Your Committee received testimony from 38 concerned citizens and representatives of organizations in support of this measure, citing a broad range of possible environmental and economic risks from the proposed experiment. A videotape and a petition in support were also submitted. Opposition to the resolution was also voluminous, with testimony from 24 scientists, most of whom are involved in the experiments. The Chairman of the Pacific International Center for High Technology Research also testified against the measure. The Natural Energy Laboratory of Hawaii Authority recommended certain corrections, and the University of Hawaii Environmental Center offered comments.

Your Committee finds this to be a highly controversial issue which may present unintended ramifications for research funding in unrelated programs. Moreover, the real impacts of the project remain unclear. Both opponents and proponents of the measure brought forth compelling arguments to support their positions. The level of public interest and concern warrant a full discussion and disclosure which is not afforded in this legislative process. Therefore, your Committee finds that a thorough review under the National Environmental Policy Act would be the best venue to evaluate the merits of the proposed carbon dioxide ocean sequestration experiments.

Furthermore, your Committee finds that the subject experiment stems from a federal actions that favor carbon dioxide sequestering rather than emissions reductions. Your Committee questions the wisdom of such actions and the recent decision of the President of the United States not to regulate carbon dioxide emissions.

Therefore, your Committee has amended House Resolution 64 by:

- (1) Deleting the contents of the original measure; and
- (2) Substituting a resolution requesting the U.S. Congress to enact policies that will improve energy efficiency and develop energy alternatives that do not contribute to greenhouse gases.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 64, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 64, H.D. 1.

Signed by all members of the Committee except Representatives Ito and Meyer.

#### **SCRep. 1218    Energy and Environmental Protection on H.C.R. No. 64**

The purpose of this resolution was to oppose a proposed experiment involving the ocean sequestration of carbon dioxide.

Your Committee received testimony from 38 concerned citizens and representatives of organizations in support of this measure, citing a broad range of possible environmental and economic risks from the proposed experiment. A videotape and a petition in support were also submitted. Opposition to the resolution was also voluminous, with testimony from 24 scientists, most of whom are involved in the experiments. The Chairman of the Pacific International Center for High Technology Research also testified against the measure. The Natural Energy Laboratory of Hawaii Authority recommended certain corrections, and the University of Hawaii Environmental Center offered comments.

Your Committee finds this to be a highly controversial issue which may present unintended ramifications for research funding in unrelated programs. Moreover, the real impacts of the project remain unclear. Both opponents and proponents of the measure brought forth compelling arguments to support their positions. The level of public interest and concern warrant a full discussion and disclosure which is not afforded in this legislative process. Therefore, your Committee finds that a thorough review under the National Environmental Policy Act would be the best venue to evaluate the merits of the proposed carbon dioxide ocean sequestration experiments.

Furthermore, your Committee finds that the subject experiment stems from a federal actions that favor carbon dioxide sequestering rather than emissions reductions. Your Committee questions the wisdom of such actions and the recent decision of the President of the United States not to regulate carbon dioxide emissions.

Therefore, your Committee has amended House Resolution 64 by:

- (1) Deleting the contents of the original measure; and
- (2) Substituting a resolution requesting the U.S. Congress to enact policies that will improve energy efficiency and develop energy alternatives that do not contribute to greenhouse gases.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 64, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 64, H.D. 1.

Signed by all members of the Committee except Representatives Ito and Meyer.

#### **SCRep. 1219 Consumer Protection and Commerce on S.B. No. 589**

The purpose of this bill is to regulate dental insurers under the Insurance Code. This measure:

- (1) Brings dental service organizations under the regulatory umbrella of the Insurance Code by repealing chapter 448D, Dental Service Organizations, and regulating dental service organizations as disability insurers; and
- (2) Provides that the capital and surplus requirements applicable to dental insurers are to be phased in over a three-year period, from December 2002, to December 2004.

Testimony in support of this bill was received from the Insurance Division (Division) of the Department of Commerce and Consumer Affairs (DCCA). The Hawaii Medical Service Association testified in support of the intent of the bill. Testimony in opposition to the bill was received from Hawaii Dental Service.

Your Committee finds that dental service organizations, which provide contracts of indemnification for dental health treatment and act essentially as insurers, should be regulated in the same manner as other insurers.

Your Committee heard concerns that regulating dental service organizations as insurance carriers would eliminate their ability to tailor plans to fit the needs of employee and union groups, and would require them to issue a standard policy to each subscriber. This would impose unnecessary and costly administrative requirements on these organizations and also subject them to the state premium tax. All such costs would then be passed on to consumers.

- (1) Your Committee has thus amended this bill as suggested by the Insurance Commissioner, to:
- (2) Exempt dental health care insurance contracts from the premium tax; and

Clarify that persons providing or arranging for the delivery of dental services are included in the definition of "health maintenance organization" (HMO) in chapter 432D, the Health Maintenance Organization Act.

Your Committee understands that existing law, amended by this measure, allows dental service organizations to organize as mutual benefit societies under chapter 432, HMOs under chapter 432D, or as insurers subject to chapter 431. Dental insurers subject to chapter 431 will be exempt from the premium tax. Dental organizations organized as HMOs or mutual benefit societies will not be subject to the insurance premium tax and will also be exempt from insurance policy requirements.

Your Committee reconsidered decision-making on this bill to allow further discussion of the bill in Conference, by adding an amendment changing the effective date of the bill from upon its approval, to January 1, 2050.

Technical, nonsubstantive amendments have also been made to remove references to chapter 423, Hawaii Revised Statutes, and for style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 589, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 589, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Kanoho, Souki, Whalen and Yoshinaga.

#### **SCRep. 1220 Judiciary and Hawaiian Affairs on S.B. No. 1508**

The purpose of the bill is to amend the definition of "substantial bodily injury" in the penal code by deleting the requirement that second degree burns be caused by chemicals, electricity, friction, or scalding.

The Department of the Prosecuting Attorney for the City and County of Honolulu and Office of the Public Defender testified in support of the measure.

Your Committee finds that burns that are substantial bodily injuries are determined by the severity and degree, not by the nature or cause of the injuries.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1508, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Souki and Yoshinaga.

**SCRep. 1221 Judiciary and Hawaiian Affairs on S.B. No. 1512**

The purpose of the bill is to replace the term "law enforcement officer" with the term "peace officer."

The Honolulu Prosecuting Attorney and Honolulu Police Department submitted testimony supporting the bill, and suggesting amendments.

Your Committee has amended this bill by removing its substance and inserting new provisions.

Your Committee finds that police enforcement horses and dogs perform important public safety functions, and other jurisdictions have specific statutes providing criminal penalties for injuring or killing these animals. Your Committee believes that criminal penalties are appropriate for offenders who show a willingness to injure or kill these animals and thus use violence to evade capture. Restitution is also appropriate, because the purchase and proper training and maintenance of law enforcement dogs and horses involves a substantial outlay of time and resources.

Additionally, your Committee finds that government telecommunications systems provide police, fire, and other emergency services. Intentional interference with these types of communications can cause serious harm to the community, and should be prohibited.

Accordingly, your Committee has inserted into this bill, provisions that:

- (1) Protect law enforcement animals;
- (2) Include obstructing operation of radio, telephone, television or other government-owned or operated telecommunication systems in the offense of obstructing government operations; and
- (3) Sunset provisions in section 1 in one year.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1512, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1512, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Souki and Yoshinaga.

**SCRep. 1222 Judiciary and Hawaiian Affairs on S.B. No. 64**

The purpose of this bill is to establish interference with the reporting of an emergency or crime as a petty misdemeanor.

The Department of the Prosecuting Attorney for City and County of Honolulu, the Honolulu Police Department, and the Domestic Violence Clearinghouse and Legal Hotline submitted testimony in support of this bill. The Office of the Public Defender submitted testimony in opposition of this bill.

Your Committee finds that perpetrators of domestic violence should not prevent victims and witnesses from contacting authorities for assistance in preventing domestic violence.

Your Committee has amended this bill by:

- (1) Changing the offense from preventing the reporting of a crime or an emergency to interference with reporting an emergency or crime;
- (2) Limiting the crime of interference with reporting an emergency or crime to instances of intentionally or knowingly preventing an emergency call or reporting a crime by deleting "attempts to prevent";
- (3) Lowering the offense to a petty misdemeanor from a misdemeanor; and
- (4) Making technical, nonsubstantive amendments for clarity and style.



As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 64, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 64, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Souki and Yoshinaga.

**SCRep. 1223     Judiciary and Hawaiian Affairs on S.B. No. 65**

The purpose of the bill as received by your Committee is to bar the offense of assault in the third degree involving a family or household member from receiving the benefits of a deferred acceptance of guilty (DAG) or no contest (DANC) plea.

For purposes of facilitating review and comment, your Committee circulated a proposed H.D. 1 version of this bill prior to public hearing. The proposed H.D. 1 will ensure that criminal history record information is captured for all defendants who have been prosecuted and convicted via penal summons complaint.

The Honolulu Police Department supported the original measure. Your Committee received testimony in support of the proposed H.D. 1 from the Department of the Attorney General. Your Committee received revised testimony in support from the Hawaii Rifle Association and Lessons in Firearms Education (LIFE). The Judiciary and the Office of the Public Defender took no position on the proposed H.D. 1 but provided further comments.

Your Committee has amended the bill by deleting the contents and substituting provisions that require persons to whom penal summonses have been issued for a criminal offense and who have been convicted, granted a deferred plea, or granted a conditional discharge to undergo identification processing for criminal history records.

Your Committee finds that currently adults who have been prosecuted via penal summons complaint are not subject to identification processing unless, after conviction, they are ordered by the court to appear for processing, or they comply with a request to do so. Your Committee finds that requiring such persons to appear for identification processing upon conviction or the granting of a DAG or DANC plea will help maintain accurate criminal history records and help ensure public safety.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 65, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 65, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Kanoho, Yoshinaga and Thielen.

**SCRep. 1224     Judiciary and Hawaiian Affairs on S.B. No. 67**

The purpose of this bill is to authorize dismissal without hearing of certain applications to modify terms of existing protective orders.

Your Committee received testimony in favor of the measure from the Judiciary and the Domestic Violence Clearinghouse. Your Committee received testimony in opposition to the measure from the Office of the Public Defender.

Your Committee finds that frivolous motions to dismiss or modify terms of an existing order for protection are bothersome to the party compelled to make court appearances in response to these motions. This measure will reduce patently frivolous motions making better use of court time.

Your Committee has amended this bill by requiring allegations of a material rather than a significant change in circumstances for a hearing on a motion to dismiss or to modify the terms of an order of protection.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 67, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 67, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Souki and Yoshinaga.

**SCRep. 1225     Judiciary and Hawaiian Affairs on S.B. No. 69**

The purpose of the bill is to remove the three-year limits on protective orders and extensions of protective orders.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney for the City and County of Honolulu, the Honolulu Police Department, and the Domestic Violence Clearinghouse and Legal Hotline. Your Committee received testimony in opposition to this measure from the Office of the Public Defender.

Your Committee finds that the current law limits an initial protective order to three years and one extension of an additional three years regardless of the various factors involved in domestic abuse situations. This measure would allow the court to take into account all factors to determine appropriate and reasonable time periods for protective orders beyond three or six years if necessary.

Your Committee amended this bill by requiring that the initial time period and extensions must be of reasonable lengths.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 69, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 69, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Souki and Yoshinaga.

**SCRep. 1226 Judiciary and Hawaiian Affairs on S.B. No. 643**

The purpose of this bill is to authorize counties to enact and enforce ordinances relating to dangerous dogs and to grandfather existing ordinances.

Your Committee received testimony in support of the measure from the Corporation Counsel for the City and County of Honolulu, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Hawaiian Humane Society, and the Koolau News.

Your Committee finds that the counties are unsure whether sections 142-74 and 142-75 of the Hawaii Revised Statutes, relating to dogs, preempts county ordinances that deal with the same subject. This measure would give effect to such ordinances and eliminate the perception of preemption.

Your Committee has amended this bill by:

- (1) Limiting ordinances to those regulating persons who own dogs that have injured or destroyed an animal belonging to another person, not just dogs that have attacked or pose a risk of serious injury or death to another animal belonging to another person;
- (2) Limiting ordinances to those regulating persons who own dogs that have bitten humans on more than one occasion rather than dogs which attack, injure, kill, or pose risk of serious injury or death to other persons; and
- (3) Requiring ordinances to be consistent with state statutes.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 643, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 643, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Souki and Yoshinaga.

**SCRep. 1227 Judiciary and Hawaiian Affairs on S.B. No. 805**

The purpose of the bill is to allow the Narcotics Enforcement Division to share prescription fraud and abuse information about customers of pharmacists employed by a pharmacy registered to dispense controlled substances.

The Department of Public Safety commented on the measure.

Your Committee finds that under chapter 329, Hawaii Revised Statutes, pharmacists are subject to penalties for improperly dispensing controlled substances. This bill will allow pharmacists to make an informed decision about filling questionable prescriptions by permitting pharmacists to obtain any relevant prescription fraud or abuse information from the Electronic Prescription Monitoring System.

Your Committee has amended this bill by making technical, nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 805, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 805, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Souki and Yoshinaga.

**SCRep. 1228 Judiciary and Hawaiian Affairs on S.B. No. 1102**

The purpose of this measure is to support the rights of native Hawaiians by:

- (1) Promoting increased self-governance by Hawaiian homestead community organizations over the affairs of their distinct native communities on Hawaiian home lands; and
- (2) Correcting an inequity in section 209 of the Hawaiian Homes Commission Act, 1920, as amended (HHCA) relating to the blood requirements applicable to the descendants of lessees who were entitled to the leased land under section 3 of the Act of May 16, 1934 (48 Stat. 777, 779), as amended, or section 3 of the Act of July 9, 1952 (66 Stat. 511, 513).

The Department of Hawaiian Home Lands, residents of the Princess Kahanu Estates, the State Council of Hawaiian Homestead Associations, Ahahui Siwila Hawaii O Kapolei, Hui Kako'o Aina Ho'opulapula, the Waimanalo Hawaiian Homes Association, and members of the public testified in support of the measure. Ka Lahui Hawaii and members of the public testified in opposition to the bill.

Upon further consideration, your Committee has amended the bill by:

- (1) Deleting all references to federal recognition in section 1 of the bill;

- (2) Focusing the language in section 1 to provisions of federal law that pertain to the HHCA and Hawaiian home lands beneficiaries, and to other findings that are specific to communities found on Hawaiian home lands;
- (3) Deleting section 3 of the bill relating to proposed amendments to section 209 of the HHCA; and
- (4) Making other technical amendments for the purpose of clarity and style.

It is the intent of your Committee in making these amendments to clarify the true purpose of this bill, which is to provide for greater self-determination by native Hawaiians residing on Hawaiian home lands over the affairs of their communities.

Your Committee wishes to make clear that the deletion of references to federal recognition in this measure should not be interpreted to indicate that this Committee or the Legislature does not support federal recognition for the Hawaiian people. It is the Committee's belief that the references to federal recognition contained in previous drafts of the bill created confusion as to the purpose of this measure. Eliminating these references and focusing the language to the HHCA and its beneficiaries will provide clarity to the bill and its purpose.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1102, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1102, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Kanoho, Souki, Yoshinaga and Whalen.

#### **SCRep. 1229     Judiciary and Hawaiian Affairs on S.B. No. 1178**

The purpose of the bill is to:

- (1) Create a definition of "controlled substances analogue" that would treat substances similar in chemical structure or physical effect to a regulated controlled substance as if it were a controlled substance without specific legislative approval;
- (2) Define "locum tenens practitioner";
- (3) Allow the Department of Public Safety to change the schedule of controlled substances by rulemaking instead of legislative approval;
- (4) Amend the schedule of controlled substances to reflect recent changes in the schedule of federal controlled substances;
- (5) Raise penalties in HRS Sec. 329-65;
- (6) Make it unlawful for any person to obtain by deceit any controlled substances listed under HRS Sec. 329-61 or procure or attempt to procure by deceit these substances; and
- (7) Require a "patient's address and the date the prescription is issued" as information to be transmitted electronically to the department's electronic prescription accountability system.

Your Committee received testimony in support of the measure from the Department of Public Safety. Your Committee received testimony in opposition to the measure from the Office of the Public Defender.

Your Committee finds that there would be improper delegation of legislative authority to the Executive branch of government by:

- (1) Allowing the use of a category of "controlled substance analogue" to automatically put substances on to the list of controlled substance; and
- (2) Allowing the Department of Public Safety to change the schedule of controlled substances by rulemaking and without legislative approval.

Your Committee further finds that there is no indication of the need to raise the present penalties for violation of the proscriptions on controlled substances.

Your Committee has amended this bill by:

- (1) Deleting references to "controlled substance analogue";
- (2) Deleting provisions to allow scheduling of controlled substances by rulemaking and without legislative approval;
- (3) Deleting provisions increasing penalties under HRS Sec. 329-65; and
- (4) Making technical, nonsubstantive changes for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1178, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1178, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Souki and Yoshinaga.

**SCRep. 1230     Judiciary and Hawaiian Affairs on S.B. No. 759**

The purpose of this measure is to simplify the procedures and reduce the costs associated with claims involving joint tortfeasors by:

- (1) Establishing a new joint tortfeasor release statute that includes the right of contribution;
- (2) Repealing the existing joint tortfeasor release statute and right of contribution statute; and
- (3) Establishing a good faith settlement procedure for joint tortfeasors and co-obligors.

The Consumer Lawyers of Hawaii, three claims managers, and an attorney in private practice testified in support of the measure. The Hawaii Defense Lawyers Association commented on the bill.

Your Committee finds that the measure is the product of a collaborative effort between insurers and attorneys to simplify the procedures and reduce the costs associated with claims involving joint tortfeasors. The procedures proposed by the measure are based on a system that has been in existence in California for over ten years.

Your Committee has amended this measure by making technical, non-substantive changes for clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 759, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 759, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Kanoho, Yoshinaga and Thielen.

**SCRep. 1231     Consumer Protection and Commerce on S.B. No. 1071**

The purpose of this bill is to specify in the Insurance Code, minimum levels of bonding and errors and omissions coverage requirements for managing general agents and reinsurance intermediary-managers.

Testimony in support of this bill was received from the Insurance Division (Division) of the Department of Commerce and Consumer Affairs. The Hawaii Independent Insurance Agents Association stated concerns.

Your Committee finds that the law grants the Insurance Commissioner (Commissioner) unfettered discretion to establish minimum levels of bonding and errors and omissions coverage for managing general agents and reinsurance intermediary-managers. The Division must not only set these amounts on a case-by-case basis, but must also respond to requests for clarification of these requirements on a case-by-case basis. The Commissioner testified that this utilizes resources that are disproportionately greater than the benefits achieved.

Your Committee understands that other states set specific bond and errors and omissions coverage levels for managing general agents and reinsurance intermediary-managers, and that the amounts in this bill fall midway in the range of the various levels required. Your Committee finds that in increasing government efficiency by specifying these amounts, there would be minimal impact on regulated business and consumer interests.

To allow further consideration of the effect of various levels of coverage, your Committee has amended this bill by leaving blank all applicable percentages in the bill. Technical, nonsubstantive amendments have also been made for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1071, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1071, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Kanoho, Morita, Souki and Yoshinaga.

**SCRep. 1232     Consumer Protection and Commerce on S.B. No. 1349**

The purpose of this bill is to remove obsolete statutory references from the mutual benefit societies law.

University Health Alliance testified in support of this measure. The Insurance Division of the Department of Commerce and Consumer Affairs (Division) expressed concerns about this bill.

Your Committee finds that chapter 416 (Corporations, Generally), Hawaii Revised Statutes (HRS), was repealed following the enactment of the Hawaii Nonprofit Corporation Act, codified in chapter 415B, HRS. However, references to sections 416-19 and 416-20, HRS, remain in section 432:1-201, HRS, a provision in the mutual benefit societies law pertaining to incorporation of a mutual benefit society by charter. The proposed measure removes those obsolete statutory references.

Based upon the testimony of the Division, your Committee finds:

(1) That the deleted statutory references should be replaced with references to chapter 415B, HRS, that now governs the incorporation of mutual benefit societies; and

(2) A corresponding amendment is required to section 415B-4, the purpose section of chapter 415B, HRS, to include a reference to mutual benefit societies.

However, the narrow scope of this bill's title may constitutionally prohibit these amendments and necessitate another bill with a constitutionally acceptable title.

Your Committee further finds that concerns raised by the Division merit further examination and discussion. To allow these concerns to be addressed, your Committee reconsidered this measure and amended it by inserting an effective date of July 1, 2010.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1349, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1349, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Chang, Ahu Isa, Case, Kanoho, Souki and Yoshinaga.

#### **SCRep. 1233     Judiciary and Hawaiian Affairs and Human Services and Housing and Health on S.B. No. 1455**

The purpose of this bill is to expand the statutory framework of the Children's Advocacy Program (Program) to more accurately reflect its intended mission and activities.

The Judiciary and the Department of Human Services testified in support of this bill. The Office of Information Practices commented on this measure.

Your Committees find that this bill will conform the Program's legal mandate to activities related to child witnesses beyond victims of sex abuse. This is consistent with the activities of similar programs throughout the country and reflects the evolution of the Program over the past twelve years. This bill will also extend the benefit of the Program's facilities to children who are victims or witnesses in other types of cases, such as serious physical abuse, domestic violence, and homicide--a use that has been requested by law enforcement, protective services, and the courts.

The statutory changes proposed in this bill recognize the Program's role in effectuating systemic reforms on case coordination, training, and the development of interagency cooperation in child abuse cases, as reflected in protocols that have been developed since the initial enactment of the statute.

Your Committee made technical, nonsubstantive amendments for clarity and to conform to standard drafting style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Hawaiian Affairs and Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1455, S.D. 1, as amended herein, and recommend that it pass Second Reading and be placed on the calendar for Third Reading in the form attached hereto as S.B. No. 1455, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Souki, Yoshinaga, Yonamine, McDermott, Yonamine and McDermott.

#### **SCRep. 1234     Finance on S.B. No. 105**

The purpose of this bill is to provide funds for the development of infrastructure, including water infrastructure, at Kikala-Keokea on the island of Hawaii.

Specifically, this bill amends Act 242, Session Laws of Hawaii 1991, to:

- (1) Establish an Infrastructure Development Fund (Development Fund) for the development of infrastructure at Kikala-Keokea;
- (2) Establish the Kikala-Keokea Housing Revolving Fund (Revolving Fund) to provide low interest loans for home construction for Kikala-Keokea leaseholders who have been denied loans;
- (3) Transfer unexpended or unencumbered funds remaining in the Development Fund on June 30, 2002, to the Revolving Fund; provided that funding commitments to complete the design and construction of infrastructure improvements must first be executed; and
- (4) Appropriate moneys from both funds.

The Office of Hawaiian Affairs (OHA), Mayor of the County of Hawaii, and Hawaii County Economic Opportunity Council submitted testimony in support of this bill. The Housing and Community Development Corporation of Hawaii submitted testimony in support of the intent of this bill. The Department of Land and Natural Resources submitted comments.

Your Committee has amended this bill by:

- (1) Deleting all amendments made to Act 242, SLH 1991;

- (2) Establishing the Development Fund and Revolving Fund statutorily, instead of temporarily establishing them in Act 242, SLH 1991;
- (3) Requiring that interest on loans made under the Revolving Fund not exceed three percent and may be used for administrative costs;
- (4) Transferring unexpended or unencumbered funds remaining in the Development Fund on June 30, 2003, to the Revolving Fund;
- (5) Appropriating \$1,750,000 from the Development Fund for infrastructure development at the Kikala-Keokea subdivision, to be matched by OHA; and
- (6) Making numerous technical, nonsubstantive amendments to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 105, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 105, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1235 Finance on S.B. No. 638**

The purpose of this bill is provide Molokai homestead farmers with relief from the effect of prolonged drought conditions on Molokai by appropriating \$1 in general funds to pump water for the Molokai irrigation system until the reservoir water level reaches the forty-foot level.

The Office of Hawaiian Affairs and three members of the Maui County Council submitted testimony in support of the bill. The Department of Hawaiian Home Lands supported the intent of the bill. The Department of Agriculture submitted comments.

Your Committee finds that the Molokai irrigation system was designed to serve Molokai farmland in Ho'olehua, most of which is owned by the Department of Hawaiian Home Lands. This measure acknowledges the right of the lessees of the Hawaiian Homes Commission to two-thirds of the water from the Molokai Irrigation System.

Your Committee has amended this bill by:

- (1) Removing the general fund as the means of financing the appropriation, and replacing it with the Hawaiian Home Lands Trust Fund; and
- (2) Replacing the Department of Agriculture with the Department of Hawaiian Home Lands, as the expending agency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 638, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 638, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1236 Finance on S.B. No. 661**

The purpose of this bill is to require the Governor or Director of Finance to hold public hearings prior to placing restrictions on the budget allocation of any state agency or department.

The Department of Budget and Finance and Department of Transportation (DOT) submitted testimony supporting the proposed H.D. 1 version of this bill that focuses on reducing debt service requirements of the Airports Division of DOT.

Accordingly, your Committee has amended this bill by:

- (1) Replacing the contents with an appropriation to be used for the defeasance of certain outstanding airports system revenue bonds; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 661, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 661, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1237 Finance on S.B. No. 1209**

The purpose of this bill is to appropriate funds to pay for settlements and judgments against the University of Hawaii (UH), or its officers or employees.

UH testified in support of this measure.

Your Committee has amended this bill by:

- (1) Appropriating the funds from the UH Commercial Enterprises Revolving Fund instead of the General Fund; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1209, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1209, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1238 Finance on S.B. No. 1046**

The purpose of this bill, as received, is to clarify certain powers of the Board of Trustees of the Public Employees Health Fund (Health Fund).

For the purpose of receiving public testimony, your Committee submitted a proposed draft, deleting the substance of this bill and inserting the contents of House Bill No. 1058, H.D. 1. This proposed draft:

- (1) Limits state and county contributions for public employees health benefits expenditures to the amount appropriated in fiscal year 2001-2002; and
- (2) Provides that amounts subject to a collective bargaining agreement in effect on July 1, 2001, be appropriated until the expiration of the collective bargaining agreement.

The Department of Budget and Finance, Health Fund Board of Trustees, Hawaii Government Employees Association, United Public Workers, and Hawaii State Teachers Association submitted testimony in opposition to this proposed draft.

Your Committee has amended this proposed draft by making technical nonsubstantive changes for purposes of style, clarity, and accuracy.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1046, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1046, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1239 Finance on S.B. No. 716**

The purpose of this bill is to assist in the development of a continuing care retirement community by amending Act 3030, Session Laws of Hawaii 1991 to:

- (1) Change the entity being assisted from the special purpose revenue bond (SPRB) issuance from Episcopal Homes of Hawaii to Kahala Senior Living Community, Inc.;
- (2) Adds findings and determinations that the activity of Kahala Senior Living Community, constitutes a health care facility as defined in part II, chapter 39A, Hawaii Revised Statutes; and
- (3) Increase the amount of the SPRB authorized to assist Kahala Senior Living Community, Inc. to \$142,000,000.

This bill also extends the sunset date for the issuance of SPRBs to assist not-for-profit corporations that provide health care facilities to June 30, 2005.

The Department of Budget and Finance (B&F) supported the intent of this bill. The Department of the Attorney General commented on this bill.

Upon further consideration, your Committee has amended this bill by deleting its contents and inserting the substantive provisions of H.B. No. 1288, H.D. 1, that:

- (1) Authorizes the issuance of SPRBs up to \$142,000,000 to assist Kahala Senior Living Community, Inc., for senior housing community;
- (2) Repeals the prior authorization to issue SPRBs to assist Episcopal Homes of Hawaii, Inc.; and
- (3) Provides for the refunding of SPRBs.

Your Committee has further amended this bill by adding a lapse date of June 30, 2006 for this SPRB authorization.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 716, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 716, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Moses.

**SCRep. 1240 Finance on S.B. No. 1262**

The purpose of this bill is to:

- (1) Increase the amount of special purpose revenue bonds authorized to be issued for the establishment of an expanded chilled water cooling system in Downtown Honolulu; and
- (2) Amend the lapsing date for the bond authorization.

The Department of Business, Economic Development, and Tourism and a concerned citizen testified in support of the measure. The Department of Budget and Finance submitted comments.

Your Committee has amended this bill by:

- (1) Extending the lapsing date to June 30, 2005; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1262, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1262, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1241 Finance on S.B. No. 540**

The purpose of this bill is to encourage revitalization of older commercial districts in Hawaii by providing a tax credit in an unspecified amount for the cost of renovating commercial, retail, hotel, warehouse, or industrial facilities where the facility or commercial district in which the facility is located is at least 25 years old.

Your Committee received testimony in support of this bill from the Waikiki Improvement Association, Building Industry Association of Hawaii, Hawaii Construction Industry Association, American Institute of Architects, Pacific Resource Partnership, Hawaii Bankers Association, National Association of Industrial and Office Properties Hawaii, Institute of Real Estate Management, General Contractors Association of Hawaii, Paul Louie and Associates, Inc., Commercial Real Estate Coalition, Dowling Company, and five concerned individuals.

The Department of Taxation and Hawaii Tourism Authority supported the intent of the bill. Comments were provided by the Tax Foundation of Hawaii. The Hawaii chapter of the National Association of Industrial and Office Properties opposed the bill.

Your Committee has amended this measure by:

- (1) Removing language allowing facilities in commercial districts at least 25 years old to qualify for the tax credit; and
- (2) Lowering the threshold at which a taxpayer must pay prevailing wages to those working on a construction or renovation project for which the credit is claimed, by reducing the total cost threshold from \$2,500,000, to \$1,000,000.

Technical, nonsubstantive amendments were also made for consistency and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 540, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 540, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
(Representative Rath voted no.)

**SCRep. 1242 Finance on S.B. No. 1045**

The purpose of this bill is to make an emergency appropriation to cover the State's portion of premiums payable to the Public Employees' Health Fund.

The Department of Budget and Finance, in supporting this measure, requested the emergency appropriation amount be increased by \$1,000,000.

Your Committee has amended this measure by:

- (1) Removing the general fund appropriation ceiling language;



- (2) Increasing the appropriation amount from \$14,500,000 to \$15,500,000; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1045, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1045, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1243 Finance on S.B. No. 588**

The purpose of this bill is to exempt professional employment organizations from certain general excise tax payments.

Office Furniture Solutions of Hawaii, McClain Auctions, Closet Systems of Hawaii, MacMurray Construction, Inc., Equipment Team Hawaii, Willows, Molly's Smokehouse, GMB Vinyl, Inc., Courier Corporation of Hawaii, ALTRES, Inc., Leeward Petroleum, Inc., Hawaiian Parcel Service, Spectrum Engineering Hawaii, Kama'aina Metals, Can Clean Hawaii, Island Pool & Spa Supply, Land-N-Sea, Scientific Consultant Services, Inc., Furukawa Custom Builders, and others submitted testimony in support of this measure.

The Department of Budget and Finance and Hawaii State AFL-CIO opposed this measure.

The Department of Taxation, ILWU Local 142, and Tax Foundation of Hawaii submitted comments.

Your Committee notes that a similar bill, H.B. No. 502, H.D. 2, passed the House earlier this session. This bill has been amended to incorporate the substance of H.B. No. 502, H.D. 2. Specifically, your Committee has amended this bill by:

- (1) Clarifying conditions in which an entity is designated as an "employer;"
- (2) Changing the effective date to July 1, 2010;
- (3) Specifying that this measure is retroactive to taxable years beginning after December 31, 2000; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 588, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 588, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1244 Finance on S.B. No. 950**

The purpose of this bill is to clarify the boundaries of the Diamond Head State Monument by using tax map key designations.

Na Leo Pohai, and two individuals submitted testimony in support of this bill. The Department of Land and Natural Resources submitted comments on this bill.

Your Committee has amended this bill by:

- (1) Specifying that Kuilei Cliffs Park and Diamond Head Park shall be administered by the City and County of Honolulu; and
- (2) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 950, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 950, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1245 Finance on S.B. No. 1042**

The purpose of this bill is to improve the policies and procedures relating to the budgeting and expending of public funds by:

- (1) Consolidating the budget and finance functions performed by the Department of Budget and Finance (B&F) and the accounting functions performed by the Department of Accounting and General Services (DAGS); and
- (2) Renaming DAGS as the Department of General Services.

DAGS testified in support of this measure. B&F supported this measure with suggested amendments.

Your Committee has amended this bill by:

- (1) Making additional statutory amendments to transfer the accounting function to B&F;
- (2) Changing the effective date to July 1, 2002; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1042, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1042, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Moses.

**SCRep. 1246 Finance on S.B. No. 1050**

The purpose of this bill is to establish a seven-year automatic lapse period for special purpose revenue bonds authorized pursuant to chapter 39A, Hawaii Revised Statutes.

The Department of Budget and Finance testified in support of this measure, but preferred a three-year lapse period.

Your Committee has amended this bill by:

- (1) Adjusting the lapse period to five years; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1050, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1050, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Moses.

**SCRep. 1247 Finance on S.B. No. 1054**

The purpose of this bill is to establish a financing agreement program for the State to allow state agencies to join together to acquire equipment and pay a pro-rata share for such acquisitions over the useful life of the items.

The Office of the Governor and the Department of Budget and Finance testified in support of this measure.

This bill has been amended by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1054, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1054, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Moses.

**SCRep. 1248 Finance on S.B. No. 1193**

The purpose of this measure is to:

- (1) Simplify the application process for nonprofit organizations seeking exemption from the payment of general excise taxes; and
- (2) Reduce the filing burden for these organizations.

Aloha Society of Association Executives supported this measure. DOTAX supported this measure with recommended changes. The Tax Foundation of Hawaii commented on this measure.

Your Committee has amended this bill by:

- (1) Clarifying the types of organizations that qualify for the minimal registration requirements; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1193, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1193, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1249 Finance on S.B. No. 498**

The purpose of this bill is to appropriate funds from the general revenues of the State for the maintenance and upkeep of the Nanakuli Homestead Cemetery.

The Department of Hawaiian Home Lands and Office of Hawaiian Affairs testified in support of the bill.

Your Committee has amended this measure by:

- (1) Changing the funding source to the Hawaiian Home Trust Fund;
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 498, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 498, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1250 Finance on S.B. No. 854**

The purpose of this bill is to:

- (1) Provide a 20 percent earned income tax credit to resident taxpayers;
- (2) Require the Department of Taxation (DOTAX) to include annual statistical information in its reports on tax credits; and
- (3) Amend various tax laws to conform to federal law.

The Office of Community Services, Hawaii State Commission on the Status of Women, American Friends Service Committee, and the Kokua Council testified in support of this bill. The Department of Budget and Finance testified in opposition to this bill. DOTAX and Tax Foundation of Hawaii commented on this bill.

Your Committee has amended this bill by:

- (1) Removing the earned income tax credit;
- (2) Removing the requirement that DOTAX include annual statistical information in its reports on tax credits; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 854, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 854, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cabrereros and Davis.

**SCRep. 1251 Finance on S.B. No. 1011**

The purpose of this bill is to establish a dedicated source of funding to support the Statewide Planning and Geographic Information System (Information System) by:

- (1) Creating the Statewide Planning and Geographic Information System Special Fund (Fund); and
- (2) Authorizing the Office of Planning to charge fees for statewide geographic information system services and products.

The Department of Accounting and General Services submitted testimony in support of the bill.

Your Committee has amended this measure by:

- (1) Clarifying that the Fund shall be used to defray the costs in planning, developing, implementing, and coordinating the Information System;
- (2) Changing the expending agency to the Department of Business, Economic Development, and Tourism;
- (3) Changing the effective date of the bill to July 1, 2001; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1011, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1011, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1252 Finance on S.B. No. 1405**

The purpose of this bill is to authorize the issuance of special purpose revenue bonds in an amount not to exceed \$10,000,000 to assist Hi-Tech Hawaii, Inc., in the planning, designing, and constructing of high technology research, development, and support facilities.

Hi-Tech Hawaii, Inc. testified in support of this measure. The Department of Hawaiian Home Lands supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, for the purpose of continued discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1405, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1405, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1253 Finance on S.B. No. 1010**

The purpose of this bill is to transfer from the Department of Budget and Finance (B&F) to the Office of Planning the responsibility for developing guidelines for the preparation of functional plans.

B&F testified in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1010, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Moses.

**SCRep. 1254 Finance on S.B. No. 1047**

The purpose of this bill is to:

- (1) Clarify and make a technical change to the Hawaii Revised Statutes relating to short-term investments; and
- (2) Provide an additional investment option for the State Treasury.

The Department of Budget and Finance testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1047 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Moses.

**SCRep. 1255 Finance on S.B. No. 1048**

The purpose of this bill is to allow the Hawaii Public Employees Health Fund (Health Fund) to return to beneficiaries, the employee's share of insurance carrier refunds based on the employee's years of benefit plan participation.

The Health Fund submitted testimony in support of this bill. The United Public Workers submitted testimony in support of the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1048, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Moses.

**SCRep. 1256 Finance on S.B. No. 1049**

The purpose of this bill is to repeal 15 Acts that were enacted between 1983 and 1991 without lapsing dates that authorized the issuance of special purpose revenue bonds (SPRBs) and for which no action has been taken for several years, resulting in \$161,730,000 in authorized but unissued SPRBs.

The Department of Budget and Finance submitted testimony in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1049, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Moses.

**SCRep. 1257 Finance on S.B. No. 1171**

The purpose of this bill is to delete unnecessary statutory requirements for the maintenance and reporting of a record of procurements under the Hawaii Procurement Code.

The Office of the Lieutenant Governor and Department of Accounting and General Services testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1171 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Moses.

**SCRep. 1258 Finance on S.B. No. 1192**

The purpose of this bill is to remove a disincentive to voluntary taxpayer participation in the electronic funds transfer (EFT) program administered by the Department of Taxation (DOTAX) by repealing the two percent penalty provision for failing to remit taxes using an approved EFT method on or before the date the taxes are due.

DOTAX testified in support of this bill. The Tax Foundation of Hawaii commented on this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1192 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1259 Finance on S.B. No. 1198**

The purpose of this bill is to provide for the sharing of public service company tax revenues with those counties that establish by ordinance an exemption from real property tax for public service companies.

The Department of Taxation, City and County of Honolulu, County of Kauai, Mayor of Maui County, Hawaii County Council, Office of the Corporation Counsel for Hawaii County, Council member of Hawaii County Council, Mayor of Hawaii County, Kauai County Administration and Council, Hawaii State Association of Counties, Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, Kauai Electric, The Gas Company, and Verizon Hawaii, Inc. submitted testimony in support of this bill. Tax Foundation of Hawaii submitted comments on this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1198, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1260 Finance on S.B. No. 982**

The purpose of this bill is to ensure the uninterrupted operation and maintenance of the State's irrigation systems by making an emergency appropriation.

Office of Hawaiian Affairs and Honolulu Board of Water Supply testified in support of this measure. The Department of Agriculture commented on this measure.

Your Committee has amended this measure by:

- (1) Removing the general fund expenditure ceiling language; and
- (2) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 982, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 982, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Moses.

**SCRep. 1261 Finance on S.B. No. 1114**

The purpose of this bill is to make an emergency appropriation to the Department of Human Services (DHS) for services relating to foster care.

DHS testified in support of this measure.

Your Committee has amended this bill by:

- (1) Removing the general appropriation ceiling language; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1114, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1114, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1262 Finance on S.B. No. 1084**

The purpose of this bill is to appropriate additional funds to enable the Department of Education (DOE) to fulfill the requirements of the *Felix v. Cayetano* consent decree.

DOE, Department of the Attorney General, and Information Services HL submitted testimony in support of this measure.

Your Committee has amended this measure by:

- (1) Deleting the general fund expenditure ceiling provisions;
- (2) Revising the appropriation for the Comprehensive School Support Services Program from \$33,390,244 to \$27,931,118 pursuant to the request of the DOE as set forth in its letter, dated March 19, 2001, to this Committee;
- (3) Adding a new section indicating that funding for fiscal biennium 2001-2003 is dependent upon a demonstrated need and is reflected in the General Appropriations Act of 2001; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1084, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1084, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1263 Finance on S.B. No. 1106**

The purpose of this bill is to make an emergency appropriation to enable the Department of Human Services (DHS) to fulfill the requirements of the *Felix v. Cayetano* consent decree.

DHS and the Attorney General testified in support of this measure.

Your Committee has amended this bill by:

- (1) Deleting the general fund expenditure ceiling provisions;
- (2) Adding a new section indicating that funding for fiscal biennium 2001-2003 is dependent upon a demonstrated need and is reflected in the General Appropriations Act of 2001; and
- (3) Making technical, nonsubstantive amendments for purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1106, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1106, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1264 Finance on S.B. No. 1127**

The purpose of this bill is to make an emergency appropriation for services provided by the Child and Adolescent Mental Health Division to enable the Department of Health (DOH) to fulfill the requirements of the *Felix v. Cayetano* consent decree.

DOH and the Attorney General submitted testimony in support of this bill.

Your Committee has amended this bill by:

- (1) Deleting the general fund expenditure ceiling provisions;
- (2) Revising the appropriation from \$46,775,340 to \$41,976,926 pursuant to the request of the DOH as set forth in its letter dated April 5, 2001, to this Committee;
- (3) Revising the appropriation from \$1 to \$478,250 pursuant to the request of the DOH as set forth in its written communication dated April 6, 2001, to this Committee;
- (4) Adding a new section indicating that funding for fiscal biennium 2001-2003 is dependent upon a demonstrated need and is reflected in the general Appropriations Act of 2001; and
- (5) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1127, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1127, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1265 Finance on S.B. No. 1142**

The purpose of this bill is to make an emergency appropriation for early intervention services for the Early Intervention Section and Healthy Start Program to enable the Department of Health to fulfill the requirements of the *Felix v. Cayetano* consent decree as revised.

The Department of Health, Department of the Attorney General, HFSC Healthy Start, Good Beginnings Alliance, Hawaii Early Intervention Coordinating Council, and Hawaii Association for the Education of Young Children testified in support of this measure.

Your Committee has amended this bill by:

- (1) Deleting the general fund expenditure ceiling provisions;
- (2) Adding a new section indicating that funding for fiscal biennium 2001-2003 is dependent upon a demonstrated need and is reflected in the General Appropriations Act of 2001; and
- (3) Making technical, nonsubstantive amendments for purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1142, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1142, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1266 Finance on S.B. No. 699**

The purpose of this bill is to provide an income tax credit to each resident individual taxpayer pursuant to Article VII, Section 6, of the Hawaii State Constitution (Constitution).

The constitutional provision requires the Legislature to provide a tax refund or credit to Hawaii taxpayers when the general fund balance at the close of each of two successive fiscal years exceeds five percent of the general fund revenues for each of the two fiscal years.

The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Providing a \$1 tax credit available to each Hawaii taxpayer; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 699, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 699, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1267 Finance on S.B. No. 1096**

The purpose of this bill is to address and resolve the uncertainty raised by the Hawaii Supreme Court in *Konno v. County of Hawaii*, 85 Haw. 61 (1997), with regard to the government's ability to rely on the private sector for services government needs or is required to provide.

Specifically, this bill establishes a new chapter on Privatization in the Hawaii Revised Statutes, effective January 28, 2002.

The Department of Accounting and General Services, Chamber of Commerce of Hawaii, Paul Louie & Associates, Inc., Building Industry Association of Hawaii, National Federation of Independent Business-Hawaii, Plumbers and Fitters Local 675, and others submitted testimony in support of this bill. The United Public Workers opposed the bill.

Your Committee has amended this bill by:

- (1) Restoring the right to strike for all collective bargaining units, except firefighters and police officers;
- (2) Repealing statutory references to essential employees and essential positions;
- (3) Providing for ways to minimize the adverse effects on public workers displaced by privatization;
- (4) Making the new chapter on privatization sunset June 30, 2005;
- (5) Amending the effective date to July 1, 2001; and
- (6) Making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1096, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1096, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1268 Finance on S.B. No. 838**

The purpose of this bill is to make a variety of changes to the Hawaii Hurricane Relief Fund (Fund) law.

More specifically, this bill:

- (1) Prohibits the dissolution of the Fund except through legislation;
- (2) Excludes investment income from the accumulation of reserves or funds to be used to pay for expenses, making or repaying loans or other obligations, providing loss mitigation incentives, and paying valid claims for covered events insured by the fund;
- (3) Requires the Fund to use its investment income for grants to residential property owners and small business owners to install wind damage mitigation devices, reinvestment into the Fund, and deposit into the general fund;
- (4) Requires the plan of operation of the Fund to accumulate through investment and reinvestment, the amount of funds necessary to cover the claims of a covered event;
- (5) Requires the Fund to develop a program to provide grants to residential property owners and small business owners to install wind damage mitigation devices;
- (6) Appropriates moneys out of the Hurricane Reserve Trust Fund for the Hazard Grant Mitigation Program.

The Kauai County Housing Agency, Hawaii Security Shutters, LLC, Hurricane Defense Systems, Building Industry Association of Hawaii, Hurricane Hazard Mitigation Ad Hoc Work Group, and several individuals submitted testimony in support of this bill. The Hawaii Hurricane Relief Fund submitted testimony in support of the intent of this bill.

The Department of Budget and Finance and the Department of Commerce and Consumer Affairs submitted testified in opposition to this bill. The Hawaii Association of Realtors, Hawaii Independent Insurance Agents Association, and an individual commented on this bill.

Your Committee has amended this bill by deleting its contents and inserting the substance of H.B. No. 1156, H.D. 2. As amended this bill:

- (1) Establishes a two-year pilot program to provide grants on a dollar-for-dollar matching funds basis to residential property owners, up to a maximum of \$3,500 per insured location, for installation of wind damage mitigation devices that are approved by the Fund;
- (2) Requires the Fund to submit a report to the Legislature on the status of the pilot project;



(3) Appropriates \$5,000,000 for fiscal year 2001-2002 and \$5,000,000 for fiscal year 2002-2003 to develop and implement the pilot program; and

(4) Provides that the program will be repealed on July 1, 2003.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 838, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 838, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1269 Finance on S.B. No. 549**

The purpose of this bill is to establish manufacturing extension programs to improve the performance of business enterprises in Hawaii.

The Office of the Special Advisor for Technology Development, Hawaii Technology Trade Association, Hawaii Manufacturing Extension Partnership, Oahu Economic Development Board, Oils of Aloha, Associates + Jean Williams, and Etched in Glass, LLC, submitted testimony in support of this bill. The Department of Business, Economic Development, and Tourism (DBEDT) submitted testimony in support of the intent of this bill.

Your Committee has amended this bill by:

- (1) Appropriating funds from the Employment and Training Fund rather than from general revenues;
- (2) Changing the expending agency from DBEDT to the Department of Labor and Industrial Relations; and
- (3) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 549, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 549, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.  
(Representatives Djou and Moses voted no.)

**SCRep. 1270 Finance on S.B. No. 1034**

The purpose of this bill is to fund all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of Collective Bargaining Unit 1 (nonsupervisory employees in blue-collar positions).

The Department of Human Resources Development and United Public Workers, AFSCME, Local 646, AFL-CIO testified in support of this measure.

Your Committee has amended this bill by changing the effective date to July 1, 2010, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1034, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1034, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1271 Finance on S.B. No. 1035**

The purpose of this bill is to fund:

- (1) Collective bargaining cost items in the arbitrated settlement with Collective Bargaining Unit 10 (Institutional, Health, and Corrections Workers), including those Unit 10 workers assigned to the Hawaii Health Systems Corporation; and
- (2) Salary increases and other cost adjustments for their excluded counterparts.

The Department of Human Resources Development and the United Public Workers testified in support of the bill.

Your Committee has amended this measure by changing the effective date to July 1, 2010, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1035, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1035, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1272 Finance on S.B. No. 1036**

The purpose of this bill is to appropriate funds and provide fund authorization for collective bargaining cost items in the July 1, 1999, through June 30, 2003, collective bargaining agreement for Unit 11, firefighters.

The Department of Human Resources Development and United Public Workers submitted testimony in support of this bill.

Your Committee finds that this bill finalizes the collective bargaining process through legislative authorization of funding for cost items.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1036, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1036, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1273 Finance on S.B. No. 1379**

The purpose of this bill is to fund all collective bargaining cost items in the arbitration award for Collective Bargaining Unit 5 (teachers and other personnel of the Department of Education under the same salary schedule).

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for teachers and other personnel of the Department of Education under the same salary schedule who are excluded from collective bargaining.

The Hawaii State Teachers Association and the United Public Workers testified in support of the measure.

Although no sums have been appropriated or authorized from the sources of funding indicated in this measure, your Committee believes that a vehicle for funding these collective bargaining cost items, and salary increases and other cost adjustments should continue to advance in the Legislature as negotiations between the State and the exclusive bargaining representative for Unit 5 will eventually produce a settlement.

Your Committee has amended this bill by:

- (1) Changing the date upon which this Act shall take effect to July 1, 2010, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1379, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1379, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1274 Finance on S.B. No. 710**

The purpose of this bill is to appropriate funds for all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of Collective Bargaining Unit 7, comprising the faculty of the University of Hawaii and community colleges.

The United Public Workers submitted testimony in support of this bill.

Your Committee has amended this bill by changing its effective date to July 1, 2010, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 710, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 710, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1275 Finance on S.B. No. 18**

The purpose of this bill is to fund all collective bargaining cost items in the arbitration award for Collective Bargaining Units 2, 3, 4, 6, 8, 9, and 13.

In addition, this measure funds the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within Collective Bargaining Units 2, 3, 4, 6, 8, 9, and 13.

The United Public Workers and the Hawaii Government Employees Association testified in support of this measure. The Department of Human Resources Development commented on this measure.

Your Committee has amended this measure by:

- (1) Changing the date upon which this Act shall take effect to July 1, 2010, to facilitate further discussion; and
- (2) Making technical, nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 18, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 18, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1276 Finance on S.B. No. 1382**

The purpose of this bill is to fund the salary increases and other cost adjustments for officers and employees of the following legislative agencies who are excluded from collective bargaining:

- (1) Office of the Auditor;
- (2) Ethics Commission;
- (3) Office of the Legislative Reference Bureau (LRB); and
- (4) Office of the Ombudsman.

The Office of the Auditor, LRB, Office of the Ombudsman, and the Hawaii Government Employees Association, Managerial and Confidential Employees Chapter testified in support of the bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, for the purpose of continued discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1382, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1382, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

**SCRep. 1277 Judiciary and Hawaiian Affairs on S.B. No. 1229**

The purpose of this bill is to impose stiffer penalties for certain crimes related to motor vehicles by:

- (1) Requiring judges to impose one or more of the following penalties upon persons who are convicted of either unauthorized control of a propelled vehicle or unauthorized entry into a motor vehicle:
  - (a) A fine;
  - (b) A requirement that restitution be made to the victim or victims; or
  - (c) A minimum term of community service; and
- (2) Increasing the penalty for removal of vehicle identification marks in section 708-838, Hawaii Revised Statutes (HRS), from a misdemeanor to a class C felony.

Testimony in support of this bill was submitted by the Honolulu Department of the Prosecuting Attorney and the Honolulu Police Department. The Office of the Public Defender submitted testimony in opposition.

Upon consideration of this measure, your Committee finds that judges already have the discretion to impose enhanced penalties upon defendants convicted of the subject offenses. Your Committee thus believes that requiring the imposition of enhanced penalties is unnecessary. Accordingly, sections one and two of this bill have been deleted.

In addition, your Committee has amended the bill by placing the penalty for defacing the identifying marks of a motor vehicle under section 286-43, HRS, rather than under section 708-838, HRS.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1229, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1229, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Souki and Yoshinaga.

**SCRep. 1278 Water and Land Use on S.B. No. 185**

The purpose of this bill is to:

- (1) Ensure the conservation of marine resources by making it unlawful to take fish or kill fish by draw, drag, seine, purse, bag, or surround gill net in the waters of Nawiliwili Harbor, Port Allen Harbor, Hanalei Bay, Waieli Bay, Hanamaulu Bay, and Kahului Harbor;
- (2) Make an exception for a person net fishing from a non-motorized boat of 16 feet or less in length; and
- (3) Provide that these statutory restrictions would be superseded by the adoption of rules by the Department of Land and Natural Resources (DLNR) or the Department of Transportation.

Initially, your Committee conducted a public hearing at the State Capitol on March 19, 2001. Twenty-one individuals submitted testimony in support of this measure. DLNR opposed this bill, preferring the administrative rule process to resolve these user conflict issues. Two commercial akule fishermen also opposed this measure. The State Senator from the Seventh District (South Kauai, Niihau) and the Environmental Center of the University of Hawaii at Manoa offered comments.

Based on the testimony, your Committee finds that contrary to section 1 of this bill, the problem is a user conflict issue and not one of resource conservation.

On April 3, 2001, your Committee scheduled a meeting at Lihue, Kauai, because of:

- (1) The need to hear directly from the community where the user conflict exists;
- (2) The need for more information; and
- (3) The controversial nature of this issue.

At the outset of the meeting, leaders of both factions were asked to select designated spokespersons and to avoid making duplicative statements. Accordingly, out of the 90 persons in attendance, 13 made presentations. Four supported the measure, six were opposed, and three offered comments.

Your Committee finds that this is a very complex issue, with compelling arguments on both sides. It would be difficult to reach a compromise that would satisfy both user groups. On one hand, recreational pole fishermen are frustrated when their efforts to catch akule are unsuccessful, particularly when net fishermen are catching large schools in nearby waters.

On the other hand, the commercial net fishermen provide the only means to meet the reported statewide market demand of 50 tons of akule per day. A large number of akule customers are senior citizens who rely on this fish as an inexpensive source of protein. DLNR estimates that the price of akule would at least double or possibly triple in price without net fishing. In addition, many of the commercial net fishermen are Hawaiians who have been net fishing for generations.

Upon further consideration, your Committee has amended this bill by deleting its substance and inserting provisions that would prohibit the taking of marine life with a net within the "no netting zones" in Nawiliwili Harbor, Port Allen Harbor, and Hanalei Bay. More specifically, your Committee has:

- (1) Defined "no netting zones" in the three areas;
- (2) Broadened the scope of the bill by replacing references to "fish" with "marine life;"
- (3) Permitted an exception by allowing non-commercial fishing with nets in the "no netting zone" of Hanalei Bay; and
- (4) Provided for the repeal of the bill upon adoption of new administrative rules by DLNR.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 185, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 185, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Ito and Schatz.

**SCRep. 1279 Water and Land Use on S.B. No. 1167**

The purpose of this bill is to extend the sunset date of Act 380, Session Laws of Hawaii 1997, from July 1, 2002 to July 1, 2007.

Your Committee received testimony in support of this bill from the Department of Land and Natural Resources, U.S. Fish and Wildlife Service, Nature Conservancy of Hawaii, and Land Use Research Foundation of Hawaii. The Sierra Club testified in opposition to the measure.

Your Committee finds that in 1997, the Legislature passed expanded recovery options in the State Environmental Species Act that provided for preparation and implementation of habitat conservation plans, incidental take licenses, safe harbor agreements, and provided additional incentives to private landowners to conserve endangered species. That law, Act 380, established a 5-year sunset date of July 1, 2002 for the approval of habitat conservation plans and safe harbor agreements. This measure will extend the sunset date an additional five years. This is necessary as no habitat conservation plans or safe harbor agreements have been issued under Act 380, although a number of agreements are currently being processed.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1167 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ito.  
(Representative Thielen voted no.)

#### **SCRep. 1280     Water and Land Use on S.B. No. 1163**

The purpose of this bill is to change the effective date of existing uses of water under the State Water Code (Water Code) from July 1, 1987, to the effective date of designation.

Your Committee received testimony in support of this measure from the Commission on Water Resource Management of the Department of Land and Natural Resources (Commission), City and County of Honolulu Board of Water Supply, County of Kauai Department of Water, Nature Conservancy of Hawaii, and Land Use Research Foundation of Hawaii. Hawaii's Thousand Friends and the Sierra Club provided testimony in opposition to the bill.

Your Committee finds that the Commission can designate ground water and surface water management areas for the purpose of establishing administrative control over the withdrawals of water. Thereafter, under the Water Code, existing water users must file for an existing water use permit. The Commission, in a 1994 declaratory ruling, determined that existing water uses would be fixed as of the date that the area is designated a water management area. The Commission consistently applied the date of designation as the critical date for existing water users in a newly designated water management area. However, the Hawaii Supreme Court in the Waiahole decision, 94 Hawaii 97 (2000), overruled the Commission's determination and held that only existing uses of water as of July 1, 1987, could be considered existing water uses under the Water Code.

Your Committee expressed the concern that using the date when an area is designated a water management area, as the trigger date for determining the appropriate level of water use, would create an incentive for users to increase water usage with no justifiable reasons. Thus, laying the documenting foundation to apply for a higher level of water use, with no justifiable reason for the higher use, so that the Commission would award that higher level of usage. In this regard, your Committee was informed that the Commission does not "rubber stamp" the water uses proffered by users, but generally allows something less.

Your Committee received testimony that using the July 1, 1987 date for existing uses would create several problems, including:

- (1) The Commission does not have reliable information on water usage for 1987;
- (2) The Commission is more able to accurately verify and assess water uses at the time of designation that results in resource decisions being based on better information;
- (3) Using 1987 as the existing date seriously affects public and private municipal water systems because the existing municipal water use in 1987 is generally less than it is today. Adequate drinking water is critical; and
- (4) Using 1987 as the existing use date gives priority to many uses that no longer exist.

Your Committee finds that the Commission controls critical water resources to ensure the reasonable and beneficial use of this resources for the public interest. Your Committee believes this duty is best fulfilled by changing the effective date for existing water uses in water management areas from July 1, 1987, to the effective date of designation of a water management area under the State Water Code.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1163 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Ito.  
(Representative Thielen voted no.)

#### **SCRep. 1281     Transportation on H.C.R. No. 34**

The purpose of this concurrent resolution is to request the Department of Transportation (DOT) to study the feasibility of establishing an inter-island ferry system between all of the islands.

The Department of Transportation and several members of the Maui County Council submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 34 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Souki, Garcia and Yoshinaga.

**SCRep. 1282     Transportation on H.C.R. No. 120**

The purpose of this concurrent resolution is to explore traffic management alternatives for the H-1 Freeway (H-1) traffic from Ewa to Honolulu that is anticipated to substantially increase because of the tremendous growth expected in the Ewa area by requesting the Department of Transportation (DOT) to:

- (1) Examine the feasibility of using state highway bonds to finance an overseas bridge or undersea tunnel from Iroquois Point to Hickam Airforce Base to link Kalaeloa, Kapolei, Ewa, and Ewa Beach to Honolulu; and
- (2) Consult with the appropriate branches of the military regarding access and security ramifications of the overseas bridge and undersea tunnel.

Haseko Homes, Inc., and the Land Use Research Foundation of Hawaii submitted testimony in support of the concurrent resolution. DOT and Gentry Companies supported the intent of the measure.

Over the next 20 years, all the activities associated with a new university campus, Ko Olina Resort, Ewa Marina, a major super regional park, and the City of Kapolei will substantially increase the amount of traffic on H-1 Honolulu bound. The traffic is further increased by the many on-ramps feeding onto H-1 and the merging of H-1 and H-2 between Ewa and Honolulu.

The overseas bridge or undersea tunnel is a possible means to manage the traffic by reducing the number of vehicles that initially enter H-1 from Kalaeloa, Kapolei, Ewa, and Ewa Beach. Your Committee finds that the gravity of the situation dictates that the feasibility of a bond-financed bridge or tunnel be analyzed.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 120 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Souki, Garcia and Yoshinaga.

**SCRep. 1283     Transportation on H.R. No. 105**

The purpose of this resolution is to support efforts to beautify a portion of Kamehameha Highway in Aiea adjacent to Pearl Harbor between Halawa Stream and Honomanu Street that is heavily traveled by tourists visiting the various naval attractions in that area. This measure urges:

- (1) The Department of Transportation (DOT) to consult with various parties to accomplish the beautification and upgrading of this portion of Aiea; and
- (2) The Legislature to approve an appropriation of \$750,000 for this purpose.

DOT testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 105 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Souki, Garcia and Yoshinaga.

**SCRep. 1284     Transportation on H.C.R. No. 109**

The purpose of this concurrent resolution is to support efforts to beautify a portion of Kamehameha Highway in Aiea adjacent to Pearl Harbor between Halawa Stream and Honomanu Street that is heavily traveled by tourists visiting the various naval attractions in that area. This measure urges:

- (1) The Department of Transportation (DOT) to consult with various parties to accomplish the beautification and upgrading of this portion of Aiea; and
- (2) The Legislature to approve an appropriation of \$750,000 for this purpose.

DOT testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 109 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Souki, Garcia and Yoshinaga.

**SCRep. 1285     Transportation on H.R. No. 157**

The purpose of this resolution is to enable local merchants and manufacturers to better compete with mainland and foreign competition regarding goods shipped to the Neighbor Islands by requesting the Department of Transportation to:

- (1) Determine the revenues required to meet its obligations for all harbors, wharves, and its other properties; and
- (2) Adjust wharfage rates whereby the same wharfage rates will apply to interisland and intrainland cargo that cross over wharves the same number of times.

DOT supported the intent of this measure.

Your Committee finds that this measure will address the competitive disadvantage that some local merchants and manufacturers face regarding wharfage rates. Currently, incoming domestic overseas and foreign overseas cargo transshipment to the Neighbor Islands via Honolulu on a through bill of lading are not subject to outgoing interisland wharfage charges. However, other domestic overseas and foreign cargo bound for the Neighbor Islands that must be stored, repackaged, or processed in Honolulu before being shipped, are subject to outgoing interisland wharfage charges, even though both cargoes cross over the wharves the same number of times.

As a result, the waiving of outgoing interisland wharfage charges for transshipped cargo on a through bill of lading is discriminatory against local merchants and manufacturers who must pay the extra charges because they store, repackage, or process the goods that they ship in from domestic or foreign ports before shipping them to the Neighbor Islands.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 157 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Souki, Garcia and Yoshinaga.

#### **SCRep. 1286     Transportation on H.C.R. No. 176**

The purpose of this concurrent resolution is to enable local merchants and manufacturers to better compete with mainland and foreign competition regarding goods shipped to the Neighbor Islands by requesting the Department of Transportation to:

- (1) Determine the revenues required to meet its obligations for all harbors, wharves, and its other properties; and
- (2) Adjust wharfage rates whereby the same wharfage rates will apply to interisland and intrainland cargo that cross over wharves the same number of times.

DOT supported the intent of this measure.

Your Committee finds that this measure will address the competitive disadvantage that some local merchants and manufacturers face regarding wharfage rates. Currently, incoming domestic overseas and foreign overseas cargo transshipment to the Neighbor Islands via Honolulu on a through bill of lading are not subject to outgoing interisland wharfage charges. However, other domestic overseas and foreign cargo bound for the Neighbor Islands that must be stored, repackaged, or processed in Honolulu before being shipped, are subject to outgoing interisland wharfage charges, even though both cargoes cross over the wharves the same number of times.

As a result, the waiving of outgoing interisland wharfage charges for transshipped cargo on a through bill of lading is discriminatory against local merchants and manufacturers who must pay the extra charges because they store, repackage, or process the goods that they ship in from domestic or foreign ports before shipping them to the Neighbor Islands.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 176 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Souki, Garcia and Yoshinaga.

#### **SCRep. 1287     Transportation on H.R. No. 88**

The purpose of this resolution is to recognize and reflect a community's uniqueness in its infrastructure by:

- (1) Requiring the Department of Transportation (DOT) to establish, on or before January 1, 2002, new design guidelines to govern new construction, reconstruction, resurfacing, restoration, or rehabilitation of bridges, roads, and streets; and
- (2) Requesting DOT to consider, among other factors, the scenic, historic, cultural, and surrounding environment of the community in establishing the design guidelines.

The State Foundation on Culture and Arts, Na Leo Pahai, and an individual testified in support of this measure. DOT submitted testimony in support of the intent of this measure.

Your Committee finds that tort liability is a consideration in developing flexible design guidelines for roads and bridges and, accordingly, has amended this measure by deleting the provision that suggests that tort liability should not be an impediment in developing the guidelines.

Your Committee has also amended this measure by:

- (1) Amending the establishment date of the new design guidelines to January 1, 2006, to coincide with DOT's tentative completion date; and

- (2) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 88, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 88, H.D. 1.

Signed by all members of the Committee except Representatives Souki, Garcia and Yoshinaga.

**SCRep. 1288    Transportation on H.C.R. No. 92**

The purpose of this concurrent resolution is to recognize and reflect a community's uniqueness in its infrastructure by:

- (1) Requiring the Department of Transportation (DOT) to establish, on or before January 1, 2002, new design guidelines to govern new construction, reconstruction, resurfacing, restoration, or rehabilitation of bridges, roads, and streets; and
- (2) Requesting DOT to consider, among other factors, the scenic, historic, cultural, and surrounding environment of the community in establishing the design guidelines.

The State Foundation on Culture and Arts, Na Leo Pahai, and an individual testified in support of this measure. DOT submitted testimony in support of the intent of this measure.

Your Committee finds that tort liability is a consideration in developing flexible design guidelines for roads and bridges and, accordingly, has amended this measure by deleting the provision that suggests that tort liability should not be an impediment in developing the guidelines.

Your Committee has also amended this measure by:

- (1) Amending the establishment date of the new design guidelines to January 1, 2006, to coincide with DOT's tentative completion date; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 92, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 92, H.D. 1.

Signed by all members of the Committee except Representatives Souki, Garcia and Yoshinaga.

**SCRep. 1289    Education on H.R. No. 151**

The purpose of this resolution is to request the Board of Education and the Department of Education (DOE) to reevaluate reading goals for students in public schools and increase system accountability for attaining those goals.

DOE submitted testimony in support of the intent of this bill.

Your Committee has amended this measure by:

- (1) Requesting the inclusion of business and community organizations in the fulfillment of reading goals; and
- (2) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 151, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 151, H.D. 1.

Signed by all members of the Committee except Representatives Takumi, Bukoski, Halford and McDermott.

**SCRep. 1290    Education on H.C.R. No. 163**

The purpose of this concurrent resolution is to request the Board of Education and the Department of Education (DOE) to reevaluate reading goals for students in public schools and increase system accountability for attaining those goals.

DOE submitted testimony in support of the intent of this bill.

Your Committee has amended this measure by:

- (1) Requesting the inclusion of business and community organizations in the fulfillment of reading goals; and
- (2) Making technical, nonsubstantive changes for purposes of style and clarity.



As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 163, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 163, H.D. 1.

Signed by all members of the Committee except Representatives Takumi, Bukoski, Halford and McDermott.

**SCRep. 1291 Human Services and Housing on H.R. No. 21**

The purpose of this resolution is to request the Departments of Human Services (DHS), Health, and Labor and Industrial Relations to:

- (1) Examine existing transitional living programs for youths in foster care;
- (2) Work collaboratively to support and expand these programs;
- (3) Pursue federal funds for transitional foster care youths; and
- (4) Submit a report to the Legislature prior to the convening of the Regular Session of 2002.

Hawaii Youth Services Network and Hale 'Opio Kaua'i, Inc., testified in support of this measure. DHS supported the intent, but does not believe a resolution is necessary. A concerned citizen submitted comments.

Your Committee finds that children in foster care often have a disability or are emotionally disturbed. In addition, approximately 27 percent of all homeless individuals were at one time in some form of foster, group, or institutional care. Once foster care youths turn eighteen, they are no longer eligible for foster care, and often do not have any means of support.

Your Committee believes that transitional living programs for foster care youths need to be examined and expanded if the findings conclude that many foster youths need transitional services and may potentially be homeless after foster care ends.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 21 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee.

**SCRep. 1292 Human Services and Housing on H.C.R. No. 17**

The purpose of this concurrent resolution is to request the Departments of Human Services (DHS), Health, and Labor and Industrial Relations to:

- (1) Examine existing transitional living programs for youths in foster care;
- (2) Work collaboratively to support and expand these programs;
- (3) Pursue federal funds for transitional foster care youths; and
- (4) Submit a report to the Legislature prior to the convening of the Regular Session of 2002.

The Hawaii Youth Services Network and Hale 'Opio Kaua'i, Inc., testified in support of this measure. A concerned citizen submitted comments.

Your Committee finds that children in foster care often have a disability or are emotionally disturbed. In addition, approximately 27 percent of all homeless individuals were at one time in some form of foster, group, or institutional care. Once foster care youths turn 18, they are no longer eligible for foster care, and often do not have any means of support.

Your Committee believes that transitional living programs for foster care youths need to be examined and expanded if the findings conclude that many foster youths need transitional services and may potentially be homeless after foster care ends.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 17 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Yonamine and McDermott.

**SCRep. 1293 Human Services and Housing on H.C.R. No. 22**

The purpose of this concurrent resolution is to:

- (1) Express the Legislature's support of the HOPE VI revitalization grant application for Kuhio Park Terrace (KPT);
- (2) Urge the United States Department of Housing and Urban Development to support the application; and

(3) Request the Governor's Special Assistant on Housing (Special Assistant) to convene a round table to develop a plan on how to best use the grant if it is awarded to KPT.

The Special Assistant, HCDCH, Department of Business, Economic Development, and Tourism, University of Hawaii Community Colleges Employment Training Center, Parents and Children Together, and the Building Industry Association testified in support of this measure.

HCDCH's plans for KPT include making it more conducive to family living. Your Committee finds that the current high-rise is not conducive to family living, and it would be ideal to rebuild KPT into a low-rise development. The HOPE VI grant, if awarded, will help to improve the living environment at KPT, as well as the surrounding neighborhood.

Your Committee has amended this measure by:

- (1) Requesting the Director of HCDCH to form the round table;
- (2) Changing the composition of round table participants; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 22, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 22, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1294 Human Services and Housing and Judiciary and Hawaiian Affairs on H.R. No. 12**

The purpose of this resolution is to request:

- (1) The Hawaii Appleseed Public Interest Law Foundation (Hawaii Appleseed) to continue discussion and seek input in its comprehensive assessment of reviewing and conforming current state child protection laws;
- (2) The discussion drafts of the proposed new Child Protective Act (CPA) be used as a foundation for Hawaii Appleseed's efforts;
- (3) Hawaii Appleseed and the Child Protection Legislative Roundtable (Roundtable) to organize a conference to create a final draft of the proposed CPA; and
- (4) Hawaii Appleseed to submit a report to the Legislature prior to the convening of the Regular Session of 2002.

The Christian Science Committee on Publication for Hawaii testified in support of this measure. DHS supported the intent of this measure with amendments.

Your Committees find that the Roundtable has been instrumental in improving the Child Protective Services (CPS) system. However, certain issues still need to be examined, and further legislation may be required to make the CPS system more effective.

DHS recommended some amendments because the current Hawaii Appleseed draft does not meet the requirements of federal mandates, and could cost the State millions of dollars in federal funding. DHS further recommends a longer time frame to fulfill the requests of the resolution to provide the best results possible.

Accordingly, your Committees have amended this measure by:

- (1) Replacing the request to use the Appleseed discussion drafts and instead request a comprehensive review of relevant Federal and State statutes to be used as the foundation for Hawaii Appleseed's efforts;
- (2) Extending the deadline to submit a report to the Legislature to the Regular Session of 2003; and
- (3) Making technical, nonsubstantive amendment for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 12, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 12, H.D. 1.

Signed by all members of the Committee except Representatives Yonamine, McDermott, Ahu Isa, Case, Souki and Yoshinaga.

**SCRep. 1295 Human Services and Housing and Judiciary and Hawaiian Affairs on H.C.R. No. 7**

The purpose of this concurrent resolution is to request:

- (1) The Hawaii Appleseed Public Interest Law Foundation (Hawaii Appleseed) to continue discussion and seek input in its comprehensive assessment of reviewing and conforming current state child protection laws;

(2) The discussion drafts of the proposed new Child Protective Act (CPA) be used as a foundation for Hawaii Appleseed's efforts;

(3) Hawaii Appleseed and the Child Protection Legislative Roundtable (Roundtable) to organize a conference to create a final draft of the proposed CPA; and

(4) Hawaii Appleseed to submit a report to the Legislature prior to the convening of the Regular Session of 2002.

The Christian Science Committee on Publication for Hawaii testified in support of this measure. DHS supported the intent of this measure with amendments.

Your Committees find that the Roundtable has been instrumental in improving the Child Protective Services (CPS) system. However, certain issues still need to be examined, and further legislation may be required to make the CPS system more effective.

DHS recommended some amendments because the current Hawaii Appleseed draft does not meet the requirements of federal mandates, and could cost the State millions of dollars in federal funding. DHS further recommends a longer time frame to fulfill the requests of the resolution to provide the best results possible.

Accordingly, your Committees have amended this measure by:

(1) Replacing the request to use the Appleseed discussion drafts and instead request a comprehensive review of relevant Federal and State statutes to be used as the foundation for Hawaii Appleseed's efforts;

(2) Extending the deadline to submit a report to the Legislature to the Regular Session of 2003; and

(3) Making technical, nonsubstantive amendment for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Judiciary and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 7, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 7, H.D. 1.

Signed by all members of the Committee except Representatives Yonamine, McDermott, Ahu Isa, Case, Souki and Yoshinaga.

#### **SCRep. 1296 Water and Land Use on H.R. No. 91**

The purpose of this resolution is to secure the Legislature's support in a collaborative planning effort towards the preservation of the irreplaceable natural beauty and significant historic-cultural resources of Maha'ulepu, on the island of Kauai.

The Department of Land and Natural Resources testified in support of this measure. Malama O Maha'ulepu provided a short video which dramatically portrayed the majestic beauty of the landscape from its white sand beaches and ocean cliffs, verdant plains and hills, to a protective mountain backdrop.

Supportive testimony was received from the Sierra Club, Hawaii's Thousand Friends, The League of Women Voters of Kauai, Limu Coalition, and thirty-eight individuals.

Your Committee has amended this measure by making nonsubstantive revisions for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 91, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.R. No. 91, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Schatz and Bukoski.

#### **SCRep. 1297 Water and Land Use on H.C.R. No. 95**

The purpose of this concurrent resolution is to secure the Legislature's support in a collaborative planning effort towards the preservation of the irreplaceable natural beauty and significant historic-cultural resources of Maha'ulepu, on the island of Kauai.

The Department of Land and Natural Resources testified in support of this measure. Malama O Maha'ulepu provided a short video which dramatically portrayed the majestic beauty of the landscape from its white sand beaches and ocean cliffs, verdant plains and hills, to a protective mountain backdrop.

Supportive testimony was received from the Sierra Club, Hawaii's Thousand Friends, The League of Women Voters of Kauai, Limu Coalition, and thirty-eight individuals.

Your Committee has amended this measure by making nonsubstantive revisions for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 95, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 95, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Schatz and Bukoski.

**SCRep. 1298 Health and Education on H.C.R. No. 167**

The purpose of this concurrent resolution is to request the Department of Health (DOH) and the Department of Education (DOE) to examine the problem of childhood obesity and to recommend strategies to address this problem.

Testimonies in support of the intent of this measure was received from DOH and a private citizen. However, DOH felt that it had already identified this problem and is currently working in collaboration with DOE to address the concerns of this measure.

Your Committees understand that childhood obesity is increasing across the country and is one of the major public health issues facing our community. Moreover, childhood obesity is costly, both economically and socially, and can have a lasting impact on the life of a child and on through adulthood.

Furthermore, your Committees recognize that childhood obesity is often due to a sedentary lifestyle and the consumption of fast foods, soda, and candies and that physical education and activity, along with good nutrition education, can combat this problem.

Although your Committees realize that the cost of providing this type of education is significant, the medical, economic, and social costs of continuing on the present course are even greater. Your Committees also realize that low cost physical education alternatives exist and have been utilized in physical education programs in other parts of the country and can be utilized in Hawaii.

Accordingly, your Committees have amended this measure by:

- (1) Adding language emphasizing the importance of physical education and its impact on childhood obesity;
- (2) Adding language promoting the utilization of low cost alternative programs already in place throughout the country;
- (3) Inserting language acknowledging the collaboration of private sector entities in battling childhood obesity through programs and the promotion of physical education;
- (4) Inserting language acknowledging the current collaboration of DOH and DOE on developing a coordinated school health program;
- (5) Changing the title to read: "HOUSE CONCURRENT RESOLUTION 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
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Education that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 167, as amended herein, and recommend that it be referred to the Committee on Finance in the form attached hereto as H.C.R. No. 167, H.D. 1.

Signed by all members of the Committee except Representatives Yonamine, Garcia, Schatz, Takumi, Bukoski and Ontai.

**SCRep. 1299 Consumer Protection and Commerce and Judiciary and Hawaiian Affairs on S.B. No. 1550**

The purpose of this bill is to enact a new insurance article governing the disclosure of nonpublic personal financial information held by persons or entities licensed, registered, or subject to certificate of authority requirements under chapters 431, 432, and 432D, Hawaii Revised Statutes (HRS).

Testimony in support of this bill was received from the Insurance Division of the Department of Commerce and Consumer Affairs, American Council of Life Insurers, American Family Life Assurance Company of Columbus, Association of Insurance and Financial Advisors, and State Farm Insurance Companies.

Hawaii Insurers Council testified in support of the intent of the bill. Comments on the bill were submitted by AlohaCare.

Testimony in opposition to the bill was received from Office of Information Practices, Common Cause Hawaii, Hawaii Medical Service Association, University Health Alliance, Royal State National Insurance Company, and Mutual Benefit Association of Hawaii.

This bill applies to insurers, insurance producers, and other persons and entities that are subject to licensing, registration, or certificate of authority requirements under chapters 431, 432, or 432D, HRS. This measure restricts "licensee" disclosures of information about a consumer that the licensee obtains as a result of insurance transactions, and transactions where licensees provide a service to the consumer. Information obtained in this manner is considered personally identifiable financial information about the consumer.

Under the bill, "personally identifiable financial information" is subject to regulation under the bill when it is information that is not publicly available. "Publicly available information" is defined as information reasonably believed to be available to the public from government records, legally required disclosures, and the widely distributed media. The category of regulated, "nonpublic personally identifiable financial information" also includes any list, description, or other grouping of consumers, and publicly available information pertaining to them, that is derived from nonpublic personally identifiable financial information.

Prior to disclosing this regulated information to nonaffiliated third parties, the bill requires licensees that hold or maintain the regulated information to provide consumers with a notice of the licensee's privacy policies and practices. Among the exceptions to this prohibition against disclosure are disclosure consented to by the consumer, authorized by law, and to resolve consumer disputes.

The privacy notice must be provided when the licensee establishes a customer relationship with the consumer, and must include information about the types of information collected by the licensee, the type of information disclosed to nonaffiliated third parties, and a list of the categories of nonaffiliated third parties that will receive the information. The notice must also explain the consumer's right to opt out of the disclosure of regulated information to nonaffiliated third parties.

The bill also prohibits licensees from disclosing to a nonaffiliated third party, other than to a consumer reporting agency, the policy number or other access code for a consumer's policy or transaction account for use in telemarketing, direct mail marketing, or other marketing through electronic mail to the consumer.

Your Committees find that enactment of this measure, which is based on the National Association of Insurance Commissioners Model Regulations, will preserve the State's ability to avoid federal preemption of state financial information privacy laws under the Gramm-Leach-Bliley Act.

Your Committees note that Kaiser Permanente and other health insurers voiced the concern that this bill, as received, would subject them to dual regulation under state law and the federal Health Insurance Portability and Accountability Act. Your Committees find that the regulation of health care information privacy was not contemplated by Gramm-Leach-Bliley.

Your Committees have amended this bill to ensure that only licensees who hold or maintain nonpublic personal financial information are required to comply with this law. Other technical, nonsubstantive amendments were made for style and clarity.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1550, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1550, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Yoshinaga, Gomes, Meyer, Marumoto and Whalen.

**SCRep. 1300 Consumer Protection and Commerce on S.B. No. 173**

The purpose of this measure is to exclude outside public contacts (OPCs), persons employed by or under contract to licensed real estate brokers or registered acquisition agents from the definition of "acquisition agent" in time share law. The measure also clarifies that sales agents and acquisition agents are responsible for actions of their OPCs.

Testimony in support of this measure was received from the Department of Commerce and Consumer Affairs (DCCA), American Resort Development Association of Hawaii, Hilton Grand Vacations Club, Pahio Resorts, Interval International, and a concerned individual.

Your Committee finds that this measure will significantly reduce the amount of paperwork for both industry members and DCCA by allowing direct regulation of OPCs by real estate brokers.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 173, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Chang, Ahu Isa, Case, Kanoho, Souki and Yoshinaga.

**SCRep. 1301 Consumer Protection and Commerce on S.B. No. 174**

The purpose of this bill is to exempt the sales of Hawaii time share units that take place outside of Hawaii from the Hawaii time share laws relating to cancellation rights and disclosure statements.

The American Resort Development Association of Hawaii, Hilton Grand Vacations Club, Pahio Resorts, Interval International, and the Lawai Beach Resort, submitted testimony in support of this bill. The Department of Commerce and Consumer Affairs, Professional and Vocational Licensing Division, submitted testimony in opposition to this measure.

Your Committee finds that because of the nature of time sharing sales, whereby, projects in a particular state may be offered for sale in another state, this measure seeks to clarify that the sales laws of the jurisdiction in which the sales occur will apply with certain exceptions. To the extent that a particular potential buyer does not travel to Hawaii, and to the extent that no sales activity occurs in Hawaii, it seems inappropriate that Hawaii's law should apply.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 174 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Chang, Ahu Isa, Case, Kanoho, Souki and Yoshinaga.

**SCRep. 1302 Consumer Protection and Commerce on S.B. No. 175**

The purpose of this bill is to eliminate the requirement that time share sales and acquisition agents register with the Department of Commerce and Consumer Affairs (DCCA).

Testimony in support of this measure was received from the DCCA, American Resort Development Association of Hawaii, Hilton Grand Vacations Club, Pahio Resorts, Interval International, and the Lawai Beach Resort.

Your Committee finds that the requirement for time share agents and acquisition agents who are already licensed as real estate brokers or real estate salespersons to register with the DCCA is duplicative and unnecessary.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 175, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Chang, Ahu Isa, Case, Kanoho, Souki and Yoshinaga.

**SCRep. 1303 Consumer Protection and Commerce on S.B. No. 176**

The purpose of this bill is to repeal the requirement that a time sharing plan agent wear an identification badge while off-premises and engaging in acquisition or sales agent activity.

The American Resort Development Association of Hawaii, Bay Club Ownership Resort, Inc., Hilton Grand Vacations Club, Pahio Resorts, Inc., Interval International, All Island Timeshare Resales, and five people working in the time share industry submitted testimony in support of this measure.

The Department of Commerce and Consumer Affairs testified in opposition to this measure, preferring to have time share solicitors use forms of identification that are not unlike those used by many other industries, while still requiring the disclosure of important information to the consumer in the form of a badge.

Your Committee finds that no other industry in Hawaii requires its members to wear badges identifying their affiliation with a particular industry, although their particular companies may require the wearing of company badges.

Your Committee further finds that it has been four years since the requirement to wear a badge was enacted, and testifiers indicate that regulations within the industry, enforcement of laws, and industry competition have eliminated the potential unsavory activities of the past, making this requirement obsolete.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 176 and recommends that it pass third Reading.

Signed by all members of the Committee except Representatives Chang, Ahu Isa, Case, Kanoho, Souki and Yoshinaga.

**SCRep. 1304 Consumer Protection and Commerce on S.B. No. 178**

The purpose of this bill is to remove duplicative disclosure requirements applicable to time share units. Specifically, the bill provides that time share plans that are registered, and must provide disclosure to purchasers under chapter 514E, Hawaii Revised Statutes (HRS), Time Sharing Plans:

- (1) Are exempt from developer's public report, supplementary public report, and disclosure abstract requirements under chapter 514A, HRS, Condominium Property Regimes; and
- (2) Prior to offering apartments to the public for the first time, must register with the Real Estate Commission under chapter 514A and obtain an effective date for the public report, but need not deliver the report to the purchaser.

American Resort Development Association of Hawaii, Interval International, Hilton Grand Vacations Company, and Pahio Resorts, Inc., and a concerned individual testified in support of the bill. Testimony in support of the intent of the bill was submitted by the Real Estate Commission.

Your Committee finds that this bill will provide Hawaii's time share industry with relief from unnecessary regulatory requirements while allowing time share developers to provide consumers with a single set of disclosure documents, thereby reducing consumer confusion and facilitating consumer understanding of their rights under the law.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 178, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Chang, Ahu Isa, Case, Kanoho, Souki and Yoshinaga.

**SCRep. 1305 Consumer Protection and Commerce on S.B. No. 257**

The purpose of this bill is to allow only acute care hospitals to return prescription drugs to the hospital's pharmacy for redistribution.

Testimony in support of this measure was received from the Board of Pharmacy of the Department of Commerce and Consumer Affairs. Kaiser Permanente provided comments.

Your Committee realizes that redistributing previously dispensed drugs helps to curb escalating health costs, while posing no threat to the public because of safe and effective standards at acute care hospitals.

In the interest of facilitating further discussion, your Committee has amended this measure by changing the effective date to January 1, 2050.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 257, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 257, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Chang, Ahu Isa, Case, Kanoho, Souki and Yoshinaga.

**SCRep. 1306 Consumer Protection and Commerce and Judiciary and Hawaiian Affairs on S.B. No. 180**

The purpose of this bill is to:

- (1) Remove the specific requirement in the time share unfair and deceptive trade practices statute that time share materials contain "THIS IS A TIME SHARING SALES PRESENTATION" in type as large as the largest text contained in the material, or in 24 point bold type; and
- (2) Provide the Department of Commerce and Consumer Affairs (DCCA) the flexibility to prescribe by rule, the appropriate method by which time share promotional and other written material must disclose that the product or activity involves time share.

Testimony in support of this bill was received from the American Resort Development Association of Hawaii, Hilton Grand Vacations Club, Pahio Resorts, Interval International, and several concerned individuals. DCCA testified in support of the bill with proposed amendments.

Your Committees have amended the time share unfair and deceptive trade practices statute as suggested by DCCA by providing that when purchasers are informed of their statutory seven-day right of rescission of any time sharing sales contract, that disclosure must be made above the signature line of the sales contract or purchaser agreement, in conspicuous bold type and capital letters.

Your Committees have further amended this bill by making technical, nonsubstantive changes for purposes of style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 180, S.D. 2, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 180, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Kanoho, Souki and Yoshinaga.

**SCRep. 1307 Judiciary and Hawaiian Affairs on S.B. No. 45**

The purpose of this bill is to support the agricultural industry in Hawaii by:

- (1) Limiting the circumstances under which a commercial silvicultural facility and all plant and animal production for nonfood uses may be deemed a nuisance;
- (2) Providing that a farming operation is not a nuisance if it complies with generally accepted agricultural and management practices; and
- (3) Establishing a rebuttable presumption that a farming operation does not constitute a nuisance.

The Department of Agriculture, the Hawaii Farm Bureau, Hawaii's Thousand Friends, Hawaiian Fresh Egg Farm LLC, Maui County Farm Bureau, Pineapple Growers Association of Hawaii, Ulupalakua Ranch, Inc., Hawaii Egg Producers Cooperative, and the Hawaii Agriculture Research Center testified in support of this measure.

Your Committee finds that the continued expansion of urban development into areas previously used for agricultural purposes has caused increased pressure on Hawaii's farmers. By reducing the economic risks and legal liabilities imposed upon farmers, this bill will strengthen the viability of Hawaii's agricultural industry.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 45, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Kanoho, Souki, Yoshinaga and Whalen.

**SCRep. 1308 Judiciary and Hawaiian Affairs on S.B. No. 640**

The purpose of this bill is to protect Hawaii's agricultural and biotechnology industries by:

- (1) Imposing civil liability upon persons who damage or destroy silvicultural or agricultural commodities that are known to be intended for personal or commercial purposes, or for research and development purposes; and
- (2) Establishing damages at twice the market value of the crop or commodity destroyed, and the costs associated with production, research, testing, and replacement.

The Department of Agriculture, the Office of the Special Advisor to the Governor for Technology Development, the Hawaii Agriculture Research Center, the Hawaii Farm Bureau Federation, the Kauai Farm Bureau, and the Hawaiian Alliance for Responsible Technology and Science testified in support of this measure.

Your Committee finds that destructive tactics used by some biotech activists in recent years are objectionable. The imposition of civil liability in this bill will deter those who resort to illegal acts to advance their opinions.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 640, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Kanoho, Souki, Yoshinaga and Whalen.

#### **SCRep. 1309     Judiciary and Hawaiian Affairs on S.B. No. 1162**

The purpose of this bill is to enable the Department of Land and Natural Resources (DLNR) to dispose of public lands in a more cost-effective manner by changing the public notice requirement from at least three successive weeks to at least once in both a statewide and countywide publication for auctions, drawings, direct negotiations, exchanges, quitclaims, submerged and reclaimed lands, reservations, and easements.

DLNR testified in support of the intent of the bill. Hawaii's Thousand Friends testified in opposition.

DLNR informed your Committee that the current public notice requirements relating to the disposition of public lands is not cost effective. Over the past four years, the average public notice cost reached \$654, which amounts to an average of 116 percent of the upset annual lease rent. Thus, the average bidder was required to pay more than a year of additional rent simply to cover the public notice costs.

Moreover, DLNR has experienced greater success in reaching qualified bidders using other marketing techniques. For example, DLNR has adopted the practice of mailing auction notices to individuals within each land district who have indicated an interest in public land auctions. In addition, DLNR presently posts "for auction" signs on auction property, and is considering posting notice on its website.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1162, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Chang, Kanoho, Yoshinaga and Thielen.

#### **SCRep. 1310     Judiciary and Hawaiian Affairs on S.B. No. 1341**

The purpose of this bill is to improve Hawaii's compliance with the Military Selective Service Act (Act), Title 50 United States Code Appendix Section 453 by:

- (1) Requiring applicants for a motor vehicle driver's license or instruction permit to comply with the registration requirements of the Act; and
- (2) Mandating applicants to authorize the Examiner of Drivers to collect and electronically transmit information necessary to register the applicant with the Selective Service System.

The Selective Service System, State Adjutant General, Department of the Attorney General, City and County of Honolulu, and United Public Workers testified in support of the bill.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1341, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Kanoho, Souki, Yoshinaga and Whalen.

#### **SCRep. 1311     Judiciary and Hawaiian Affairs on S.B. No. 212**

The purpose of this bill is to extend the valid period of a temporary driver's permit from 180 days to one year and replace references to motor scooter and motorcycle temporary instruction permits with class 1 and 2 permits, respectively, under the Hawaii Highway Safety Act, Chapter 286, Hawaii Revised Statutes.

Supportive testimony was submitted by the Department of Transportation, the Traffic Division of the Honolulu Police Department, and the Department of Customer Services of the City and County of Honolulu.



After careful consideration, your Committee has amended this bill by:

- (1) Replacing references to "class" with "category", the appropriate term used in Chapter 286, Hawaii Revised Statutes, regarding the types of driver's licenses and permits issued in the State; and
- (2) Making other technical, nonsubstantive amendments for clarity, style, and conformity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 212, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 212, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Kanoho, Souki, Yoshinaga and Whalen.

#### **SCRep. 1312     Judiciary and Hawaiian Affairs on S.B. No. 1165**

The purpose of this bill is to protect Hawaii's natural resources by:

- (1) Establishing administrative fines for violations relating to the Natural Area Reserve System (NARS) and the State Endangered Species Act (ESA);
- (2) Removing the maximum ceiling provision for violations of the ESA; and
- (3) Increasing the fines for intentionally, knowingly, or recklessly killing a threatened or endangered species.

Testimony in support of the bill was submitted by the Department of Land and Natural Resources (DLNR) and a member of the public.

Your Committee has been informed by DLNR that violations of the NARS and ESA rules can be addressed more effectively through administrative fines, rather than through the criminal justice system. Although criminal convictions and the possibility of jail time may be appropriate for serious violations, DLNR believes that the assessment of fines would be a more effective deterrent.

Your Committee made technical, nonsubstantive amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1165, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1165, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Chang, Kanoho, Yoshinaga and Thielen.

#### **SCRep. 1313     Judiciary and Hawaiian Affairs on S.B. No. 796**

The purpose of this bill is to provide the State and counties with immunity from liability at beach parks by:

- (1) Providing the State, counties, and their lifeguards with immunity from liability in the operation of beach parks and proffering of lifeguard services; and
- (2) Repealing the sunset provision of Act 190, Session Laws of Hawaii 1996, as amended by Act 101, Session Laws of Hawaii 1999, which would repeal Act 190 on June 30, 2003.

The Department of the State Attorney General, Department of Land and Natural Resources, Mayor of Kauai, Kauai County Attorney, Kauai City Council, Kauai Office of Economic Development, Mayor of Hawaii, three members of the Maui County Council, Executive Assistant of the Maui Council, Ching Young Village, Coconut Coast Weddings and Photography, Kauai Chapter of the Hawaii Hotel Association, Hawaiian Lifeguard Association, Kikiaola Land Company, Ltd., Kauai Chamber of Commerce, Kauai Economic Development Board, Kauai Nursery & Landscaping, Inc., Kauai Visitors Bureau, Kawaihoa Development, Poipu Beach Resort Association, Realty & Rentals, Inc., Sleeping Giant Realty, Inc., Smith's Motor Boat Service, Inc., Textron Systems Kauai, This Week Publications, West Kauai Community Development Corporation, and members of the public testified in support of the bill. Consumer Lawyers of Hawaii testified in opposition.

Your Committee has amended this bill by:

- (1) Instating liability where damages arise from gross negligence, or wanton acts or omissions on the part of the State, counties, or their lifeguards;
- (2) Clarifying that immunity from liability should apply only to county lifeguards serving at State beach parks; and
- (3) Retaining the sunset provision of Act 190, Session Laws of Hawaii 1996, as amended by Act 101, Session Laws of Hawaii 1999.

Your Committee believes that these amendments are necessary because our system of negligence law serves an important public purpose in deterring irresponsible behavior. Thus, while your Committee recognizes that reducing governmental liability is a legitimate objective, the granting of absolute immunity is contrary to responsible public policy. As amended, this measure strikes an appropriate balance between protecting the State and counties from liability, and deterring negligent behavior.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 796, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 796, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Kanoho, Yoshinaga and Thielen.

**SCRep. 1314     Judiciary and Hawaiian Affairs on S.B. No. 449**

The purpose of this bill is to extend the statute of limitations for whistleblower actions from 90 days to 180 days after the occurrence of an alleged violation.

The Hawaii State Teachers Association testified in support of this measure. The Chamber of Commerce of Hawaii; the Society of Human Resource Management -- Hawaii Chapter; and the General Contractors Association of Hawaii testified in opposition to the measure. The Department of Labor and Industrial Relations; ILWU Local 142; HGEA-AFSCME, Local 152, AFL-CIO; the Hawaii State Commission on the Status of Women; Hawaii Nurses Association; the National Employment Lawyers Association; and a private citizen commented on the bill.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 449, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Ahu Isa, Chang, Kanoho, Souki, Yoshinaga and Whalen.

**SCRep. 1315     Finance on S.B. No. 48**

The purpose of this bill is to find a solution to fairly compensate four ranchers on the island of Hawaii who will lose a portion of their state leased property which will be converted into a habitat for the endangered bird, the palila.

This bill directs the Department of Land and Natural Resources (DLNR) to expedite discussions with the four ranchers to identify and investigate all alternatives that will:

- (1) Fairly compensate them for losses suffered as a result of the withdrawal of any leased lands; and
- (2) Avoid providing exceptions to public land leasing policies.

DLNR testified in support of this measure. KK Ranch, Inc., Boteilho Hawaii Enterprises, Inc., the Big Island Farm Bureau, and the Hawaii Cattlemen's Council offered comments.

Your Committee has amended this measure by requiring that DLNR's final report include proposed legislation to resolve this issue.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 48, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 48, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1316     Finance on S.B. No. 118**

The purpose of this bill is to appropriate funds to establish a Breast and Cervical Cancer Treatment Program for individuals who are diagnosed with breast or cervical cancer by the Hawaii Breast and Cervical Cancer Control Program and are either:

- (1) Resident aliens of Hawaii who are not eligible to receive Medicaid benefits for treatment; or
- (2) Would be eligible under Medicaid except the person has health care coverage that specifically does not provide for cancer treatment.

The Office of the Lieutenant Governor, State Health Planning and Development Agency, Hawaii State Commission on the Status of Women, Healthcare Association of Hawaii, Hawaii Medical Service Association, Hawaii Breast & Cervical Cancer Treatment Fund Coalition, Hawaii Society of Clinical Oncology, Kalihi-Palama Health Center, Hawaii Women Lawyers, Papa Ola Lokahi, and several concerned individuals submitted testimony in support of this measure.

The Department of Human Services and Department of Health supported the intent of this measure.

Your Committee has amended this measure by:

- (1) Changing the appropriation amounts to \$1 to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 118, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 118, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Cabrerros and Davis.

**SCRep. 1317 Finance on S.B. No. 119**

The purpose of this bill is to require the Department of Public Safety (DPS) and the Office of Youth Services (OYS) to provide a range and quality of programming for female adult and juvenile offenders that are substantially equivalent to male inmates. An unspecified sum is appropriated for this purpose.

Testimony in support of this measure was submitted by OYS, Hawaii State Commission on the Status of Women, American Civil Liberties Union of Hawaii, Community Alliance on Prisons, TJ Mahoney & Associates, Hawaii Substance Abuse Coalition, and fourteen individuals. DPS supported the intent of this bill.

Technical, nonsubstantive amendments were made to correct drafting errors for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 119, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 119, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1318 Finance on S.B. No. 123**

The purpose of this bill is to:

- (1) Restore funding to homeless assistance programs;
- (2) Maintain adequate funding to support additional shelter inventory;
- (3) Increase funding for homeless assistance by providing a deeper subsidy for families losing welfare assistance;
- (4) Provide housing or self-help housing in the Kikala-Keokea area;
- (5) Establish the Kikala-Keokea Housing Revolving Fund (Fund) to provide low-interest loans for home construction for Kikala-Keokea leaseholders who have been denied loans from traditional financial institutions;
- (6) Appropriate moneys to the Fund; and
- (7) Repeal the Hale Kokua Homeless Assistance Program.

The Department of Community Services of the City and County of Honolulu, Kalihi-Palama Health Center, Partners in Care, the Institute for Human Services, Inc., and Hawaii Catholic Conference submitted testimony in support of this bill. The Department of Business, Economic Development, and Tourism submitted comments on this bill.

Your Committee has amended this bill by deleting all provisions except the repeal of the Hale Kokua Homeless Assistance Program.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 123, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 123, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1319 Finance on S.B. No. 204**

The purpose of this bill is to keep Hawaii rabies-free by:

- (1) Reducing quarantine user fees;
- (2) Waiving repayment to the general fund of revenues used to establish the Animal Quarantine Special Fund (Fund); and
- (3) Exempting the Fund from the special fund service assessment.

The Chamber of Commerce of Hawaii, Hawaii Business Roundtable, and a concerned citizen testified in support of the intent of this measure.

The Department of Agriculture opposed this measure.

Your Committee has amended this bill by:

- (1) Leaving the appropriation and fee reduction amounts blank to facilitate further discussion; and
- (2) Making technical changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 204, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 204, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1320 Finance on S.B. No. 1208**

The purpose of this bill is to clarify the role of the Office for the Senior Vice President for Legal Affairs and University General Counsel (UH General Counsel) in representing the University of Hawaii (UH) by:

- (1) Establishing service of process requirements for UH;
- (2) Specifying the UH General Counsel, and not the Attorney General, represent members of the Board of Regents in civil actions; and
- (3) Recognizing the UH's General Counsel as the attorney authorized to provide certain legal services to UH.

UH testified in support of this measure.

Your Committee has amended this bill by:

- (1) Requiring UH to submit an annual report to the Legislature that summarizes its uncollectable accounts prior to the convening of each Regular Session; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1208, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1208, S.D. 1, H.D. 3.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1321 Finance on S.B. No. 1044**

The purpose of this bill is to establish a new, and more flexible, governance structure for public employee health benefits by:

- (1) Replacing the current Hawaii Public Employees Health Fund (PEHF) with the Hawaii Employer-Union Trust Fund (Trust Fund);
- (2) Scheduling the repeal of PEHF, as found in chapter 87, Hawaii Revised Statutes (HRS), on July 1, 2003.

The Department of Budget and Finance (B&F) submitted testimony in support of this bill and suggested amendments.

The City and County of Honolulu, Hawaii Government Employees Association, United Public Workers, Office of Information Practices submitted comments.

The Hawaii State Teachers Association submitted testimony in opposition.

Based on the recommendations of B&F, your Committee has amended this bill to:

- (1) Increase the membership of the Trust Fund's Board of Trustees (Board) from 10 to 11, by adding a public trustee representing the interests of both the general public and the Trust Fund beneficiaries;
- (2) Amend Trust Fund voting procedures so that the three groups of trustees, representing public employers, employee-beneficiaries, and the general public and beneficiaries, each have one vote to ensure timely resolution of issues before the Board;
- (3) Address concerns raised by the Office of Information Practices regarding notice procedures of the board of trustees;
- (4) Establish base monthly Medicare and non-Medicare employer contribution rates for retirees, effective July 1, 2003;
- (5) Continue the July 1, 2003, sunset date of chapter 87, HRS, while providing that the new Trust Fund becomes effective upon approval; and
- (6) Make other technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1044, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1044, S.D. 1, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1322 Finance on S.B. No. 1577**

The purpose of this bill is to appropriate funds and establish guidelines for the repair and maintenance backlog of public schools including:

- (1) Establishing the School Physical Plant Operations and Maintenance Special Fund to pay for normal school repairs and preventive maintenance projects scheduled after June 30, 2001;
- (2) Establishing the State Educational Facilities Repair and Maintenance Special Fund to eliminate the backlog of projects existing on June 30, 2000;
- (3) Specifying how school repairs and maintenance are to be prioritized and moneys allocated; and
- (4) Providing for the establishment of 18 business and fiscal officers to oversee school facilities planning.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1577, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1577, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1323 Finance on S.B. No. 41**

The purpose of this bill is to teach Hawaii's youths about the State's unique natural history and to direct them toward careers in conservation by:

- (1) Re-establishing the Youth Conservation Corps (YCC);
- (2) Directing the Department of Land and Natural Resources (DLNR) to use conveyance tax moneys designated for the Natural Area Reserve Fund (Fund) to support YCC; and
- (3) Appropriating \$1 from the Fund for YCC.

DLNR supported the intent of this measure. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by changing the source of funding for the appropriation to the general fund.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 41, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 41, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1324 Finance on S.B. No. 98**

The purpose of this bill is to provide indigent persons equal access to legal representation by:

- (1) Making permanent the Indigent Legal Assistance Fund (Fund) by repealing its sunset date;
- (2) Adding pro bono representation to the definition of "civil legal services" in Act 305, Session Laws of Hawaii (SLH) 1996, as amended by Act 121, SLH 1998;
- (3) Repealing the requirement that unobligated or unexpended funds in the Fund revert to the general fund on June 30, 2002; and
- (4) Requiring the Commission on Access to Justice to review the filing fee surcharge program on a biennial basis.

The Hawaii State Bar Association, Legal Aid society of Hawaii, Domestic Violence Clearinghouse and Legal Hotline, Volunteer Legal Services Hawaii, and Hawaii Disability Rights Center submitted testimony in support of this bill. The Judiciary submitted testimony in support of the intent of this bill.

Your Committee has amended this bill by making technical, nonsubstantive amendments for the purpose of accuracy.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 98, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 98, H.D. 1.

Signed by all members of the Committee.  
(Representative Rath voted no.)

**SCRep. 1325 Finance on S.B. No. 120**

The purpose of this bill is to:

- (1) Appropriate state matching funds to develop, implement, and maintain a sentencing simulation model;
- (2) Allow the Governor to contract for private sector operation of correctional facilities; and
- (3) Establish criteria for an acceptable contract for the private operation of a correctional facility.

The Corrections Population Management Commission submitted testimony in support of this bill. The Department of Public Safety submitted testimony in support of the intent of this bill. The Attorney General and the Department of the Prosecuting Attorney of the City and County of Honolulu submitted comments on this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 120, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1326 Finance on S.B. No. 205**

The purpose of this bill is to recognize the service and sacrifice of the veterans who served our nation in the Persian Gulf conflict by making those veterans eligible to receive specialty license plates that include the words "PERSIAN GULF VETERAN".

The State Department of Defense and the Department of Customer Services of the City and County of Honolulu testified in support of the bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 205, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1327 Finance on S.B. No. 221**

The purpose of this bill is to continue support of the agriculture industry by extending the composition of the Agribusiness Development Corporation's Board of Directors for an additional four years.

The Hawaii Farm Bureau testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 221, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1328 Finance on S.B. No. 264**

The purpose of this bill is to allow a licensed audiologist to certify for tax purposes that a person is deaf.

The Disability and Communication Access Board submitted testimony in support of this bill. Tax Foundation of Hawaii submitted comments on this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 264, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1329 Finance on S.B. No. 369**

The purpose of this bill is to provide an income tax credit to eligible taxpayers for the construction or repair of qualified drought water storage facilities.

The Big Island Farm Bureau, Kauai County Farm Bureau, Maui County Farm Bureau, Hawaii Farm Bureau Federation, and Pineapple Growers Association of Hawaii supported this measure. The Department of Agriculture supported the intent of this measure. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

The Department of Budget and Finance opposed this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 369, S.D. 3, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1330 Finance on S.B. No. 382**

The purpose of this bill is to require annual incremental or longevity salary increases for employees of Bargaining Unit 5 who have performed satisfactorily.

The Hawaii State Teachers Association strongly supported this measure.

The Department of Budget and Finance opposed this measure.

The Department of Education (DOE) submitted comments, but stated that DOE must withhold testimony on this bill due to ongoing collective bargaining negotiations.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 382, S.D. 3, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1331 Finance on S.B. No. 499**

The purpose of this bill is to permit legislative employees to participate in leave sharing plans in which they donate accumulated vacation time to another employee suffering from a serious illness or injury.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 499, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1332 Finance on S.B. No. 525**

The purpose of this bill is to enable individual schools to be responsible for the maintenance of textbook inventories. This measure will allow school principals to collect fees and other fines for lost or damaged books.

The Department of Education and Hawaii State Teachers Association submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 525, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1333 Finance on S.B. No. 552**

The purpose of this bill is to make an appropriation of general funds to the Department of Business, Economic Development, and Tourism (DBEDT) for the establishment of a national Korean War Museum in Hawaii.

The Office of Veterans Services, Oahu Veterans Council, Honolulu Korean Junior Chamber, the Veterans of Foreign Wars, and two concerned individuals testified in support of this bill. The Celtic Church commented on this bill. DBEDT opposed this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 552, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1334 Finance on S.B. No. 535**

The purpose of this bill is to clarify that after-school and weekend community-school activities for children are "child-care" programs and not "day care" or "educational" programs.

The Department of Education testified in strong support of this measure, explaining that this clarification is necessary to ensure that these activities are not considered an extension of the school day.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 535, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1335 Finance on S.B. No. 591**

The purpose of this bill is to amend the Occupational Therapy Practice law by:

- (1) Providing for a temporary permit allowing persons who have the required education and experience, but have not yet passed the national certification examination, to perform occupational therapy services under the direct supervision of a registered occupational therapist;
- (2) Providing that an occupational therapist who holds a "registration" issued under section 457G-1, Hawaii Revised Statutes, shall be similarly regarded as a licensed occupational therapist; and
- (3) Specifying that the national certification examination required of occupational therapists is administered by the National Board for Certification in Occupational Therapy.

The Department of Commerce and Consumer Affairs, Occupational Therapy Association of Hawaii, and numerous individual occupational therapists submitted testimony in support of this bill. The Hawaii Medical Association and Hawaii Chapter of the American Physical Therapy Association submitted testimony in opposition to this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 591, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1336 Finance on S.B. No. 630**

The purpose of this bill is to afford reciprocal shipping privileges to out-of-state wine manufacturers under specified conditions.

The Wine Institute, Tadeschi Vineyards, Ltd., and Volcano Vineyards, LLC submitted testimony in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 630, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1337 Finance on S.B. No. 670**

The purpose of this bill is to formally establish the Hawaii State Student Council (HSSC) in the Hawaii Revised Statutes by:

- (1) Providing that the HSSC be composed of 23 student representatives and the Board of Education (BOE) student member;
- (2) Authorizing HSSC to establish its policies and operational procedures;
- (3) Authorizing HSSC to select the student member of the BOE;
- (4) Requiring HSSC to conduct an annual conference of students (Conference) from grades 7-12 to discuss educational and youth issues, and to prepare an evaluation report for the Governor, Legislature, and BOE; and
- (5) Authorizing HSSC to invite students from schools represented by the Hawaii Association of Independent Schools to participate in the Conference.

The Department of Education submitted testimony in support of the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 670, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1338 Finance on S.B. No. 684**

The purpose of this bill is to raise the statutory fees that may be charged by sheriffs and police officers for various services.

The Hawaii Deputy Sheriff's Association and Big Island Deputy Sheriffs submitted testimony in support of the bill. An individual submitted testimony in opposition to the bill.



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 684, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1339 Finance on S.B. No. 752**

The purpose of this bill is to improve state small boat harbors and other boating facilities through streamlined services, improved facilities, and increased revenues by:

- (1) Clarifying that leases issued for lands within state boating facilities may allow uses that complement or support maritime activities of state boating facilities;
- (2) Authorizing the Board of Land and Natural Resources to lease fast lands within an existing state boating facility for private development, management, and operation; and
- (3) Requiring that revenues derived from leases of state boating facilities be deposited into the Boating Special Fund.

The Department of Land and Natural Resources testified in support of this measure. The Hawaii Government Employees Association supported the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 752, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1340 Finance on S.B. No. 755**

The purpose of this bill is to allow the Department of Transportation (DOT) and Board of Land and Natural Resources to enter into capital advancement contracts with private developers for harbor facility improvements in their respective commercial harbor and small boat harbor jurisdictions.

The Chamber of Commerce of Hawaii, American Classic Voyages Co., and Waldron Steamship submitted testimony in support of this bill. The Department of Land and Natural Resources submitted testimony in support of this bill with a proposed amendment. The Department of Budget and Finance submitted comments on this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 755, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1341 Finance on S.B. No. 758**

The purpose of this bill is to authorize the Examiner of Drivers to provide written examinations in foreign languages.

The City and County of Honolulu, Faith Action for Community Equity, and several individuals submitted testimony in support of this bill. The Department of Transportation submitted testimony in support of the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 758, S.D. 1, H.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1342 Finance on S.B. No. 840**

The purpose of this bill is to:

- (1) Reduce from \$2,500,000 to \$2,000,000, the tax revenues from financial institutions that is allocated to the Division of Financial Institutions of the Department of Commerce and Consumer Affairs (DCCA); and
- (2) Require financial institutions to publish statements of assets and liabilities with the Commissioner of Financial Institutions rather than publishing such statements in a newspaper.

DCCA, Hawaii Bankers Association, and Hawaii Financial Services Association submitted testimony in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 840, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1343 Finance on S.B. No. 865**

The purpose of this bill is to improve the school-to-work system by:

- (1) Amending the powers of the School-to-Work Executive Council (Council) by providing that the Council may advise the Department of Education (DOE) on appointing staff and contracts, and may seek federal, state, and private funds;
- (2) Changing the Council to an advocacy board for the school-to-work system; and
- (3) Authorizing DOE to appoint school-to-work staff.

DOE, Department of Human Resources, and Chamber of Commerce of Hawaii submitted testimony in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 865, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1344 Finance on S.B. No. 905**

The purpose of this bill is to enhance the effectiveness of Hawaii's Lobbyist Law by:

- (1) Decriminalizing violations;
- (2) Expanding the statute of limitations for Ethics Commission (Commission) actions to enforce the law from one year to three years;
- (3) Requiring all fines collected to be deposited into the general fund; and
- (4) Requiring that no fine be assessed unless the Commission first conducts a public hearing and renders a decision.

The Commission, League of Women Voters of Hawaii, and Advocates for Consumer Rights testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 905, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1345 Finance on S.B. No. 1017**

The purpose of this bill is to require lessees that abandon an eminent domain proceeding to directly pay the lessor for its prorated share of expenses.

The Housing and Development Corporation of Hawaii submitted testimony in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1017 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1346 Finance on S.B. No. 1018**

The purpose of this bill is to reduce the costs for lessees who participate in the Housing and Community Development Corporation of Hawaii's (HCDCH) Land Reform Program (Program) by:

- (1) Requiring participating lessees to reimburse the Fee Simple Residential Revolving Fund (Fund) for direct costs only;
- (2) Clarifying that lessees' deposits are placed into individual interest bearing accounts and not into the Fund; and
- (3) Providing that the Fund absorb indirect costs incurred through the administration of the Program.

HCDCH testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1018, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1347 Finance on S.B. No. 1039**

The purpose of this bill is to specify that any retiree who receives the special retirement incentive benefit under Act 253, Session Laws of Hawaii 2000, forfeits that benefit and any other related benefits upon returning to public service.

The Employees' Retirement System submitted testimony in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1039 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1348 Finance on S.B. No. 1073**

The purpose of this bill is to increase consumer protection for individuals dealing with travel agencies or charter tour operators by:

- (1) Authorizing the Director of Commerce and Consumer Affairs (Director) to deny registration of travel agencies or charter tour operators under certain specified conditions;
- (2) Authorizing the Director to revoke, suspend, or refuse to renew registrations;
- (3) Establishing record-keeping requirements for client trust accounts;
- (4) Specifying prohibited acts that are detrimental to consumers;
- (5) Imposing penalties for violations; and
- (6) Authorizing the Director to take court action for failure to maintain client trust accounts.

The Department of Commerce and Consumer Affairs testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1073, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1349 Finance on S.B. No. 1108**

The purpose of this bill is to allow county medical examiners or coroners to submit an application for funeral payments under the Department of Human Services' Funeral Payment Program on behalf of an unclaimed corpse after 60 days from the date of the death of the deceased.

The Department of Human Services submitted testimony in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1108, S.D. 2, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1350 Finance on S.B. No. 1109**

The purpose of this bill is to ensure that the State is notified of all claims it has against a third party for medical assistance and burial expenses.

The Department of Human Services submitted testimony in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1109 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1351 Finance on S.B. No. 1111**

The purpose of this bill is to simplify the Department of Human Services' (DHS) reimbursement to noninstitutional providers of medical care by:

- (1) Allowing DHS to create a new fee schedule that maintains reimbursement rates according to services provided, rather than specialty of practice; and
- (2) Deleting statutory language that is now unnecessary due to the establishment of the QUEST Managed Care Waiver Program.

DHS testified in strong support of the measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1111, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1352 Finance on S.B. No. 1119**

The purpose of this bill is to reduce medication errors and prescription fill time by:

- (1) Allowing health care providers to send electronic prescriptions to drug and medical oxygen dispensers; and
- (2) Authorizing drug dispensers to keep electronic records.

The Department of Health, Hawaii Medical Service Association, Kaiser Permanente, and Hawaii Pharmacists Association testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1119, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1353 Finance on S.B. No. 1123**

The purpose of this bill is to require the Department of Health (DOH), upon request, to verify the existence of a birth, death, marriage, or divorce certificate and the essential facts contained therein in lieu of the issuance of a certified copy of the certificate.

DOH and the Office of the Lieutenant Governor testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1123, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Cabrerros and Davis.

**SCRep. 1354 Finance on S.B. No. 1126**

The purpose of this bill is to protect children and adolescents receiving services from the Child and Adolescent Mental Health Division of the Department of Health (DOH) by:

- (1) Continuing the authorization granted to DOH to conduct criminal history record checks for certain providers of direct mental health services by removing the sunset date in section 1 of Act 146, Session Laws of Hawaii 2000; and
- (2) Appropriating funds.

DOH, the Attorney General, and Hawaii Youth Services Network submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1126, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Cabrerros and Davis.

**SCRep. 1355 Finance on S.B. No. 1138**

The purpose of this bill is to:

- (1) Strengthen the current mandate for newborn hearing screening; and
- (2) Require the Department of Health (DOH) to adopt rules to standardize the newborn hearing screening statewide.

DOH, Hawaii Early Intervention Coordinating Council, Hawaii Medical Association, Hawaii Speech-Language-Hearing Association, American Speech-Language-Hearing Association, Hawaii Center for the Deaf and Blind, Children's Medical Associates, Inc., Christian Science Committee on Publication for Hawaii, and two individuals submitted testimony in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1138, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Cabrerros and Davis.

**SCRep. 1356 Finance on S.B. No. 1161**

The purpose of this bill is to make the process of disposing abandoned or seized property more economically realistic by raising the minimum value of abandoned and seized property upon which public notice and sale requirements are imposed from \$100 to \$1,000.

The Department of Land and Natural Resources submitted testimony in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1161, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1357 Finance on S.B. No. 1195**

The purpose of this bill is to make state income tax laws consistent with federal tax laws with respect to the extension of the attorney-client privileges to tax advice communications.

The Department of Taxation submitted testimony in support of this bill. Tax Foundation of Hawaii submitted comments on this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1195, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1358 Finance on S.B. No. 1199**

The purpose of this bill is to give government agencies more flexibility in managing concession programs and to update concession procedures by:

- (1) Amending the definition of "concession" to include food and beverage establishments, retail stores, advertising and communication and telecommunication services;
- (2) Amending the definition of "concession" to the use, for compensation, space on public property to display advertising, or to conduct operations for communications or telecommunications purposes;
- (3) Expanding concessions to operations on land under jurisdiction of any government agency;
- (4) Requiring that concession contracts for rental motor vehicle operations be by competitive sealed bids;
- (5) Authorizing the issuance of revocable concession permits for up to one year; and
- (6) Removing the specification that statewide or countywide public notice of a call for bids for concessions be made in a newspaper.

DFS Galleria, Airport Concessionaires Committee, Island Shoppers, Inc., and an individual submitted testimony in support of this bill. The Department of Transportation, Catrala-Hawaii, National Car Rental, Dollar Rent A Car, and Alamo Rent A Car submitted testimony in support of this bill with amendments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1199, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1359 Finance on S.B. No. 1214**

The purpose of this bill is to appropriate funds to establish a National Board Certification Support Program to provide an incentive for Department of Education (DOE) teachers to be nationally board certified by:

- (1) Reimbursing application fees;
- (2) Paying salary bonuses to certified teachers; and
- (3) Providing interisland airfare for neighbor island candidates to attend candidate support sessions.

The Office of the Lieutenant Governor, University of Hawaii, Hawaii State Teachers Association, Hawaii Teacher Standards Board, and Hawaii Business Roundtable submitted testimony in support of this measure. DOE supported the intent of this measure. Hawaii Association of Independent Schools submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1214, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1360 Finance on S.B. No. 1362**

The purpose of this bill is to ensure that coaches are compensated adequately by:

- (1) Increasing their base allocation rate; and
- (2) Tying future increases to collective bargaining agreements negotiated by teachers.

The Department of Education submitted testimony in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1362, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1361 Finance on S.B. No. 1385**

The purpose of this bill is to require the Board of Education (BOE) to:

- (1) Conduct a classification study to assess positions, allocations, and classifications;
- (2) Adopt a classification and compensation structure for educational officers that more accurately reflects the level of work being performed;
- (3) Conduct a comprehensive salary survey;
- (4) Implement a job evaluation methodology that is consistent with the adopted classification structure; and
- (5) Report findings to the Legislature.

The Auditor submitted testimony in support of this bill. BOE submitted testimony in support of the intent of this bill. The Hawaii Government Employees Association submitted testimony in opposition to this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1385, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1362 Finance on S.B. No. 1113**

The purpose of this bill is to enable the Department of Human Services (DHS) to better administer its assistance programs by clarifying that:

- (1) The requirement that DHS file an annual update of its liens with the Bureau of Conveyances (Bureau) is an internal departmental accounting measure intended to track DHS expenditures, and is not intended to burden the Bureau by recording the same lien against the same property year after year;
- (2) DHS may initiate probate proceedings to enforce a lien against the estate of a recipient; and
- (3) Recording and tracking procedures may apply to both types of DHS liens, specifically real estate liens on the interest of:
  - (a) A person applying for or receiving DHS assistance; and
  - (b) A medical assistance recipient who is an inpatient at a medical institution.

In addition, this bill:

- (1) Appropriates funds for respite care services; and
- (2) Creates a welfare safety net program called "Keeping Hope Alive."

The National Association of Social Workers submitted testimony in support of this bill. The Department of Human Services and an individual submitted comments on this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1113, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1363 Finance on S.B. No. 1203**

The purpose of this bill is to provide the Airport Division of the Department of Transportation (DOT) greater flexibility in the disposition of airport leases by:

- (1) Allowing leases if the purpose is "airport related"; and
- (2) Defining "airport related" as a purpose or activity that requires air transportation to achieve that purpose or activity.

DOT testified in support of the bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1203, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1364 Finance on S.B. No. 911**

The purpose of this bill is to:

(1) Remove financial disincentives in the QUEST program, thereby enabling health plans and providers to actively reach out to high-risk populations including:

- (a) High-risk pregnant women and girls;
- (b) Native Hawaiians with early onset of chronic disease; and
- (c) Chronic substance abusers;

(2) Appropriate funds for additional staff for the Department of Human Services (DHS);

(3) Extend coverage of the Children's Health Insurance Program to include children whose family's income is at or below 300 percent of the federal poverty level; and

(4) Restore QUEST benefits to income-eligible legal immigrants and migrants during and up to three months after pregnancy.

Waianae Coast Comprehensive Health Center submitted testimony in support of this bill. DHS and Hawaii Medical Services Association submitted testimony in opposition to this bill. Kaiser Permanente submitted comments on this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 911, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.  
(Representatives Moses and Rath voted no.)

**SCRep. 1365 Finance on S.B. No. 1406**

The purpose of this bill is to change the name of the state holiday "Admission Day" to "Statehood Day."

The University of Hawaii submitted testimony in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1406 and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1366 Finance on S.B. No. 1435**

The purpose of this bill is to encourage and support the research and development of hydrogen as a fuel source by:

- (1) Establishing the Hydrogen Public/Private Partnership to support and promote hydrogen use in Hawaii's energy economy; and
- (2) Appropriating an unspecified amount to support hydrogen research and development efforts.

Testimony in support of this measure was submitted by the University of Hawaii, The Hydrogen Renewable Energy Enterprise, LLC, The Gas Company, Apollo Energy Corporation, Vertical Wind Turbine Technologies, LLC, Scheibert Energy Company, and the energy coordinator for the County of Kauai. The Department of Business, Economic Development, and Tourism, Hawaiian Electric Company, and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company, and Hawaii Renewable Energy Alliance supported the intent of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1435, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

**SCRep. 1367 Finance on S.B. No. 1535**

The purpose of this bill is to statutorily establish the Hawaii Commission for National and Community Service.

The Hawaii Commission for National and Community Service, Maui Economic Opportunity YouthBank AmeriCorps Program, AmeriCorps Center to End Violence, AmeriCorps Access to Justice Project, and several individuals submitted testimony in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1535, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Cabrerros and Davis.

**SCRep. 1368 Finance on S.B. No. 209**

The purpose of this bill is to amend the state law regarding parking for persons with disabilities to:

- (1) Prevent fraudulent activity and violations, and facilitate better enforcement; and
- (2) Expand the definition of "persons with disabilities" to include those with renal or oncological conditions.

The Disability and Communication Access Board, City and County of Honolulu, Office of the Mayor of the County of Hawaii, Honolulu Police Department, Advocates for Consumer Rights, and Hawaii Centers for Independent Living submitted testimony in support of the intent of this bill.

Your Committee has amended this bill by making technical, nonsubstantive changes for style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 209, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 209, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Cabrerros and Davis.

**SCRep. 1369 Finance on S.B. No. 214**

The purpose of this bill is provide grants to conduct funeral and burial services for deceased World War II New Filipino Scout veterans, and for transporting the remains of these deceased veterans to the Philippines, in situations not currently addressed by the Office of Veterans' Services.

The Office of Veterans' Services of the Department of Defense submitted testimony in support of this bill.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount to \$1; and
- (2) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 214, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 214, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1370 Finance on S.B. No. 224**

The purpose of this bill is to appropriate funds for the Department of Agriculture (DOA) to conduct pineapple research to strengthen and improve the pineapple industry in Hawaii.

The Pineapple Growers Association of Hawaii, Hawaii Farm Bureau, and College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa submitted testimony in support of this measure. The Department of Agriculture commented on this measure.

Your Committee has amended this bill by:

- (1) Changing the appropriation amounts to \$1 to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 224, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 224, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1371 Finance on S.B. No. 336**

The purpose of this bill is to repeal the Hawaii Tourism Authority (HTA) effective June 30, 2020.

The County of Kauai Office of Economic Development submitted testimony in support of this bill. The Department of Business, Economic Development, and Tourism, Chamber of Commerce of Hawaii, Hawaii Hotel Association, Hawaii Business Roundtable, Hawaii Attractions Association, Retail Merchants of Hawaii, and Hawaii Automobile Dealers' Association submitted testimony in opposition to this bill. HTA, and Waikiki Improvement Association submitted comments on this bill.

Your Committee has amended this bill by:

- (1) Deleting the repeal of HTA;
- (2) Requiring the Auditor to conduct an audit of HTA;
- (3) Making the bill effective upon its approval; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 336, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 336, S.D. 3, H.D. 2.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1372 Finance on S.B. No. 469**

The purpose of this bill is to appropriate funds to enable the counties to continue to administer, on behalf of the State, the program to issue parking placards to qualified persons with disabilities.

The City and County of Honolulu, the Honolulu Police Department, Advocates For Consumer Rights, and the County of Hawaii testified in support of this measure. The Disability and Communication Access Board supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Replacing the appropriation with \$1 for the purpose of continued discussion;
- (2) Changing the expending agency from the counties to the Department of Health; and
- (3) Making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 469, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 469, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Cabrereros and Davis.

**SCRep. 1373 Finance on S.B. No. 530**

The purpose of this bill is to ensure that Hawaii's public schools are appropriately staffed by qualified administrators by:

- (1) Reducing from five years to three years the amount of required teaching experience for principal and vice-principal positions in the Department of Education (DOE);
- (2) Requiring the Board of Education (BOE) to create salary ranges for principals and vice-principals that include provisions for salary incentives for exemplary employees;
- (3) Authorizing BOE to grant principals and vice-principals longevity step increases more often than once every three years;
- (4) Providing additional benefits to principals and vice-principals at special needs schools;
- (5) Allowing principals and vice-principals to receive incentive packages provided by local communities;
- (6) Establishing a program for tuition assistance for exemplary teachers attending the University of Hawaii; and
- (7) Appropriating an unspecified amount of funds to effectuate the various provisions of the bill.

The Hawaii Government Employees Association submitted testimony in support of the intent of this bill. DOE submitted comments on this bill.

Your Committee has amended this bill by making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 530, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 530, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1374 Finance on S.B. No. 597**

The purpose of this bill is to make various amendments to the State's developmental disabilities law to comply with recent changes in the federal disability law.

The State Council on Developmental Disabilities, Department of Health, and Disability and Communication Access Board testified in support of this measure.

Your Committee has amended this bill by:

- (1) Changing the name of the State Planning Council on Developmental Disabilities to the State Council on Developmental Disabilities in various sections of the Hawaii Revised Statutes; and
- (2) Making other technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 597, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 597, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Cabrerros and Davis.

**SCRep. 1375 Finance on S.B. No. 606**

The purpose of this bill is to promote the use of recycled water by requiring all state and county facilities using potable water irrigation systems to connect to an available recycled water service that is within one hundred feet of the property line.

The Department of Health, the Department of Land and Natural Resources, and the Executive Committee of the Hawaii Water Environment Association testified in support of this measure. The Department of Accounting and General Services supported the intent of this bill.

Your Committee has amended this bill by:

- (1) Adding a new section that appropriates an unspecified amount to carry out the purposes of this bill;
- (2) Making the Department of accounting and General Services the expending agency; and
- (3) Making technical, nonsubstantive amendments for the purpose of consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 606, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 606, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1376 Finance on S.B. No. 633**

The purpose of this bill is to appropriate \$200,000 to match federal funds for the Hawaii Forestry and Communities Initiative.

The College of Tropical Agriculture and Human Resources of the University of Hawaii (UH) at Manoa, College of Agriculture, Forestry and Natural Resource Management of UH-Hilo, and Hawaii Forest Industry Association submitted testimony in support of this bill. The Department of Land and Natural Resources submitted testimony in support of the intent of this bill.

Your Committee has amended this bill by changing the appropriation amount to \$1 for the purpose of continued discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 633, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 633, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1377 Finance on S.B. No. 648**

The purpose of this bill is to improve the climate for high technology businesses and their support businesses by:

- (1) Amending current tax incentives; and
- (2) Providing additional tax incentives, for qualified high technology businesses.

The Hawaii Technology Trade Association, Building Industry Association-Hawaii, Hawaii Ventures Corporation, Hawaii Construction Industry Association, Oceanit, Oahu Economic Development Board, Square USA, Inc., Viata Online, Inc., Sandwich Isles Communications, Inc., RevaComm, Hawaii Venture Capital Association, Farnsworth Consulting, Business West Accelerator, Dimensia, Inc., Hawaii Opportunities Group, LLC, 4Charity.Com, Adecco Technical-Hawaii, and several individuals submitted testimony in support of this bill. The Department of Taxation, Department of Business, Economic Development, and Tourism, High Technology Development Corporation, and Mele Pacific, Inc., submitted testimony in support of the intent of this bill. The Office of the Special Advisor to the Governor for Technology Development, Tax Foundation of Hawaii, Chun, Kerr, Dodd, Beamon, and Wong, Shigeji Sato and Company, and Hoike.net submitted comments on this bill.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2010, to facilitate further discussion;
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 648, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 648, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1378 Finance on S.B. No. 751**

The purpose of this bill is to provide a general excise exemption for interisland transportation aircraft and engine rentals or leases.

A proposed H.D. 2 was made available to interested agencies and organizations to elicit testimony on the proposed draft which replaced the contents of the H.D. 1 with:

- (1) A food tax credit based on adjusted gross income;
- (2) An earned income tax credit equal to a percentage of the federal earned income tax credit; and
- (3) An increased standard income tax deduction for 2001.

The American Friends Service Committee supported the measure. The Department of Taxation, the Department of Budget and Finance, and the Tax Foundation of Hawaii submitted comments.

Your Committee has amended the proposed H.D. 2 by:

- (1) Changing the language relating to the complete phase-out from "Over \$30,000" to "\$30,000 and over"; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 751, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 751, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1379 Finance on S.B. No. 932**

The purpose of this bill is to recognize the value and influence both parents have on the life of a child by eliminating any preferences for one parent over another in government contracts, programs, services, and workforce policies.

The Senator from the 20th District, Parents and Children Together, Parents Without Partners, the Hawaii Coalition for Dads, a clinical psychologist, and two concerned citizens testified in support of this measure. The Department of Human Services testified in support of the intent of the measure.

Your Committee has amended this bill by ensuring that preferences are acceptable if they are in the best interests of a child, as reflected in the purpose section of the bill as received.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 932, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 932, S.D. 2, H.D. 3.

Signed by all members of the Committee.

**SCRep. 1380 Finance on S.B. No. 1028**

The purpose of this bill is to improve the efficiency and coordination of the development of the Aloha Tower Complex and Barbers Point Naval Air Station by transferring these functions to the Hawaii Community Development Authority (HCDA).

HCDA, the Department of Business, Economic Development, and Tourism, Office of Hawaiian Affairs, City and County of Honolulu Board of Water Supply, the Commission, and a concerned citizen submitted testimony in support of this measure. City and County of Honolulu Department of Planning and Permitting and a concerned citizen submitted comments.

Your Committee has amended this bill by:

- (1) Inserting provisions to keep all rules, policies, procedures, and guidelines adopted or developed by the Commission and the Aloha Tower Development Corporation in effect until amended or repealed by HCDA;
- (2) Changing the appropriation amount to \$1 to facilitate further discussion;
- (3) Requiring that all rules under this measure meet federal requirements necessary to receive federal funds;
- (4) Changing the effective date to provide that the Act shall not be repealed when section 36-27 is reenacted on July 31, 2003; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1028, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1028, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1381 Finance on S.B. No. 1058**

The purpose of this bill is to reduce public employer costs by:

- (1) Requiring the amount ported to employee organizations for health benefit plans and group life insurance be based on the most cost effective plan that provides the same level of benefits for participants in the plans of the Public Employee Health Fund (PEHF) and employee organizations;
- (2) Confirming the employer's authority to audit employee organization health benefits and group life insurance plans; and
- (3) Requiring employee organizations to return to PEHF the employer's share of refunds from their insurance carriers.

The Department of Budget and Finance (B&F) testified in support of this bill with recommended amendments. The Hawaii Government Employees Association, United Public Workers, and Hawaii State Teachers Association testified in opposition to the bill.

Your Committee has amended this measure by:

- (1) Removing the language limiting the employer contribution to:
  - (A) Sixty percent of the health benefit plan selected by the employee-beneficiary; and
  - (B) The actual cost of the dental plan selected by the employee-beneficiary and the group life benefit program or group life insurance program selected by the employee; and substituting negotiated rate language in anticipation of future negotiated agreements, and limiting the employer contribution to an amount based on the most cost-effective plan;
- (2) Appropriating \$200,000 in each year of fiscal biennium 2002-2003 for B&F to audit employee organization plans;
- (3) Having the Act take effect upon approval; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1058, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1058, S.D. 1, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1382 Finance on S.B. No. 1068**

The purpose of this bill is to conform Hawaii's licensing laws to the requirements of the federal Financial Services Modernization Act of 1999, P.L. 106-102, more commonly known as the Gramm-Leach-Bliley Act. The federal law requires that a majority of the states must have "producer licensing" laws in place by November 12, 2002 that are either uniform or reciprocal to each other. This bill adopts the National Association of Insurance Commissioners' Producer Licensing Model Act that was created in response to the federal mandate.

The Department of Commerce and Consumer Affairs, Association of Insurance and Financial Advisors-Hawaii, National Association of Independent Insurers, State Farm, and American Council of Life Insurers submitted testimony in support of this bill. The Office of Information Practices, Hawaii Independent Insurance Agents Association, and Hawaii Insurers Council submitted comments on this bill.

Your Committee has amended this bill by deleting the exemption from licensing requirements for employees that respond to requests from existing policyholders on existing policies and who are not compensated based on the volume of the premiums that result from such services.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1068, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1068, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1383 Finance on S.B. No. 1207**

The purpose of this bill is to:

- (1) Require the University of Hawaii (UH) General Counsel to advise its clients on how to avoid future claims and request clients to take corrective action no later than October 1st of each year;
- (2) Require UH to submit a confidential report to selected members of the Legislature relating to claims;
- (3) Ensure that the disclosure of information to the Legislature does not constitute a waiver of confidentiality, and the disclosed information shall be protected from discovery or from use for any purpose in any proceeding involving the UH;
- (4) Clarify that UH's immunity from suit under the Eleventh Amendment was not abrogated by Act 115, Session Laws of Hawaii 1998; and
- (5) Specify that settlements of claims or judgments against UH may be made from legislative appropriations.

UH submitted testimony in support of this bill.

To clarify that UH has immunity from suit under the Eleventh Amendment, your Committee has amended this bill by repealing section 304-6, Hawaii Revised Statutes (HRS), relating to suits brought by and against UH, and replacing it with a new section in chapter 304, HRS, also relating to UH suits. This new section specifies that:

- (1) UH may only sue and be sued in its corporate name;
- (2) UH shall only be subject to suit in the manner provided for suits against the State;
- (3) Any liability incurred by UH through such a suit shall be a liability of the State; and
- (4) For purposes of the section, the UH Board of Regents are "employees of the State" as used in chapter 662, HRS.

Your Committee has also amended this bill by making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1207, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1207, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1384 Finance on S.B. No. 493**

The purpose of this bill is to eliminate the public schools' \$640,000,000 repair and maintenance backlog by:

- (1) Establishing the Hawaii School Repair and Maintenance Trust Fund (Trust Fund) under Hawaii 3R's, a project of America's Promise Hawaii, into which may be deposited contributions, grants, endowments, or gifts from all sources, including corporations, foundations, government, individuals, and other parties;
- (2) Authorizing Hawaii 3R's to award grants or contracts for the repair and maintenance of public schools;

(3) Allowing contractors, engineers, architects, surveyors, and landscape architects to claim an income tax credit for contributions of in-kind services provided to schools for repair and maintenance; and

(4) Appropriating \$5,000,000 to the Trust Fund for start-up and other program expenses to be matched by private sector donations and contributions from the federal government.

The Hawaii State Teachers Association, the Chamber of Commerce of Hawaii, Hawaii Business Roundtable, the American Society of Civil Engineers, Hawaii 3R's, and the General Contractors Association of Hawaii testified in support of this measure. The Department of Accounting and General Services (DAGS), the Department of Education, and the Department of Taxation supported the intent of this bill. The Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Inserting a public purpose statement;
- (2) Replacing references to "Trust Fund" with "Fund;"
- (3) Deleting the requirement that state appropriations be matched by other contributions;
- (4) Requiring that DAGS approve all proposals for consistency in meeting design and materials standards for public schools;
- (5) Exempting organizations or agencies that apply for grants or contracts from chapter 103D, Hawaii Revised Statutes (HRS), and specifying that America's Promise Hawaii be held accountable for the use of the funds under contract with DAGS that ensures compliance with chapter 42F, HRS;
- (6) Deleting the requirement that unspent funds be returned or distributed in the event that the Fund is terminated or Hawaii 3R's is dissolved;
- (7) Specifying that the appropriation is a grant-in-aid to America's Promise Hawaii, and making America's Promise Hawaii the expending agency instead of Hawaii 3R's;
- (8) Change appropriation amounts to \$1 for purposes of continued discussion; and
- (9) Making technical, nonsubstantive amendments for the purpose of consistency and to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 493, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 493, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1385 Finance on S.B. No. 1211**

The purpose of this bill is to address the maintenance and repair needs of public schools by:

- (1) Establishing the Hawaii School-level Minor Repairs and Maintenance Special Fund; and
- (2) Authorizing a state income tax check-off for this purpose.

The Department of Education, Department of Accounting and General Services, Hawaii State Teachers Association, Hawaii Government Employees Association, American Society of Civil Engineers, and General Contractors Association of Hawaii testified in support of this measure. The Office of the Lieutenant Governor submitted testimony in support of the intent and proposed amendments to the bill.

The Department of Taxation opposed this measure. The Department of Budget and Finance and Tax Foundation of Hawaii submitted comments.

This bill has been amended according to the Lieutenant Governor's recommendations by:

- (1) Designating only unencumbered general funds to lapse on June 30 of the first fiscal year of the next fiscal biennium;
- (2) Removing the expending agency; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1211, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1211, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1386 Finance on S.B. No. 678**

The purpose of this bill is to:

- (1) Appropriate funds for the New Economy Transition Program (NET);
- (2) Require legislative documents to be transmitted electronically;
- (3) Authorize general obligation bonds for the Community-based Economic Development Loan and Grant Program; and
- (4) Bring together industry, government, and educational leaders to develop goals and an implementation plan to further develop the high technology industry in Hawaii.

The Hawaii Bankers Association supported the measure. The Chamber of Commerce of Hawaii, Kauai Chamber of Commerce, and Vietnamese-American Chamber of Commerce supported Part 1 of the measure. The Department of Business, Economic Development, and Tourism (DBEDT) Special Advisor to the Governor for Technology Development supported the intent of this measure.

The Department of Budget and Finance opposed this measure. The Department of Accounting and General Services, the House Clerk, and High Technology Development Corporation submitted comments.

Your Committee has amended this bill by:

- (1) Removing the requirement that all legislative documents be electronically transmitted;
- (2) Replacing the authorization of general obligation bonds with an appropriation from the general fund to be expended by DBEDT;
- (3) Increasing the number of members on the boards of certain agencies attached to DBEDT to include the special advisor for technology development;
- (4) Establishing a Chief Information Officer position within the Office of the Governor; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 678, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 678, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Davis.

#### **SCRep. 1387 Finance on S.B. No. 1029**

The purpose of this bill is to:

- (1) Establish the Convention Center Facility Reserve Special Fund
- (2) Change the composition of the Hawaii Tourism Authority (HTA) board of directors to have a total of 14 members;
- (3) Require HTA to support the efforts of other state and county departments or agencies to manage, improve, and protect Hawaii's natural environment and areas frequented by visitors;
- (4) Distribute 17.3 per cent of Transient Accommodations Tax (TAT) revenues to be deposited into the Convention Center Facility Reserve Special Fund;
- (5) Specify that if the amount of TAT revenues deposited into the Tourism Special Fund exceeds the amount appropriated to HTA and DBEDT's Visitor Research Program for fiscal year 2001-2002 and fiscal year 2002-2003, then all revenues collected in excess of that amount is to be expended by HTA with 50 percent to expand, promote, and diversify Hawaii business tourism and 50 percent to invest in Hawaii's natural environment;
- (6) Appropriate an unspecified amount for the Tourism Special Fund; and
- (7) Appropriate out of the Enterprise Special Fund, \$42,800,000 for fiscal year 2001-2002 and \$42,400,000 for fiscal year 2002-2003; provided that \$2,000,000 for fiscal year 2001-2002 and \$2,000,000 for fiscal year 2002-2003 shall be deposited into the Convention Center Facility Reserve Special Fund to pay for any future major repair, maintenance, and improvement of the Convention Center Facility.

The Hawaii Tourism Authority, Hawaii Hotel Association, and an individual submitted testimony in support of this bill. Hawaii Attractions Association and Retail Merchants of Hawaii submitted testimony in support of the intent of this bill. The Department of Business, Economic Development (DBEDT), and Tourism, Department of Land and Natural Resources, Office of Information Practices, County of Kauai Office of Economic Development, Tax Foundation of Hawaii, Trust for Public Land, Waikiki Improvement Association, and Hawaii Chapter of the Sierra Club submitted comments on this bill.

Your Committee has amended this bill by:

- (1) Deleting section 11 of the bill received by your Committee that specifies that any TAT revenues beyond the amount appropriated to HTA and DBEDT's visitor research program for fiscal years 2001-2003 and 2002-2003 be equally distributed to expand Hawaii business tourism and to invest in Hawaii's natural environment;
- (2) Changing the appropriations from the Convention Center Enterprise Special Fund to \$41,782,012 each for fiscal years 2001-2002, and 2002-2003;
- (3) Specifying that the appropriation from the Tourism Special Fund is \$65,000,000 each for fiscal years 2001-2002 and 2002-2003 for purposes of the Fund;
- (4) Adding new appropriations of \$2,000,000 each for fiscal years 2001-2002 and 2002-2003 from the Tourism Special Fund to expand Hawaii business tourism; and
- (5) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1029, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1029, S.D. 3, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1388 Finance on S.B. No. 1060**

The purpose of this bill is to clarify and supplement the existing escrow depository law by:

- (1) Making an escrow depository's application and records available to the public to the extent permitted by chapter 92F, Hawaii Revised Statutes (HRS), the Uniform Information Practices Act;
- (2) Establishing the procedure and requirements for the voluntary termination of escrow depository operations and closing of a branch office;
- (3) Requiring directors of an escrow depository who have access to money or negotiable instruments to be covered by a fidelity bond, or an equivalent amount of cash or securities;
- (4) Authorizing the Commissioner of Financial Institutions (Commissioner) to charge fees for certain acts, including:
  - (A) Applications for the establishment of branch offices and the relocation of offices;
  - (B) Application for approval to cease an escrow depository business; and
  - (C) Examination of an escrow depository at a rate equal to the cost per hour of the examiner; and
- (5) Authorizing the Commissioner to set or modify fees by rules adopted pursuant to chapter 91, HRS.

The Division of Financial Institutions of the Department of Commerce and Consumer Affairs (Division) supported the intent of the bill and proposed amendments. Title Guaranty of Hawaii, Inc. testified in support of the bill.

Escrow depositories frequently hold in excess of \$100,000 in an insured escrow deposit account in a financial institution because the typical real estate transaction exceeds \$100,000. The limit on deposit insurance is \$100,000. The escrow depository industry desires to utilize an alternative depository for escrow funds until the funds are required, that is, the "sweep account". The funds in the sweep account are periodically deposited by a financial institution in a money market mutual fund and periodically recredited back to the account.

After reviewing and discussing the sweep accounts with the escrow depository industry, the Division has proposed amendments to this measure that allows the use of these accounts. The amendment incorporates safeguards, such as:

- (1) Permitting only escrow depositories with a net worth of \$1,000,000 to utilize sweep accounts;
- (2) Restricting the investment of the money market mutual fund account to obligations of the United States and its agencies; and
- (3) Holding the escrow depository liable for losses.

Accordingly, your Committee has amended this measure by allowing and regulating the use of sweep accounts for the deposit of escrow funds.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1060, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1060, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1389 Finance on S.B. No. 1110**



The purpose of this bill is to ensure the safety of children in child care settings by:

- (1) Requiring child abuse record checks for licensed child-care providers;
- (2) Requiring criminal history and child abuse record checks for license-exempt providers who may be eligible to receive a child-care subsidy from the Department of Human Services (DHS); and
- (3) Increasing penalties for violation of chapter 346, Hawaii Revised Statutes.

The Attorney General, and the Honolulu Police Department submitted testimony in support of the measure. DHS supported this measure with a suggested amendment. A private citizen submitted comments.

Your Committee has amended this bill by:

- (1) Limiting checks of certain relatives only to criminal history name checks, and not fingerprinting; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1110, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1110, S.D. 2, H.D. 3.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1390 Finance on S.B. No. 654**

The purpose of this bill is to set Medicaid payments at a level that fairly compensates providers by ensuring that payments are at least sufficient to cover the actual costs of care offered by providers.

The Department of Human Services, Hawaii Health Systems Corporation, Healthcare Association of Hawaii, Hawaii Association for Home Care, Hawaii Long Term Care Association, Leeward Integrated Health Services, North Hawaii Community Hospital, Queen's Medical Center, Kaiser Permanente, St. Francis Healthcare System, Leeward Integrated Health Services, Pohai Nani Good Samaritan Kauhale, Hawaii Air Ambulance, Kapiolani Medical Center, and the Rehabilitation Hospital of the Pacific submitted testimony in support of this measure. The Department of Budget and Finance submitted comments.

Your Committee has amended this bill by:

- (1) Changing the appropriation amounts to \$1 to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 654, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 654, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1391 Finance on S.B. No. 704**

The purpose of this bill is to assist the Crime Victim Compensation Commission (Commission) in serving the needs of Hawaii's crime victims by:

- (1) Exempting the Executive Director and Administrative Assistant of the Commission from civil service laws;
- (2) Appropriating funds to the Crime Victim Compensation Special Fund (Fund); and
- (3) Requiring the Commission to submit a report to the Legislature prior to the convening of the Regular Session of 2002.

The Commission, City and County of Honolulu Department of the Prosecuting Attorney, Sex Abuse Treatment Center, and a concerned citizen submitted testimony in support of this measure.

Your Committee has amended this bill by:

- (1) Removing the provision that would have eliminated the 30 percent cap on operating expenses of the Fund;
- (2) Removing the reference to exceeding the general fund appropriation ceiling;
- (3) Changing the appropriation amounts to \$1 to facilitate further discussion; and
- (4) Making technical, nonsubstantive amendments for purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 704, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 704, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1392 Finance on S.B. No. 927**

The purpose of this bill is to authorize the Research Corporation of the University of Hawaii (RCUH), with the approval of the Governor, to develop an adult day health care program and research center.

RCUH submitted comments on this bill.

Your Committee has amended this bill by:

- (1) Deleting the appropriation amounts; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 927, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 927, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1393 Finance on S.B. No. 981**

The purpose of this bill is to:

- (1) Increase the number of members of the Board of Land and Natural Resources (Board) from six to seven; and
- (2) Require a vote by a simple majority of Board members who are qualified to vote and are present at a meeting to allow any decision on land use permits in the conservation district.

The Department of Land and Natural Resources (DLNR) and Hawaii Chapter of the Sierra Club submitted testimony in support of this bill.

Your Committee has amended this bill by:

- (1) Adding an unspecified appropriation to be expended by DLNR; and
- (2) Changing the effective date to July 1, 2010.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 981, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 981, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1394 Finance on S.B. No. 992**

The purpose of this bill is to improve the administration and enforcement of the cigarette tax stamp law by:

- (1) Prohibiting the resale of tax-exempt cigarettes from Armed Services sales outlets;
- (2) Establishing the Cigarette Tax Stamp Enforcement Special Fund (Enforcement Fund);
- (3) Establishing the Cigarette Tax Stamp Administrative Special Fund (Administrative Fund);
- (4) Exempting the Enforcement and Administrative Funds from central service and departmental administrative expenses transfers;
- (5) Specifying the portions of the tax stamp values that shall be deposited into the Enforcement and Administrative Funds; and
- (6) Appropriating funds;
- (7) Allowing cigarette distribution businesses to recover costs incurred in affixing stamps to cigarette packages;
- (8) Authorizing the cost of stamps to be reduced by an unspecified percentage of the denominated value of each stamp purchased, to allow cigarette distributor cost recovery; and

(9) Providing that the percent reduction for cost recovery is not available to a cigarette distributor that is not in compliance with state law.

The Department of Taxation testified in support of this measure. The Department of the Attorney General (AG) supported the intent of this measure with proposed amendments. The Tax Foundation of Hawaii commented on this measure.

Your Committee has amended this bill by:

- (1) Removing the reference to exceeding the general fund appropriation ceiling;
- (2) Providing that the cigarette stamp tax is not required to be paid upon cigarettes sold for personal use at sales outlets operated by the armed services, but making it illegal to purchase such cigarettes for resale;
- (3) Creating the Tobacco Enforcement Special Fund (Tobacco Fund) to be administered by the AG;
- (4) Providing that all unencumbered and unexpended moneys in excess of \$350,000 remaining on balance in the Tobacco Fund at the close of the fiscal year to be credited to the Hawaii Tobacco Settlement Special Fund;
- (5) Requiring the AG to submit a report to the Legislature no later than twenty days prior to the convening of each regular session, providing an accounting of the receipts and expenditures of the Tobacco Fund;
- (6) Exempting the Tobacco Fund from central service and departmental administrative expenses transfers; and
- (7) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 992, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 992, S.D. 2, H.D. 2.

Signed by all members of the Committee.

#### **SCRep. 1395 Finance on S.B. No. 1101**

The purpose of this bill is to authorize the Department of Hawaiian Home Lands (DHHL) to require a successor lessee who receives a homestead lease due to:

- (1) The death of a lessee who leaves no qualified successor;
- (2) The cancellation of a lease by DHHL; or
- (3) The surrender of a lease by the lessee, to secure private financing to repay any advances made from the Hawaiian Home Loan Fund or Hawaiian Home General Loan Fund.

DHHL testified in support of this measure.

Your Committee has amended this bill by:

- (1) Including a severability provision; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1101, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1101, H.D. 1.

Signed by all members of the Committee except Representatives Saiki and Rath.

#### **SCRep. 1396 Finance on S.B. No. 1164**

The purpose of this bill is to protect Hawaii's natural resources and support their management by:

- (1) Authorizing conveyance tax funds to be expended to administer the Forest Stewardship Program (Program); and
- (2) Appropriating \$20,000 for the Program.

The Department of Natural Resources and the Nature Conservancy of Hawaii submitted testimony in support of this bill.

Your Committee has amended this bill by making technical, nonsubstantive changes for purposes of style, clarity, and accuracy.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1164, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1164, S.D. 1, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1397 Finance on S.B. No. 1169**

The purpose of this bill is to link the cost of maintaining the state park system and its use by visitors by authorizing that proceeds collected from the Transient Accommodations Tax (TAT) and legislative appropriations be earmarked to the State Parks Special Fund (Fund).

The Department of Land and Natural Resources, Trust for Public Land, Sierra Club, Hawaii Chapter, Life of the Land, and a concerned citizen testified in support of this measure. The Hawaii Tourism Authority supported the intent of this measure.

The Hawaii Hotel Association opposed the measure. The University of Hawaii Environmental Center Department of Business, Economic Development, and Tourism, and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Removing the provision that allows proceeds from TAT to go to the Fund;
- (2) Including the transfer of \$4,000,000 from the Tourism Special Fund to the Fund for fiscal years 2001-2002 and 2002-2003;
- (3) Making an appropriation of \$4,000,000 out of the Fund for fiscal years 2001-2002 and 2002-2003; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1169, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1169, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1398 Finance on S.B. No. 900**

The purpose of this bill is to establish additional requirements and procedures for the investigation, processing, and approval or denial of liquor license applications.

Waikiki Citizen's Patrol and numerous individuals submitted testimony in support of this bill. The Departments of Liquor Control of the Counties of Hawaii, Kauai, and Maui, and Ala Moana/Kakaako Neighborhood Board No. 11 submitted testimony in support of the intent of this bill.

Your Committee has amended this bill by:

- (1) Allowing counties to more stringently regulate certain transfers in a "special district" created by a county for purposes of restoration, preservation, redevelopment, or rejuvenation in which development is guided to protect and enhance the physical and visual aspects of the area;
- (2) Deleting the requirement that the Liquor Commission deny issuance of a liquor license to an establishment if 40 percent of the voters or owners within five hundred feet of the establishment file a written protest; and
- (3) Deleting the definition of "a majority of owners and lessees of record of real estate and owners of record of shares in a cooperative apartment."

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 900, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 900, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1399 Finance on S.B. No. 1082**

The purpose of this bill is to clarify which programs qualify for workers' compensation coverage for students engaged in work-based learning programs by changing the name of the School-to-Work Work-based Program to the Work-based Learning Program.

The Department of Education submitted testimony in support of the intent of this measure.

Your Committee has amended this bill by changing its effective date upon approval.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1082, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1082, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1400 Finance on S.B. No. 1561**

The purpose of this bill is to authorize the issuance of \$5,000,000 in special purpose revenue bonds for Central Kauai Sanitary Landfill, LLC. The moneys are to be used to assist Central Kauai Sanitary Landfill, LLC in planning, designing, and constructing a private landfill on the island of Kauai.

Your Committee received testimony in support of this measure from Bob Awana, Managing Partner of Central Kauai Sanitary Landfill, LLC, and Grove Farm Company.

The Department of Budget and Finance and the Department of the Attorney General expressed concern over whether this project qualifies as a "processing" enterprise under state and federal law. However, after further deliberation, your Committee has concluded that the proposed landfill does fall within state and federal statutes and will qualify for funding via special purpose revenue bonds.

Your Committee has amended the bill by:

- (1) Changing the effective date to July 1, 2010, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee would like to note that by recommending that this measure pass Third Reading, it is not conveying to the county any preference with regard to the county's decision-making processes, including requests for proposals, authorizations of permits, or approvals.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1561, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1561, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1401 Finance on S.B. No. 1213**

The purpose of this bill is to train teachers to be more effective in the classroom by establishing professional development schools in Hawaii.

The Office of the Lieutenant Governor, Department of Education (DOE), University of Hawaii, Hawaii State Teachers Association, and the Hawaii Association of Independent Schools submitted testimony in support of the bill.

Your Committee has amended this measure by:

- (1) Providing that competitive grants awarded to professional development schools shall be for a period up to five years, subject to available resources; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1213, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1213, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1402 Finance on S.B. No. 1236**

The purpose of this bill is to:

- (1) Establish the Data and Research Office for Children and Families (DROCF) within the Center on the Family at the University of Hawaii (UH) at Manoa;
- (2) Appropriate funds for DROCF;
- (3) Provide for a staff position for the Bridge-to-Hope (BTH) program from funds designated by Act 276, Session Laws of Hawaii 2000; and
- (4) Appropriate funds for BTH.

The Department of Human Services, UH, Hawaii Performance Partnerships Board, Good Beginnings Alliance, and American Friends Service Committee submitted testimony in support of this bill. The Special Assistant on Children and Families of the Office of the Governor commented on this bill.

Your Committee has amended this bill by:

- (1) Making UH the expending agency for the appropriation for BTH; and

- (2) Making technical nonsubstantive changes for purposes of style, clarity, and accuracy.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1236, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1236, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1403 Finance on S.B. No. 1264**

The purpose of this bill is to provide that the sale of seedstock for producing agricultural and aquacultural products to a licensed producer or cooperative association, as well as the sale of aquacultural products in general, be considered a wholesale sale for the purposes of the General Excise Tax.

The Hawaii Aquaculture Association and Hawaii Farm Bureau submitted testimony in support of this bill. The Department of Agriculture submitted testimony in support of the intent of this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments on this bill.

Your Committee has amended this bill by making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1264, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1264, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1404 Finance on S.B. No. 1315**

The purpose of this bill is to enable the Department of Education (DOE) to establish custodial accounts by:

- (1) Authorizing the DOE to establish custodial accounts for the deposit of annuity payments of employees; and
- (2) Designating the insurance service provider or custodial service provider to bear the cost of administering the accounts.

The Hawaii State Teachers Association testified in support of this bill. DOE and the University of Hawaii testified in support of the intent of this bill.

Your Committee has amended this bill by making technical nonsubstantive changes for purposes of style, clarity, and accuracy.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1315, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1315, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1405 Finance on S.B. No. 1365**

The purpose of this bill is to appropriate funds for the Weed and Seed Program.

The United States Attorney for the District of Hawaii, Honolulu Police Department, State Health Planning and Development Agency, and several individuals submitted testimony in support of this bill. The Department of Public Safety and the Department of Business, Economic Development, and Tourism submitted testimony in support of the intent of this bill.

Your Committee has amended this bill by:

- (1) Changing the appropriation amount to \$1; and
- (2) Making technical, nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1365, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1365, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1406 Finance on S.B. No. 1414**

The purpose of this bill is to appropriate funds for:

- (1) Hawaii's contribution to the costs of the National Conference of Commissioners on Uniform State Laws (Conference); and

(2) The registration and travel expenses for the delegation of the Hawaii Commission to Promote Uniform Legislation to attend the 2001 annual meeting of the Conference.

Your Committee, upon further consideration, has amended this bill by:

- (1) Changing the authorized funding to \$2; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1414, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1414, S.D. 1, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1407 Finance on S.B. No. 1460**

The purpose of this bill is to increase the number of associate judges on the intermediate appellate court from three to five.

The Judiciary submitted testimony in support of this bill.

Your Committee has amended this bill by changing the effective date to July 1, 2010, for purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1460, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1460, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1408 Finance on S.B. No. 1296**

The purpose of this bill is to amend Hawaii's law regarding the compensation of court-appointed counsel in state criminal cases by:

- (1) Providing that expenses and fees shall be ordered by the court upon proof by exhibit, affidavit, testimony, or other credible evidence submitted by appointed counsel;
- (2) Giving the court the discretion to consider the nature of the case and the quality of the counsel's representation in determining whether requested fees and costs were reasonably incurred; and
- (3) Specifying that compensation of appointed counsel be equivalent to the hourly rate of court-appointed counsel in the federal district court of Hawaii; provided that fees shall not exceed certain limits.

The Judiciary and the president of the Hawaii Association of Criminal Defense Lawyers submitted testimony in support of this bill. The Department of Budget and Finance submitted comments on this bill.

Your Committee has amended this bill by changing the effective date to July 1, 2010. Technical, nonsubstantive amendments were made for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1296, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1296, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1409 Finance on S.B. No. 1473**

The purpose of this bill is to establish a "smart growth" program for the State.

More specifically, this bill establishes a Special Advisor for Smart Growth, who shall be the Director of Planning, and a Smart Growth Advisory Council (Advisory Council) to ensure that state investments and action support smart growth objectives. Under the provisions of this bill, the Special Advisor shall work with the Advisory Council to implement new growth and development practices that reduce public costs and preserve the character and economic productivity of established communities and rural areas.

The Office of Planning, Hawaii's Thousand Friends, Hawaii Chapter of the American Planning Association, and People for Environmental and Community Health submitted testimony in support of this bill. The Environmental Center of the University of Hawaii at Manoa submitted testimony in support of the intent of this bill. The Land Use Research Foundation of Hawaii, Hawaii Association of Realtors, Estate of James Campbell, and Hawaii Leeward Planning Conference submitted testimony in opposition to this bill.

Your Committee has amended this bill by making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1473, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1473, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Saiki and Rath.  
(Representatives Djou and Moses voted no.)

**SCRep. 1410 Finance on S.B. No. 24**

The purpose of this bill is to enable public agencies to improve their human resource programs by authorizing them to conduct experimental modernization projects (projects) in 2001 instead of waiting for Act 253 (the Civil Service Reform Act), Session Laws of Hawaii (SLH) 2000, to take effect in July 2002.

The Department of Accounting and General Services, Board of Water Supply of the City and County of Honolulu, Hawaii Government Employees Association, Paul Louie & Associates, Inc., and several individuals testified in support of this measure. The Department of Human Resources Development offered comments.

Your Committee has amended this bill by:

- (1) Making it consistent with the applicable provisions of Act 253, SLH 2000, in the following manner:
  - (a) Deleting references to definitions of "public employee" and "public employer"; and
  - (b) Clarifying that projects not be limited by state or local personnel laws and rules, but shall be in compliance with laws prohibiting discrimination;
- (2) Clarifying that it is the legislative intent to require the cooperation of the various personnel agencies in carrying out projects;
- (3) Clarifying that it is the legislative intent that the agency conducting the project shall not be subject to state and county personnel laws; and
- (4) Deleting the section that amends Act 253, SLH 2000;
- (5) Making the measure take effect upon approval and sunset on June 30, 2002;
- (6) Making technical, nonsubstantive amendments for the purpose of consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 24, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 24, S.D. 2, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1411 Finance on S.B. No. 849**

The purpose of this bill is to provide a more realistic assessment of the State's ability to finance collective bargaining awards by clarifying certain factors that the arbitration panel is required to consider in reaching its final and binding decision. Specifically, this bill amends section 89-11, Hawaii Revised Statutes (HRS), to include:

- (1) Federal and State restrictions on the ability of the employer to access special funds or funds authorized to be used only for a specific purpose;
- (2) The prohibition against compromising the interest and welfare of the public by reallocating funds from existing programs or current level of service to fund new or enhanced collective bargaining agreements;
- (3) The financial impact on past and future collective bargaining agreements; and
- (4) The prohibition against using revenue estimates that exceed the latest Council on Revenues estimate.

The bill also deletes the "catch-all" factor category, that is, factors that are normally or traditionally taken into consideration in the determination of wages, hours, and conditions of employment.

The Department of Budget and Finance and the Department of Human Resources Development submitted testimony in support of the bill. The Hawaii Government Employees Association, United Public Workers, and the Hawaii State Fire Fighters Association submitted testimony in opposition to the bill.

Last year, the Legislature enacted civil service reform (Act 253, Session Laws of Hawaii 2000), which amended section 89-11, HRS, effective July 1, 2002. This bill, as received by your Committee, amends the corresponding provisions in existing law and future law, as set forth in Act 253, in an inconsistent manner. To correct this oversight, your Committee has amended this bill to conform the applicable provisions of Act 253 to the changes made to section 89-11, HRS.

Your Committee has further amended this measure by:



- (1) Changing the effective date to July 1, 2010; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 849, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 849, S.D. 1, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1412 Finance on S.B. No. 1212**

The purpose of this bill is to provide greater accountability and flexibility within the teaching profession by:

- (1) Transferring the responsibility of licensing public school teachers and state approval of teacher education programs from the Department of Education (DOE) to the Hawaii Teacher Standards Board (HTSB); and
- (2) Changing the composition of the HTSB.

The Office of the Lieutenant Governor, Hawaii State Teachers Association, University of Hawaii, and the Hawaii Business Roundtable supported this measure. DOE and HTSB supported this measure with amendments. Hawaii Association of Independent Schools provided comments.

A private citizen opposed this measure.

Your Committee has amended this bill by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1212, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1212, S.D. 1, H.D. 2.

Signed by all members of the Committee except Representatives Saiki and Rath.

**SCRep. 1413 Finance on S.B. No. 1534**

The purpose of this bill is to:

- (1) Require the Department of Health (DOH) to conduct a study to determine the best method of establishing a state program of long-term care;
- (2) Authorize DOH to contract with consultants for the purposes of the long-term care study; and
- (3) Appropriate funds for the long-term care study and for briefings throughout the State.

For the purpose of receiving public testimony, your Committee circulated a proposed draft of this bill that removed all provisions and appropriations relating to the long-term care study to be conducted by DOH. The proposed draft added a provision for a long-term care tax credit provided that:

- (1) The resident taxpayer is not claimed as a dependent; and
- (2) The resident taxpayer has no taxable income.

The Healthcare Association of Hawaii, Kokua Council, Coalition for Affordable Long Term Care, Department of Human Services, and an individual submitted testimony in support of this proposed bill. The Department of Health and the Policy Advisory Board for Elder Affairs, and an individual supported the intent of this proposed bill.

The Department of Budget and Finance and Department of Taxation opposed this proposed bill. The National Association of Insurance and Financial Advisors-Hawaii, Executive Office on Aging, and Tax Foundation of Hawaii commented on this proposed bill.

Your Committee has amended this proposed draft by:

- (1) Changing the effective date to July 1, 2010, for purposes of further discussion; and
- (3) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1534, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1534, H.D. 2.

Signed by all members of the Committee.

**SCRep. 1414 Finance on S.B. No. 1144**

The purpose of this bill is to:

- (1) Raise the minimum wage to \$5.50 per hour beginning July 1, 2002, and to \$6.00 per hour beginning July 1, 2003; and
- (2) Change the tip credit from 20 cents below the minimum wage to ten percent below the minimum wage.

The Department of Human Services, Hawaii State Teachers Association, Kokua Council, and Hawaii Catholic Conference submitted testimony in support of this bill. The American Friends Service Committee submitted testimony in support of the intent of this bill. The Chamber of Commerce of Hawaii, Retail Merchants of Hawaii, and National Federation of Independent Business submitted testimony in opposition to this bill. The Department of Labor and Industrial Relations, Hawaii Restaurant Association, Hawaii State AFL-CIO, and ILWU Local 142 submitted comments on this bill.

Your Committee has amended this bill by changing the tip credit provision from ten percent to eight percent below the minimum wage.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1144, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1144, S.D. 2, H.D. 2.

Signed by all members of the Committee.  
(Representative Rath voted no.)

**SCRep. 1415 Finance on S.B. No. 749**

The purpose of this bill is to assure compliance with federal and state laws regarding employment and bid preferences for state residents by:

- (1) Defining "state resident," "state contractor," and "state subcontractor"; and
- (2) Changing the bid preference in favor of state contractors from 7 percent to a blank percent.

The Department of business, Economic Development, and Tourism, the State AFL-CIO, Hawaii Construction Industry Association, Koga Engineering & Construction, Inc., Albert C. Kobayashi, Inc., Jayar Construction, Inc., T. Iida Contracting, Ltd., S&M Sakamoto, Inc., Walter Y. Arakaki General Contractor, Inc., Royal Contracting Company, Ralph S. Inouye, Co., Ltd., Isemoto Contracting Co. Ltd., PLA Incorporated, and the Plumbers and Fitters Union submitted testimony in support of this bill. The Department of Accounting and General Services testified in support of the intent of this measure.

Your Committee has amended this bill by restoring the bid preference to 7 percent.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 749, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 749, S.D. 2, H.D. 2.

Signed by all members of the Committee.  
(Representative Rath voted no.)

**SCRep. 1416 Finance on S.B. No. 1567**

The purpose of this bill is to:

- (1) Require the Department of Education (DOE) to provide free or subsidized bus fare to students who qualify for free or reduced school lunch and who are forced to transfer schools within a school complex based on redistricting;
- (2) Require DOE to delay for one year the current redistricting plan for school complexes;
- (3) Provide that all homeowners within the Mauka Lani Elementary School district, as of the effective date of this measure, are grandfathered into that district under the current redistricting plan, and all subsequent homeowners shall be assigned to appropriate schools as determined by DOE;
- (4) Appropriate funds for costs associated with the subsidized bus fare; and
- (5) Appropriate funds for one full-time security guard at Barbers Point Elementary School.

Several individuals submitted testimony in support of the bill. The Senator from the 20th District and several individuals submitted testimony in support of the bill with amendments. DOE and several individuals provided comments on the bill. The Principal of Mauka Lani Elementary School and several individuals testified in opposition to the bill.

After careful consideration of the various positions presented at the hearing on this bill, your Committee has amended this measure by:

- (1) Deleting the mandate, and its supporting appropriation, to DOE to subsidize the bus fare of students forced to transfer to other schools due to the redistricting plan;
- (2) Requiring DOE, in cases of student-transfers due to redistricting, to mail notices to parents of the students and hold a public hearing at least nine months prior to the date of transfer for input from the parents of the affected students;
- (3) Postponing until July 1, 2002, the implementation of the current redistricting plan for the school complex that includes Mauka Lani Elementary School and Makakilo Elementary School; and
- (4) Expressly providing that residents within the Mauka Lani Elementary School and Makakilo Elementary School districts, as of December 31, 2000, shall be allowed to remain as part of their respective district boundary; and residents moving into these districts after December 31, 2000, may be assigned to appropriate schools as determined by DOE.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1567, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1567, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Davis.  
(Representative Moses voted no.)

#### **SCRep. 1417 Finance on S.B. No. 1115**

The purpose of this bill is to make housekeeping amendments to Act 253, Session Laws of Hawaii 2000, which effects civil service reform.

Among other things, this bill:

- (1) Creates the Human Resources Development Special Fund (Special Fund);
- (2) Appropriates moneys for the Special Fund; and
- (3) Repeals the Hawaii Health Systems Corporation civil service provisions.

The Department of Human Resources Development supported the intent of this bill and recommended an amendment to authorize furloughs of public employees.

Your Committee has amended this bill by:

- (1) Including voluntary furlough as an alternative to public employee layoffs and termination, in the event of lack of work, lack of funds, or other legitimate reason;
- (2) Protecting employee benefits in the event of voluntary furlough; and
- (3) Correcting numerous technical drafting errors to conform to standard drafting conventions.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1115, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1115, S.D. 1, H.D. 1.

Signed by all members of the Committee.  
(Representative Rath voted no.)

#### **SCRep. 1418 Finance on S.B. No. 1030**

The purpose of this bill is to authorize the Hawaii Community Development Authority (HCDA) to issue special facility revenue bonds for eligible projects, including an ocean science center, in the Kakaako community development district.

The Department of Business, Economic Development, and Tourism, Department of Budget and Finance, HCDA, Hawaii Tourism Authority, Eye on Makai, Ocean Science Center of the Pacific, and an individual submitted testimony in support of this bill.

Your Committee has amended this bill by:

- (1) Deleting references to aircraft liability and passenger liability from the requirement to provide workers' compensation and employer's liability insurance under the mandatory provisions of special facility leases; and
- (2) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1030, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1030, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Davis.  
(Representatives Moses and Rath voted no.)

**SCRep. 1419 Finance on S.B. No. 1188**

The purpose of this bill is to assist nonviolent drug possession offenders to get the help that they need to reduce the demand for illicit drugs and lower incidences of drug-related crimes by mandating community-based supervision and treatment for certain offenders in lieu of incarceration.

The Department of Public Safety, Department of Health, Office of the Public Defender, American Civil Liberties Union of Hawaii, Mental Health Association in Hawaii, Community Alliance on Prisons, Government Efficiency Teams, Inc., T. J. Mahoney & Associates, Hawaii Substance Abuse Coalition, and concerned citizens submitted testimony in support of the measure. The Hawaii Paroling Authority supported the intent of the measure.

The Judiciary, City and County of Honolulu Prosecuting Attorney, and Honolulu Police Department opposed this measure. A concerned citizen submitted comments.

Your Committee has amended this bill by:

- (1) Requiring sentencing of probation and community service for nonviolent drug possession offenses; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1188, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1188, S.D. 2, H.D. 2.

Signed by all members of the Committee except Representative Davis.  
(Representatives Moses and Rath voted no.)

**SCRep. 1420 Finance on S.B. No. 1377**

The purpose of this bill is to convert all positions of:

- (1) The support services office;
- (2) The program development staff; and
- (3) The Nursing Home Without Walls Program, within the Department of Human Services' (DHS) social services division, to civil service status.

Services for Seniors, Kaiser Permanente Hilo Clinic, Hospice of Hilo, Hawaii Island Adult Care, Inc., Rainbow Medical Supply, Inc., Advocates for Independent Living, ARC of Maui, West Hawaii AIDS Foundation, Interim Health Care, and a significant number of concerned citizens testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1377, S.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.

**SCRep. 1421 Finance on S.B. No. 1013**

The purpose of this bill is to further the development of the Kakaako Makai area by increasing the Hawaii Community Development Authority's (HCDA) tax-exempt public facilities revenue bond authorization to \$150,000,000, for the provision of public facilities, such as parking structures.

HCDA, Department of Budget and Finance, Bishop Museum, and an individual testified in support of the measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1013, S.D. 3, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.  
(Representatives Djou, Moses and Rath voted no.)

**SCRep. 1422 Finance on S.B. No. 951**

The purpose of this bill is to protect Hawaii's citizens from crimes motivated by bigotry and hate by:

- (1) Allowing extended terms of imprisonment for perpetrators of hate-motivated crimes; and
- (2) Establishing a system to collect, store, disseminate, and analyze hate crime data.

The Hawaii Civil Rights Commission, Civil Unions-Civil Rights Movement, the Anti-Violence Project, and five individuals testified in support of this measure. Opposing this bill were the Department of the Attorney General, the Office of Information Practices, the County of Kauai Police Department, and the City and County of Honolulu Police Department.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 951, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Davis.  
(Representative Rath voted no.)

**SCRep. 1423 Finance on S.B. No. 28**

The purpose of this bill is to provide employees with more time to plan for their future employment and to conform Hawaii law to federal standards by increasing from 45 to 60 days the amount of advance notification time that an employer must provide prior to a closure, partial closure, or relocation of a business.

Hawaii State AFL-CIO submitted testimony in support of this bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 28, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.  
(Representatives Djou, Moses and Rath voted no.)

**SCRep. 1424 Finance on S.B. No. 1081**

The purpose of this bill is to assist charter schools by:

- (1) Extending from 30 to 60 days, the length of time the Board of Education (BOE) has to notify a local school board of a conflict between its implementation plan and statutory requirements;
- (2) Authorizing BOE to issue provisional charters to prospective charter schools that require the fulfillment of statutory requirements prior to the opening of the charter school;
- (3) Authorizing BOE to determine the opening date of a charter school;
- (4) Providing that the per-pupil allocation for charter schools shall not exceed the average per-pupil expenditure of the previous fiscal year;
- (5) Allowing, rather than requiring, charter schools with fewer than 120 students to receive a state subsidy or small school allotment;
- (6) Removing the requirement that financial support for charter schools other than federal funding be no fewer than that of all other public schools;
- (7) Providing that BOE shall adopt guidelines under which charter schools shall be reviewed on an annual basis;
- (8) Requiring that these guidelines include assurances that charter schools meet legal standards for the expenditure of federal funds and are in compliance with federal and state laws;
- (9) Requiring BOE to initiate an independent evaluation of each charter school one year after its establishment and every two years thereafter; and
- (10) Reducing the probationary period under which a charter school must come into compliance with statewide standards and improve the school's fiscal accountability to one year.

BOE submitted comments. The Hawaii Association of Charter Schools and several concerned citizens opposed the measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1081, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Cabrerros and Davis.  
(Representatives Djou, Moses and Rath voted no.)

**SCRep. 1425 Finance on S.B. No. 733**

The purpose of this bill is to:

- (1) Fix the employer assessment rate for the Employment and Training Fund at .01 percent of taxable wages effective January 1, 2002; and
- (2) Require employers who use training programs to contribute up to 50 percent of the cost of assistance.

Building Industry Association, RevaComm, and Title Guaranty of Hawaii, Inc., testified in support of this measure. Oceanic Institute supported this measure with amendments. The Department of Labor and Industrial Relations, United Public Workers, and Child and Family Service supported the intent of this measure.

The Hawaii Business League, King & Neel, Inc., Bay Harbor Company, Wimberly Allison Tong & Goo, Dawson International, Inc., Pacific Shelving Company, Inc., Hawaii Test Borings, Inc., Hawaii Automobile Dealers' Association, National Federation of Independent Business-Hawaii, and Paradise Flower Farms, Inc., opposed this measure. A concerned citizen submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 733, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.  
(Representatives Magaoay, Davis, Djou, Leong, Moses and Rath voted no.)

**SCRep. 1426 Public Safety and Military Affairs on H.C.R. No. 118**

The purpose of this concurrent resolution is to request the United States Navy to allow the public to use non-motorized watercraft on a portion of the West Loch of Pearl Harbor.

An individual submitted testimony in support of this measure.

Your Committee finds that allowing users of non-motorized watercraft near the shoreline parks along Pearl Harbor's West Loch will enhance their recreational opportunities. Although such activity is currently not permitted, there are park users who are violating the rules. This measure asks the United States Navy to designate specific waters which would be off-limits, allowing for a compromise between the need to restrict access and the desire for reasonable recreational use.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 118 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki and Souki.

**SCRep. 1427 Water and Land Use on H.R. No. 89**

The purpose of this resolution is to urge the federal government to recognize the importance of the Keone'o'io to Kanaloa Point area by designating it a National Park.

The Maui Hotel Association and six concerned citizens submitted testimony in support of this measure.

Your Committee finds that this area is one of Maui's last undeveloped accessible coastal resources. Numerous archaeological complexes attest to well-developed coastal villages in pre-European contact times. The proposed park covers a valuable and sensitive area and is in need of protection and preservation.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 89 and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, Morita, Schatz and Bukoski.

**SCRep. 1428 Water and Land Use on H.C.R. No. 93**

The purpose of this concurrent resolution is to urge the federal government to recognize the importance of the Keone'o'io to Kanaloa Point area by designating it a National Park.

The Maui Hotel Association and six concerned citizens submitted testimony in support of this measure.

Your Committee finds that this area is one of Maui's last undeveloped accessible coastal resources. Numerous archaeological complexes attest to well-developed coastal villages in pre-European contact times. The proposed park covers a valuable and sensitive area and is in need of protection and preservation.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 93 and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, Morita, Schatz and Bukoski.

**SCRep. 1429 Water and Land Use on H.C.R. No. 183**

The purpose of this concurrent resolution is to authorize the lease of the Keehi Small Boat Harbor and other adjacent fast, submerged, and tidal lands to a private company.

The Department of Land and Natural Resources (DLNR) testified in strong support of this concurrent resolution indicating that:

- (1) The State did not have the \$8 million required to make repairs at Keehi including the replacement of all mooring facilities; and
- (2) 67 of 355 boat slips have had to be removed from use for safety reasons.

Private capital appears to be the only alternative for correcting the level of deterioration at this facility.

Hawaii Boaters Political Action Association opposed this measure, requesting first the involvement of the thousands of people who use the area.

HGEA/AFCME opposed this measure because of the resultant layoff or displacement of state employees. In its written opposition, Hawaii's Thousand Friends cited a 1978 memorandum of understanding with the U.S. Fish and Wildlife Service that Keehi Lagoon was to be developed for recreational and wildlife purposes only, with no structures to be placed in the lagoon. BOATS/HAWAII also opposed this measure and asked for a master plan. A private citizen expressed serious reservations and offered suggestions.

Following discussion similar to that which resulted in the deferral of H.B. 684 that would have statutorily authorized DLNR to proceed with such leases, your Committee has amended this measure by:

- (1) Requesting DLNR to meet with all Keehi user groups, including boaters, canoe clubs, environmental groups, U.S. Fish & Wildlife Service, and other stakeholders to develop a consensus approach towards effecting the needed improvement and development of Keehi;
- (2) Changing the title to read: "HOUSE CONCURRENT RESOLUTION REQUESTING THAT THE BOARD OF LAND AND NATURAL RESOURCES MEET WITH ALL STAKEHOLDERS AND USERS OF KEEHI LAGOON TO REVIEW ALL ALTERNATIVES AND TO DEVELOP A CONSENSUS AGREEMENT ON HOW BEST TO EFFECT NEEDED REPAIRS AND DEVELOPMENT OF THIS MARINA"; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 183, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 183, H.D. 1.

Signed by all members of the Committee except Representatives Ito, and B. Oshiro.

#### **SCRep. 1430 Economic Development and Business Concerns on H.R. No. 27**

The purpose of this concurrent resolution is to authorize the Governor to establish a sister-state affiliation with the Province of Thua Thien-Hue. This action would grant the Province of Thua Thien-Hue similar honors and privileges afforded by the State of Hawaii to other sister-states and provinces.

Testimony in support of this concurrent resolution was received from the Department of Business, Economic Development, and Tourism; the University of Hawaii; the Vietnamese-American Chamber of Commerce; the Association of Chinese from Vietnam, Cambodia, and Laos; Directions, Inc.; Group 70 International, Inc.; The Limtiaco Company; TAF International, Inc.; PacMar, Inc.; DaleCo Inc.; and several concerned citizens. Comments were submitted by the International Trade Administration of the U.S. Department of Commerce.

Your Committee is cognizant of the importance of cultivating and expanding the State's international business, educational, and cultural relationships. This concurrent resolution authorizing the establishment of a sister-state relationship with the Thua Thien-Hue Province will allow for a more effective exchange of business opportunities, educational initiatives, and cultural ties.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 27 and recommends its adoption.

Signed by all members of the Committee except Representatives Ahu Isa, Abinsay, Case, Suzuki and Marumoto.

#### **SCRep. 1431 Economic Development and Business Concerns on H.C.R. No. 24**

The purpose of this concurrent resolution is to authorize the Governor to establish a sister-state affiliation with the Province of Thua Thien-Hue. This action would grant the Province of Thua Thien-Hue similar honors and privileges afforded by the State of Hawaii to other sister-states and provinces.

Testimony in support of this concurrent resolution was received from the Department of Business, Economic Development, and Tourism; the University of Hawaii; the Vietnamese-American Chamber of Commerce; the Association of Chinese from Vietnam, Cambodia, and Laos; Directions, Inc.; Group 70 International, Inc.; The Limtiaco Company; TAF International, Inc.; PacMar, Inc.; DaleCo Inc.; and a concerned citizen. Comments were submitted by the International Trade Administration of the U.S. Department of Commerce.

Your Committee is cognizant of the importance of cultivating and expanding the State's international business, educational, and cultural relationships. This concurrent resolution authorizing the establishment of a sister-state relationship with the Thua Thien-Hue Province will allow for a more effective exchange of business opportunities, educational initiatives, and cultural ties.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 24 and recommends its adoption.

Signed by all members of the Committee except Representatives Ahu Isa, Abinsay, Case, Suzuki and Marumoto.

**SCRep. 1432 Economic Development and Business Concerns on H.R. No. 112**

The purpose of this resolution is to support the Pacific Basic Economic Council (PBEC) and its efforts to hold the 34<sup>th</sup> International General Meeting (IGM) in Honolulu.

PBEC and the Department of Business, Economic Development, and Tourism testified in support of this measure.

Your Committee finds that the IGM attracts over 700 business leaders, government ministers, and heads of state. The focus of IGM is to look to the future for a better understanding of the effect of globalization on various organizations and industries. Your Committee believes that holding the IGM in Honolulu will help to establish Hawaii as an ideal place to conduct international business.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 112 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 1433 Economic Development and Business Concerns on H.C.R. No. 115**

The purpose of this concurrent resolution is to support the Pacific Basic Economic Council (PBEC) and its efforts to hold the 34<sup>th</sup> International General Meeting (IGM) in Honolulu.

PBEC and the Department of Business, Economic Development, and Tourism testified in support of this measure.

Your Committee finds that the IGM attracts over 700 business leaders, government ministers, and heads of state. The focus of IGM is to look to the future for a better understanding of the effect of globalization on various organizations and industries. Your Committee believes that holding the IGM in Honolulu will help to establish Hawaii as an ideal place to conduct international business.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 115 and recommends its adoption.

Signed by all members of the Committee.

**SCRep. 1434 Judiciary and Hawaiian Affairs on H.C.R. No. 50**

The purpose of this concurrent resolution is to urge Hawaii's congressional delegation to support and co-sponsor legislation in Congress to equalize reparations for Japanese of Latin American ancestry interned during World War II.

Supportive testimony was submitted by four concerned citizens.

Your Committee believes that the passage of federal legislation is needed to rectify the discrepancy between the reparations given to Japanese Americans and Japanese Latin Americans who were interned during World War II. Accordingly, your Committee asserts that this measure will demonstrate the Legislature's support for efforts to provide equitable redress to Japanese Latin Americans.

As a matter of justice, your Committee urges Hawaii's congressional delegation to also lobby for federal legislation that would expunge the records of all interned Japanese Latin Americans that classify the former internees as "illegal aliens".

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 50 and recommends its adoption.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Kanoho, Yoshinaga and Thielen.

**SCRep. 1435 Judiciary and Hawaiian Affairs on H.C.R. No. 54**

The purpose of this concurrent resolution is to request the Department of Hawaiian Home Lands (DHHL) to provide a detailed report to the 2002 Legislature on the Native Hawaiian Rehabilitation Fund (Fund), including the source and amount of all funds deposited for the last five years, an expenditure report, and a report detailing the impact of the various projects and programs funded through the fund, for the purpose of ascertaining compliance with the State Constitution.

Supportive testimony was submitted by the Office of Hawaiian Affairs. Comments were also submitted by the Department of Hawaiian Home Lands.

With the reduction in sugar production and closure of many of the State's sugar plantations, receipts deposited into the Fund have declined in recent years. To the extent possible, DHHL has treated the Fund like an endowment, keeping the corpus of the Fund



intact and using the interest earnings to support scholarship and community grant programs, and other projects benefiting native Hawaiians.

Your Committee believes that a detailed accounting of the fund is necessary to assure that the requirements of the Constitution are complied with.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 54 and recommends its adoption.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Kanoho, Yoshinaga and Thielen.

**SCRep. 1436 Human Services and Housing on H.C.R. No. 71**

The purpose of this concurrent resolution is to:

(1) Recognize the work of Island Tenants on the Rise (ITOR) and commend them for their continuing efforts to encourage low-income individuals to be active participants in the democratic process; and

(2) Encourage the Housing and Community Development Corporation of Hawaii (HCDCH) to continue working with ITOR in creating effective policy changes that will lead to self-sufficiency and self-determination of residents in public housing.

Several concerned citizens testified in favor of this measure. HCDCH and a concerned citizen submitted comments. A concerned citizen opposed this measure.

Your Committee finds that ITOR has been effective in encouraging public housing residents to participate in housing-related activities. As an example, ITOR encourages residents to register to vote, initiate new legislation and resolutions, and participate in the legislative hearing process.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 71 and recommends its adoption.

Signed by all members of the Committee except Representatives McDermott and Stonebraker.

**SCRep. 1437 Education and Health on H.R. No. 38**

The purpose of this resolution is to request the United States Congress to appropriate funds to cover 40 percent of special education and related services for children with disabilities.

The Department of Education testified in support of this measure, and recommended revisions.

Your Committees recognize that through the Education for All Handicapped Children Act of 1975, Congress authorized the federal government to pay 40 percent of each state's "excess cost" of educating children with disabilities. However, Congress has never followed through on this commitment, leaving the states with the momentous task of funding the federally mandated program standards.

The federal government currently provides only less than ten percent of the "excess cost." Your Committees request that Congress follow through on the commitment made 25 years to educate children with disabilities.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 38 and recommends its adoption.

Signed by all members of the Committee except Representatives Abinsay, Garcia, Schatz, Takumi, Bukoski, Yonamine and McDermott.

**SCRep. 1438 Water and Land Use on H.R. No. 56**

The purpose of this resolution is to express the Legislature's support of the acquisition of Kahuku Ranch, located on the island of Hawaii, by the U.S. National Park Service for expansion of the Hawaii Volcano National Park.

Your Committee received testimony in support of this measure from the Nature Conservancy of Hawaii and the Sierra Club.

Your Committee finds that the acquisition of Kahuku Ranch by the National Park Service is an opportunity for the preservation of a large piece of land with unique biological, geological, scenic, recreation, archaeological, and cultural assets. The area contains native flora that will be protected by inclusion of the area in the Hawaii Volcano National Park.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 56 and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, Schatz and Bukoski.

**SCRep. 1439 Water and Land Use on H.C.R. No. 57**

The purpose of this concurrent resolution is to express the Legislature's support of the acquisition of Kahuku Ranch, located on the island of Hawaii, by the U.S. National Park Service for expansion of the Hawaii Volcano National Park.

Your Committee received testimony in support of this measure from the Nature Conservancy of Hawaii and the Sierra Club.

Your Committee finds that the acquisition of Kahuku Ranch by the National Park Service is an opportunity for the preservation of a large piece of land with unique biological, geological, scenic, recreation, archaeological, and cultural assets. The area contains native flora that will be protected by inclusion of the area in the Hawaii Volcano National Park.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 57 and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, Schatz and Bukoski.

**SCRep. 1440    Agriculture on H.R. No. 82**

The purpose of this resolution is to urge the U.S. Congress and U.S. Department of Agriculture to establish and fund a U.S. Department of Agriculture – Pacific Basin Agricultural Research Center – managed cacao germplasm center in Hawaii.

Testimony in support of this resolution was received from the Rural Economic Transition Assistance-Hawaii Program, the Hawaii Gold Cacao Tree Inc., the Hakalau Farm Nursery, the Hawaii Agricultural Products, and the Hawaii Agriculture Research Center. The Department of Agriculture submitted comments in support of this measure.

Your Committee finds that there is a wide interest in expanding the commercial growing of cacao beans in Hawaii. Since most cacao beans are grown in third world countries, it is important that Hawaii's cacao bean industry be allowed access to technology and germplasm to produce world-class chocolates. Hawaii's unique tropical climate makes it possible for different varieties of cacao beans to grow all year long, and the State's isolation from other cacao growing areas makes it an ideal location for the establishment of a cacao germplasm center.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 82 and recommends its adoption.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Takumi and Halford.

**SCRep. 1441    Agriculture on H.C.R. No. 87**

The purpose of this concurrent resolution is to urge the U.S. Congress and U.S. Department of Agriculture to establish and fund a U.S. Department of Agriculture – Pacific Basin Agricultural Research Center – managed cacao germplasm center in Hawaii.

Testimony in support of this concurrent resolution was received from the Rural Economic Transition Assistance-Hawaii Program, the Hawaii Gold Cacao Tree, Inc., the Hakalau Farm Nursery, the Hawaii Agricultural Products, and the Hawaii Agriculture Research Center. The Department of Agriculture submitted comments in support of this measure.

Your Committee finds that there is a wide interest in expanding the commercial growing of cacao beans in Hawaii. Since most cacao beans are grown in third world countries, it is important that Hawaii's cacao bean industry be allowed access to technology and germplasm to produce world-class chocolates. Hawaii's unique tropical climate makes it possible for different varieties of cacao beans to grow all year long, and the State's isolation from other cacao growing areas makes it an ideal location for the establishment of a cacao germplasm center.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 87 and recommends its adoption.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Takumi and Halford.

**SCRep. 1442    Finance on H.C.R. No. 11**

The purpose of this concurrent resolution is to obtain the prior approval of the Legislature to permit the sale of a lease, at public auction, of submerged lands located at Duke Kahanamoku Beach at Waikiki for pier purposes.

Your Committee received testimony in support of this measure from the Board of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 11 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1443    Finance on H.C.R. No. 12**

The purpose of this concurrent resolution is to provide legislative review of the land exchange between the State of Hawaii and Mauna Kea Agribusiness.

Your Committee received testimony in support of this measure from the Board of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 12 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1444 Finance on H.C.R. No. 13**

The purpose of this concurrent resolution is to authorize the Board of Land and Natural Resources to sell an easement covering a portion of submerged lands at Lahaina, Maui as required under section 171-53, Hawaii Revised Statutes.

In 1988, Patrick J. Ballenger and Mariana Von Blom, requested an after-the-fact approval for a concrete pier and deck which encroached over State submerged lands at Lahaina.

In 1989, the Board of Land and Natural Resources approved both a Conservation District Use Application and the issuance of a term, non-exclusive easement for the State submerged lands.

Your committee received testimony in support of this measure from the Board of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 13 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1445 Finance on H.C.R. No. 25**

The purpose of this concurrent resolution is to request the several counties to allow real property taxes to be paid quarterly.

Testimony in favor of this measure was received from the Representative from the 30th District.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 25 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1446 Finance on H.R. No. 29**

The purpose of this resolution is to request the several counties to allow real property taxes to be paid quarterly.

Testimony in favor of this measure was received from the Representative from the 30th District.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 29 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1447 Finance on H.C.R. No. 33**

The purpose of this concurrent resolution is to request the Board of Education to establish mandatory community service, work experience, or service learning as a requirement for graduation from high school.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 33, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1448 Finance on H.C.R. No. 34**

The purpose of this concurrent resolution is to request the Department of Transportation (DOT) to study the feasibility of establishing an inter-island ferry system between all of the islands.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 34 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1449 Finance on H.C.R. No. 45**

The purpose of this concurrent resolution is to request the Superintendent of Education to convene a task force to develop a demonstration project for gifted and talented students in the Pearl City High School complex.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 45 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1450 Finance on H.C.R. No. 75**

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources to negotiate with Kamehameha Schools, Bishop Museum, and the Office of Hawaiian Affairs to lease Kalihi Valley Nature Park for a Native Hawaiian education center

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 75, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1451 Finance on H.C.R. No. 89**

The purpose of this concurrent resolution is to request the Hawaii Tourism Authority to convene a task force to study safe access to view and learn about Hawaii volcanoes.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 89, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1452 Finance on H.R. No. 84**

The purpose of this resolution is to request the Hawaii Tourism Authority to convene a task force to study safe access to view and learn about Hawaii volcanoes.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 84, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1453 Finance on H.C.R. No. 91**

The purpose of this measure is to request that the Office of the Auditor conduct a management and financial audit of the Comprehensive Student Support System of the Department of Education. The Office of the Auditor is requested to submit a report of its findings and recommendations, including a report of the personnel involved in instruction, management, and student support.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 91 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1454 Finance on H.C.R. No. 95**

The purpose of this concurrent resolution is to secure the Legislature's support in a collaborative planning effort towards the preservation of the irreplaceable natural beauty and significant historic-cultural resources of Maha'ulepu, on the island of Kauai.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 95, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1455 Finance on H.R. No. 91**

The purpose of this resolution is to secure the Legislature's support in a collaborative planning effort towards the preservation of the irreplaceable natural beauty and significant historic-cultural resources of Maha'ulepu, on the island of Kauai.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 91, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1456 Finance on H.C.R. No. 100**

The purpose of this measure is to request the Auditor to continue to oversee, on the Legislatures behalf, the Executive Branch's efforts to provide effective services to Felix class children.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 100 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1457 Finance on H.C.R. No. 117**

The purpose of this concurrent resolution is to request the Office of Elections to conduct a study to determine the feasibility of providing same-day voter registration for Hawaii residents who desire to participate in elections.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 117 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.  
(Representative Moses voted no.)

**SCRep. 1458 Finance on H.C.R. No. 120**

The purpose of this concurrent resolution is to explore traffic management alternatives for the H-1 Freeway (H-1) traffic from Ewa to Honolulu that is anticipated to substantially increase because of the tremendous growth expected in the Ewa area by requesting the Department of Transportation (DOT) to:

- (1) Examine the feasibility of using state highway bonds to finance an overseas bridge or undersea tunnel from Iroquois Point to Hickam Airforce Base to link Kalaeloa, Kapolei, Ewa, and Ewa Beach to Honolulu; and
- (2) Consult with the appropriate branches of the military regarding access and security ramifications of the overseas bridge and undersea tunnel.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 120 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1459 Finance on H.C.R. No. 122**

The purpose of this concurrent resolution is to request the University of Hawaii, Department of Business, Economic Development, and Tourism, and other interested participants to prepare a preliminary assessment on developing a sustainable energy sector in Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 122 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1460 Finance on H.C.R. No. 126**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to formulate an objective methodology that the Legislature may use to review the justification for existing general excise tax exemptions.

Your Committee finds that there is a need for an objective analysis of existing tax exemptions. Such information would be valuable to future efforts of the Legislature in determining policy and passing responsible legislation.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 126 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1461 Finance on H.C.R. No. 127**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to update its survey of federally mandated State programs.

Your Committee finds that a thorough and accurate accounting of State programs mandated by the federal government will provide the Legislature with useful information with which to formulate responsible legislation.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 127 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1462 Finance on H.C.R. No. 129**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study on the feasibility of implementing a state pharmaceutical assistance program.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 129, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1463 Finance on H.C.R. No. 148**

The purpose of this concurrent resolution is to request the Department of Taxation to report to the Legislature on the feasibility of entering into a reciprocal income tax agreement with the State of California.

Your Committee received testimony commenting upon this measure from the Department of Taxation.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 148 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1464 Finance on H.R. No. 137**

The purpose of this resolution is to request the Department of Taxation to report to the Legislature on the feasibility of entering into a reciprocal income tax agreement with the State of California.

Your Committee received testimony commenting upon this measure from the Department of Taxation.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 137 and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1465 Finance on H.C.R. No. 151**

The purpose of this concurrent resolution is to urge the Department of Health, the Department of Education, and the Department of Agriculture to further encourage the consumption of five or more daily servings fruits and vegetables.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 151, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1466 Finance on H.C.R. No. 163**

The purpose of this concurrent resolution is to request the Board of Education and the Department of Education to reevaluate and clarify reading goals for students in public schools and increase system accountability for attaining those goals.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 163, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1467 Finance on H.C.R. No. 175**

The purpose of this concurrent resolution is to request the Department of Health and the Hawaii Citizens for Health to conduct a definitive study on the effectiveness of fluoridation that also addresses concerns relating to the health and safety of fluoridating Hawaii's drinking water.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 175, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1468 Finance on H.C.R. No. 88**

The purpose of this concurrent resolution is to request the Governor convene a task force to consider how the Hilo area can maximize the economic opportunities presented by the cruise industry.

Your Committee recognizes that the homeporting of one or more cruise ships in a given location could confer many benefits upon the surrounding area. Your Committee also finds that Hilo is an area which offers the appropriate infrastructure, amenities, attractions, character, and capacity that would support the "in port" days of one or more luxury liners and their passengers.

Your Committee is therefore supportive of the recent display of interest by many of the appropriate parties, and by the recent initiatives by the Lieutenant Governor and the Big Island Visitors Bureau to organize and mobilize a concerted effort to achieve the goal of developing the cruise industry for the Hilo area. Your Committee further believes that partnering with the County of Hawaii will provide the best structure for proceeding with this effort. Accordingly, your Committee finds that this resolution will help lay additional groundwork and lend the momentum needed to get it on its way.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 88, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1469 Finance on H.R. No. 83**

The purpose of this resolution is to request the Governor convene a task force to consider how the Hilo area can maximize the economic opportunities presented by the cruise industry.

Your Committee recognizes that the homeporting of one or more cruise ships in a given location could confer many benefits upon the surrounding area. Your Committee also finds that Hilo is an area which offers the appropriate infrastructure, amenities, attractions, character, and capacity that would support the "in port" days of one or more luxury liners and their passengers.

Your Committee is therefore supportive of the recent display of interest by many of the appropriate parties, and by the recent initiatives by the Lieutenant Governor and the Big Island Visitors Bureau to organize and mobilize a concerted effort to achieve the goal of developing the cruise industry for the Hilo area. Your Committee further believes that partnering with the County of Hawaii will provide the best structure for proceeding with this effort. Accordingly, your Committee finds that this resolution will help lay additional groundwork and lend the momentum needed to get it on its way.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 83, H.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Saiki, Suzuki, Davis and Rath.

**SCRep. 1470 Water and Land Use on H.C.R. No. 182**

The purpose of this concurrent resolution is to request:

- (1) U.S. District Judge David Ezra to delay implementation of his August 2000 order to close the Hawaii longline fishery on March 15, 2001, so as to avoid adverse impact on both Hawaii's longline fishing industry and the State's overall economy; and
- (2) Implementation of alternative turtle mitigation measures which would allow year-round operation of the swordfish and tuna fisheries.

In the absence of a required environment impact statement (EIS), the order was placed into effect on March 15, 2001.

On March 30, 2001, the U.S. National Marine Fisheries Service released the final Biological Opinion and final EIS on Western Pacific Pelagic Fisheries which proposed permanent closure of the swordfish fishery and a two-month annual closure of a 1.9 million square mile area south of Hawaii to all Hawaii longliners.

With the submission of the completed EIS, Judge Ezra immediately modified his August 2000 order on March 30, 2001, allowing Hawaii longliners to fish for tuna outside the closed areas.

As cited in this measure, your Committee believes it is grossly unfair that Hawaii's 115 longline vessels would be completely banned from swordfish fishing in the north Pacific and from a 1.9 million square mile area for two months while hundreds of domestic and more than 4,000 foreign longline fishing vessels with higher turtle take rates continue to fish in these areas.

The Department of Land and Natural Resources testified in support of the intent of this measure.

Your Committee has amended this concurrent resolution by:

- (1) Updating the information about certain actions which have already taken place;
- (2) Recognizing Judge Ezra for his immediate action to reopen longline fishing upon release of the final EIS;
- (3) Focusing this measure on the adoption of turtle take mitigation measures and the use of turtle-friendly gear and methods which would allow Hawaii's longline vessels to operate year-round;
- (4) Changing the title to read: "HOUSE CONCURRENT RESOLUTION REQUESTING THE ESTABLISHMENT OF AN EXPERIMENTAL SWORDFISH FISHERY TO ADOPT ALTERNATIVE TURTLE MITIGATION MEASURES AND AVOID ADVERSE ECONOMIC IMPACT"; and
- (5) Making technical, nonsubstantive amendments for the purpose of consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 182, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 182, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Morita, Schatz and Bukoski.

**SCRep. 1471 Water and Land Use on S.C.R. No. 4**

The purpose of this concurrent resolution is to authorize the Board of Land and Natural Resources (BLNR) to sell an easement for submerged lands at Lahaina, Maui, for pier and deck purposes.

The Department of Land and Natural Resources testified in support of this measure.

The applicant is seeking an after-the-fact approval for a concrete pier and deck that extends 40 feet seaward over submerged lands immediately offshore of Front Street in Lahaina. Originally constructed in the 1920s or 1930s, the structure is currently used commercially by the Lahaina Fish Company Restaurant.

Your Committee has amended this measure by:

- (1) Specifying that the length of the easement approved by BLNR will be for 20 years; and
- (2) Making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 4, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 4, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Morita, Schatz and Bukoski.  
(Representative Jaffe voted no.)

**SCRep. 1472 Human Services and Housing on S.C.R. No. 8**

The purpose of this concurrent resolution is to request the Hawaii Appleseed Public Interest Law Foundation to:

- (1) Continue discussion and seek input in its comprehensive assessment of reviewing and conforming current state child protection statutes;
- (2) Organize a conference, in cooperation with the Child Protection Legislative Roundtable (Roundtable), with other stakeholders to create a final draft of the proposed Child Protective Act;
- (3) Conduct a comprehensive review of all relevant federal and state statutes; and
- (4) Submit a report to the Legislature prior to the convening of the Regular Session of 2003.

The Department of Human Services submitted testimony in support of the intent of this measure.

Your Committee finds that the Roundtable has been instrumental in improving the Child Protective Services (CPS) system. However, certain issues still need to be examined, and further legislation may be required to make the CPS system more effective.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 8, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Yonamine, McDermott and Stonebraker.

**SCRep. 1473 Higher Education on S.C.R. No. 26**

The purpose of this measure is to request the University of Hawaii to rename the Rainbow Baseball Stadium to the Les Murakami Baseball Stadium.



The University of Hawaii supported the intent of this measure.

Your Committee finds that the name of Les Murakami is synonymous with University of Hawaii baseball. Through his skill, leadership, and character the program developed from humble beginnings into one of the most respected teams in collegiate baseball, becoming in the process a great source of civic pride and opportunity for local athletes.

Your Committee recognizes that the University of Hawaii Board of Regents (Board) has an administrative policy mandating that individuals be deceased for a minimum of five years before buildings can be named after them but respectfully requests that the Board initiate any internal procedures needed to rename the Rainbow Baseball Stadium in honor of Head Coach Les Murakami.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 26, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Arakaki, Schatz, Bukoski, McDermott and Stonebraker.

**SCRep. 1474    Energy and Environmental Protection on S.C.R. No. 19**

The purpose of this measure is to request that the Natural Energy Laboratory of Hawaii Authority revive and update its 1992 proposal for reactivation of the Noi'i o Puna Research Center. The Research Center promoted a diversity of uses for direct heat and other byproducts from Hawaii Geothermal Project until it shut down in 1989. The new proposal will connect the Research Center to the currently operating Puna Geothermal Venture.

Your Committee received testimony from the Department of Health, which supports the intent of the measure as long as the project does not compromise Puna Geothermal's closed loop system and pose the possibility of hydrogen sulfide release into the atmosphere.

Your Committee finds that the proposed project involves only a heat exchanger and not direct use of the geothermal resource. Also, the Natural Energy Laboratory of Hawaii Authority has withdrawn its previous reservations about the project.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 19 and recommends its adoption.

Signed by all members of the Committee except Representatives Kanohe, Meyer and Thielen.

**SCRep. 1475    Energy and Environmental Protection on S.C.R. No. 124**

The purpose of this measure is to request that the Board of Directors of the Natural Energy Laboratory of Hawaii Authority (NELHA) develop recommendations to modify the make-up of the Board to include more private sector participation. The Board is also requested to consider adding the Governor's Special Advisor on Technology Development as a voting member, and allowing the Chairperson of the Research Advisory Committee to be designated as the representative for the President of the University of Hawaii.

Your Committee received testimony in support of this measure from the Chairman of the NELHA Board, Thomas Whittemore, and from NELHA's Executive Director, Jeff Smith.

Your Committee finds that the NELHA Board of Directors, at its March 20, 2001 meeting, voted to support this measure. Your Committee also finds that the Board supports increasing Big Island representation to aid in addressing localized diverse issues and challenges to ensure that community sensitivity and activities are integrated in Board decisions. The NELHA Board will include these recommendations in its report to the Legislature.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 124, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Kanohe, Meyer and Thielen.

**SCRep. 1476    Energy and Environmental Protection on S.C.R. No. 129**

The purpose of this concurrent resolution is to request researchers from the University of Hawaii and Department of Business, Economic Development, and Tourism, working in conjunction with other interested parties, to prepare a preliminary assessment of the steps needed to achieve energy sustainability for Hawaii.

Testimony in support was received from the Department of Business, Economic Development, and Tourism, University of Hawaii School of Ocean and Earth Science and Technology, Kauai Electric, The Gas Company, Hawaii Renewable Energy Alliance, and the Center for a Sustainable Future. The Hawaiian Electric Company and its subsidiary utilities commented on the need to analyze energy use by the transportation sector and the need for participation from private companies with expertise in the utility and transportation sectors. The Hawaii Food Industry Association suggested that the assessment include analysis on packaging products as a potential fuel source.

Your Committee amended this concurrent resolution by adding language to clarify that the University of Hawaii plans to hold a conference in early 2002 focusing on energy sustainability and that this conference will also facilitate discussion and research on sustainability in other vital resources. In addition, private parties with expertise in the utility and transportation sectors were added to the list of participants.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 129, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 129, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Kanoho, B. Oshiro, Meyer and Thielen.

**SCRep. 1477 Water and Land Use on S.C.R. No. 85**

The purpose of this concurrent resolution is to protect the unique resources that exist in Hawaii's caves and lava tubes by requesting the Department of Land and Natural Resources (DLNR) to establish the Hawaii Caves Task Force (Task Force) to devise a workable statutory plan for ownership and use of Hawaii's caves.

DLNR testified in support of this measure, provided that the Legislature fully funds DLNR's budget request for LNR802.

Recently, there has been a steady increase in lava tube explorations for commercial purposes. For example, daily tours are conducted in Kaeleku Caverns in Hana, Maui. Some of these tours are advertised throughout Hawaii.

Increased usage of lava tubes raises a host of concerns and issues including property rights, access, liability, and the protection of natural as well as cultural resources that exist in these caves. However, unlike other states, Hawaii has no statute regarding cave law that could address many of these issues.

Your Committee has amended this measure by:

- (1) Specifying that the membership of the Task Force not be limited to the parties listed;
- (2) Providing for a broader representation on the Task Force from environmental organizations instead of a DLNR environmentalist;
- (3) Specifying that the Task Force include representation from the burial councils instead of one member from each island's burial council; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 85, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 85, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Bukoski, Meyer and Thielen.

**SCRep. 1478 Water and Land Use on S.C.R. No. 136**

The purpose of this concurrent resolution is to request the National Marine Fisheries Service to establish an experimental swordfish fishery by adopting alternative turtle mitigation measures and devising turtle-friendly fishing gear and methods, which would allow year-round operations of the swordfish and tuna fisheries.

The Department of Land and Natural Resources testified in support of this measure.

On March 15, 2001, the Hawaii longline fishery was shut down in accordance with an order issued in August 2000, by U.S. District Judge David Ezra in the absence of an environmental impact statement (EIS) required by that order.

On March 29, 2001, the U.S. National Marine Fisheries Service released the final Biological Opinion. On March 30, 2001, the final EIS relative to the Western Pacific Pelagic Fisheries was issued. The final EIS proposed permanent closure of the swordfish fishery and a two-month annual closure of a 1.9 million square mile area south of Hawaii to all Hawaii longliners.

With the submission of the completed EIS, Judge Ezra immediately modified his August 2000 order on March 30, 2001, allowing Hawaii longliners to fish for tuna outside the closed areas.

As cited in this measure, your Committee believes it is grossly unfair that Hawaii's 115 longline vessels would be completely banned from swordfish fishing in the north Pacific and from a 1.9 million square mile area for two months while hundreds of domestic and more than 4,000 foreign longline fishing vessels with higher turtle take rates continue to fish in these areas.

Your Committee has amended this concurrent resolution by:

- (1) Updating the information about certain actions which have already taken place;
- (2) Correcting the dates of EIS and biological opinion so that both are final rather than drafts;
- (3) Recognizing Judge Ezra for his immediate action to reopen longline fishing upon release of the final EIS; and
- (4) Making technical, nonsubstantive amendments for the purpose of consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 136, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 136, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Ito, Bukoski, Meyer and Thielen.

**SCRep. 1479 Human Services and Housing on S.C.R. No. 149**

The purpose of this concurrent resolution is to request:

- (1) The United Nations (UN) to consider the establishment of a Center for the Health, Welfare, and Rights of Children and Youth in Hawaii (Center);
- (2) Support for the Center from the President and Congress of the United States; and
- (3) The Legislature to convene a task force to develop a proposal.

Bridging the Generations Hawaii, the Christian Science Committee on Publication for Hawaii, and a concerned citizen testified in support of this measure.

Your Committee finds that the Millenium Young People's Congress (MYPC) held in October 1999, demonstrated the need for a forum for international discussion of issues facing children and youth. Hawaii is an ideal, central location to serve as a meeting place to follow up on the recommendations of the MYPC.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 149 and recommends its adoption.

Signed by all members of the Committee except Representatives Yonamine, McDermott and Stonebraker.

**SCRep. 1480 Human Services and Housing on S.C.R. No. 15**

The purpose of this concurrent resolution is to request the Departments of Human Services, Health, and Labor and Industrial Relations to:

- (1) Examine existing transitional living programs for youths in foster care;
- (2) Work collaboratively to support and expand these programs;
- (3) Pursue federal funds for transitional foster care youths; and
- (4) Submit a report to the Legislature prior to the convening of the Regular Session of 2002.

The Department of Labor and Industrial Relations submitted testimony in support of this measure. The Department of Human Services (DHS) supported the intent of this measure.

Your Committee believes that transitional living programs for foster care youths need to be examined and expanded if the findings conclude that many foster youths need transitional services and may potentially be homeless after foster care ends.

However, DHS noted in their testimony that they are currently working with community agencies to develop a comprehensive transitional program for our foster youths. They also noted that they welcome input from other state departments.

Your Committee has amended this measure in an effort to assist other children in need of services, specifically medically fragile children, by:

- (1) Deleting its contents and inserting provisions requesting DHS and the Department of Health to form a committee of public and private agencies to oversee the development of seamless continuum of care for medically fragile children;
- (2) Amending its title to read: "REQUESTING THE CREATION OF A COORDINATING COMMITTEE TO OVERSEE THE CARE OF MEDICALLY FRAGILE CHILDREN;" and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 15, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 15, H.D.1.

Signed by all members of the Committee except Representatives Yonamine, McDermott and Stonebraker.

**SCRep. 1481 Public Safety and Military Affairs on S.C.R. No. 90**

The purpose of this measure is to establish a task force to improve the efficiency of law enforcement and public safety agencies.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and Government Efficiency Teams, Inc. Your Committee received testimony in support of the intent of this measure from the Department of Public Safety (DPS) and the Department of Accounting and General Services. DPS also offered amendments in their testimony.

Your Committee finds that a commission on state law enforcement similar to the police commission at the county level would allow for increased stability of leadership and would clarify goals, objectives and long range planning.

Your Committee also finds that a single state law enforcement classification series may allow the state to more efficiently use law enforcement personnel in a full range of enforcement responsibilities as needs change.

Further, your Committee finds that a single state law enforcement department, and the resulting consolidation of resources and program budgets, may allow for more efficient use of state law enforcement services. In considering this topic, the Task Force is not intended to consider a duplication of duties and responsibilities of the county police departments, but rather to focus on the goal of maximizing efficiency in areas that the state is currently responsible for.

Upon further consideration, your Committee has amended this measure by:

- (1) Requesting the task force to explore and assess the establishment of a commission on state law enforcement similar to the police commission at the county level;
- (2) Requesting the task force to explore and assess the establishment of a single state law enforcement classification series;
- (3) Requesting the task force to explore and assess the establishment of a single state law enforcement department; and
- (4) Deleting the provision requesting the task force to explore and assess the establishment of a commission to coordinate the work of state law enforcement agencies.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 90, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 90, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Saiki and Rath.

#### **SCRep. 1482     Public Safety and Military Affairs on S.C.R. No. 156**

The purpose of this concurrent resolution is to request a review of the economic viability of relocating the Oahu Community Correctional Center.

Your Committee received testimony in support of this concurrent resolution from the Department of Public Safety (DPS). The Legislative Reference Bureau (LRB) submitted comments on this measure and suggested several amendments.

Your Committee finds that LRB is not equipped to carry out the type of review that this measure, as received, requests. For instance, LRB does not have staff with expertise in the fields of real estate appraisal, correctional facility design and construction, site selection, and economic analysis.

Upon further consideration, your Committee has amended this measure by:

- (1) Deleting the word "economic" from the title so as not to restrict the scope of the work requested;
- (2) Deleting the four "BE IT RESOLVED" clauses contained in the measure as received;
- (3) Resolving that the Legislature believes that the Oahu Community Correctional Center should be relocated and a new secure facility should be constructed at a new site;
- (4) Requesting the Governor to assemble a team including, but not limited to, representatives from DPS, Department of Land and Natural Resources, Department of Business, Economic Development, and Tourism, Department of Accounting and General Services, and Department of the Attorney General to develop a plan for the relocation of the Oahu Community Correctional Center and for the construction of a new secure facility at a new site to be selected after careful review;
- (5) Requesting that LRB assist the Governor's team in drafting any proposed legislation; and
- (6) Transmitting certified copies of the measure to the members of the Governor's team and LRB.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 156, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 156, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Espero, Saiki and Rath.

#### **SCRep. 1483     Public Safety and Military Affairs on S.C.R. No. 62**

The purpose of this concurrent resolution is to request various criminal justice agencies, along with private groups such as the Ohana Ho'opakele, to implement programs of restorative justice and establish wellness centers to reduce the rate of incarceration and increase opportunities for inmate rehabilitation, particularly among native Hawaiians.

Your Committee received testimony in support of this measure from the Community Alliance on Prisons, the Ohana Ho'opakele, and four concerned individuals. Your Committee received testimony in support of the intent of this measure from the Department of Public Safety (DPS). DPS also offered amendments in their testimony.

Upon further consideration, your Committee has amended this measure by:

- (1) Adding the Judiciary, the Office of the Public Defender, and the Office of Youth Services to the list of organizations that DPS is requested to consult, and that are to receive certified copies of the concurrent resolution;
- (2) Deleting language dismissing alternatives such as building new correctional facilities or transferring inmates to the mainland;
- (3) Deleting language that would give special consideration to native Hawaiian inmates who are subject to transfer to U.S. mainland correctional facilities; and
- (4) Amending the title to read:

"REQUESTING THE DEPARTMENT OF PUBLIC SAFETY, IN CONSULTATION WITH THE DEPARTMENT OF THE ATTORNEY GENERAL, THE PROSECUTING ATTORNEY OF EACH COUNTY, THE POLICE DEPARTMENT OF EACH COUNTY, THE JUDICIARY, THE OFFICE OF THE PUBLIC DEFENDER, THE OFFICE OF YOUTH SERVICES, AND PRIVATE GROUPS SUCH AS THE OHANA HO'OPAKELE, TO IMPLEMENT PROGRAMS OF RESTORATIVE JUSTICE AND ESTABLISH WELLNESS CENTERS TO REDUCE THE RATE OF INCARCERATION AND INCREASE OPPORTUNITIES FOR INMATE REHABILITATION, PARTICULARLY AMONG NATIVE HAWAIIANS."

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 62, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 62, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Saiki and Rath.

#### **SCRep. 1484     Transportation on S.C.R. No. 20**

The purpose of this concurrent resolution is to request the Department of Transportation (DOT) to conduct a study of the feasibility of establishing an inter-island ferry system between all of the islands of the State.

Testimony in support of this measure was received from the DOT, and from the Chair and four members of the Maui County Council.

Your Committee finds that residents and visitors of an island state such as Hawaii have unique transportation needs. Currently, there is no alternative to air transportation for those persons who may wish to travel between the various islands of the State. A system of public, inter-island ferries will provide a second option for such travelers.

Your Committee recognizes that the DOT already has the statutory authority to operate an inter-island ferry service. A feasibility study will provide the starting point for the actual planning, development, and implementation of a public, inter-island ferry service.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 20 and recommends its adoption.

Signed by all members of the Committee except Representatives Garcia, Yoshinaga and Rath.

#### **SCRep. 1485     Transportation on S.C.R. No. 93**

The purpose of this concurrent resolution is to express legislative support for construction of a new container terminal facility at the former Kapalama Military Reservation as soon as reasonably possible.

The Department of Transportation and Chamber of Commerce of Hawaii Maritime Committee testified in support of this concurrent resolution.

Your Committee finds that cargo container storage facilities are an essential link in the lifeline of goods shipped into and out of the State, and that existing facilities must be upgraded to support the amount of container traffic that presently flows through Oahu's commercial harbors.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 93 and recommends its adoption.

Signed by all members of the Committee except Representatives Garcia, Yoshinaga and Rath.

**SCRep. 1486    Transportation on S.C.R. No. 94**

The purpose of this concurrent resolution is to express the Legislature's support for increasing the depth of Barbers Point Harbor.

Your Committee received testimony in support of this measure from the Barbers Point Harbor Advisory Council and the Estate of James Campbell. The Department of Transportation (DOT) supported the intent of this measure.

Your Committee finds that Kalaeloa Barbers Point Harbor is the second busiest commercial harbor in the State.

Your Committee understands that DOT and the United States Army Corps of Engineers are currently working together with the local community to provide various improvements at the harbor, including dredging to a depth of 42 feet. However, this depth is insufficient to allow some types of ships to enter the harbor at full capacity.

Your Committee believes that the harbor should be dredged to 45 feet to accommodate almost all vessels that may use this harbor. In addition, your Committee finds that the dredging operation recommended in this concurrent resolution should be done at one time to minimize any adverse impacts on fishers and the local community.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 94 and recommends its adoption.

Signed by all members of the Committee except Representatives Garcia, Yoshinaga and Rath.

**SCRep. 1487    Economic Development and Business Concerns on S.C.R. No. 96**

The purpose of this concurrent resolution is to authorize the establishment of a relationship for economic development between the State of Hawaii and the geographical areas of Taipei, Tai Chung, and Tainan, all located in Taiwan.

Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that the State of Hawaii and the municipalities of Taipei, Tai Chung, and Tainan share several common bonds including ethnic Chinese in the State with ties to Taiwan, stable economies, industrious work forces, and rich cultural heritages. Cultivating economic relationships between our societies will further strengthen our ties as well as promote mutually beneficial business opportunities for our peoples.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 96, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Takumi and Marumoto.

**SCRep. 1488    Economic Development and Business Concerns and Legislative Management on S.C.R. No. 29**

The purpose of this concurrent resolution is to establish a joint legislative task force to develop goals and an implementation plan to improve and diversify Hawaii's economy.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism (DBEDT) and Verizon Hawaii, Inc.

Your Committees find that diversifying Hawaii's economy is essential in ensuring the long-term economic health and viability of the State of Hawaii. The creation of an economic task force is an important step in developing and expanding Hawaii's industries.

Upon further consideration, your Committees have amended this concurrent resolution by:

(1) Broadening the scope of this measure by including an additional part requesting the Department of Taxation and DBEDT, with the assistance and recommendation of the Hawaii Television and Film Development Board, to consider changes to the criteria for motion picture and television tax incentives;

(2) Amending its title to read:

"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;" and

(3) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Legislative Management that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 29, S.D. 1, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 29, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Marumoto and Halford.  
(Representative Gomes voted no.)

**SCRep. 1489     Economic Development and Business Concerns and Legislative Management on S.C.R. No. 28**

The purpose of this concurrent resolution is to establish a joint legislative task force to develop goals and an implementation plan to promote and expand Hawaii's technology industry.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism (DBEDT), High Technology Development Corporation, Verizon Hawaii, Inc., and Hawaii Technology Trade Association.

Your Committees believe that the task force requested under this concurrent resolution will serve as an important step in facilitating Hawaii's efforts to cultivate a high technology industry. Your Committees note that a previous concurrent resolution, H.C.R. No. 96 (2000), requested the Hawaii Institute for Public Affairs to conduct a similar study of Hawaii's technology-related issues, trends, assets, and strategies, and submit a report prior to the start of the 2001 Regular Session; however, no report has been submitted to the Legislature to date.

Your Committees, upon further consideration, have amended this concurrent resolution by:

- (1) Broadening the scope of this measure by including an additional part requesting DBEDT, with the assistance of the Hawaii Television and Film Development Board, to review the current one-stop film permitting process and enter into agreements with the Counties of Hawaii, Kauai, and Maui, City and County of Honolulu, Department of Land and Natural Resources, and Department of Transportation to further streamline the film permit process;
- (2) Changing its title to read: "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;" and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Legislative Management that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 28, S.D. 1, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 28, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Marumoto and Halford.  
(Representative Gomes voted no.)

**SCRep. 1490     Water and Land Use and Agriculture on S.C.R. No. 43**

The purpose of this concurrent resolution is to request the Agribusiness Development Corporation, the Department of Agriculture, and the Department of Hawaiian Home Lands (DHHL) to:

- (1) Identify the expansion potential of the Molokai Irrigation System (MIS) and the appropriate size of the customer base that can be reliably supported by an expanded system; and
- (2) Develop a plan for improvements to the MIS for the long-term.

DHHL and five members of the Maui County Council testified in support of this measure.

Your Committees find that Molokai's agricultural industry is heavily dependent on the water provided by MIS. However, a water shortage has occurred due to a combination of factors, including a prolonged drought, the inability to capture additional water sources, as well as increased users. Hopefully, this measure will lead to new insights on the potential to expand the water sources of MIS and the implications that will have on the customer base.

As affirmed by the records of votes of the members of your Committees on Water and Land Use and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 43, S.D. 1, and recommend its adoption.

Signed by all members of the Committee except Representatives Ito, Schatz, Bukoski, Thielen, Chang, Halford and Whalen.

**SCRep. 1491     Human Services and Housing and Health on S.C.R. No. 23**

The purpose of this concurrent resolution is to form a working group of state and private entities to develop a statewide certification program for long-term care providers and caregivers.

The Department of Health and Department of Human Services submitted testimony in support of this measure. The Department of Commerce and Consumer Affairs Insurance Division provided comments.

Your Committees find that Hawaii's elderly population is rapidly increasing, creating a demand for long-term care services. Appropriate standards and safeguards need to be established, such as criminal history checks, to ensure quality care. Your Committees believe that a statewide certification program will protect our elderly population by creating a consistent standard for caregivers.

Your Committees have amended this measure by:

- (1) Removing reference to caregivers to the disabled;
- (2) Removing the request that the University of Hawaii Community College assist in training for the program;
- (3) Including private organizations, consumer representatives, and state officials in the working group; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 23, S.D. 2, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 23, S.D. 2, H.D. 1.

Signed by all members of the Committee except Representatives Yonamine, McDermott and Stonebraker.

**SCRep. 1492 Human Services and Housing and Health on S.C.R. No. 150**

The purpose of this concurrent resolution is to establish a working committee comprising representatives from various state and private agencies to develop a prescription drug access program for eligible Medicare beneficiaries in Hawaii.

The Hawaii Pharmacists Association and Longs Drug Store testified in support of this measure. The Hawaii Medical Service Association supported the intent of this measure. The Department of Health submitted comments.

Your Committees find that prescription drug prices are exponentially increasing, causing grave concern regarding the welfare of Hawaii's elderly population, which is also increasing rapidly. The elderly, most of whom live on fixed incomes and have minimal drug coverage, consume one-third of all prescription drugs. Your Committees believe that eligible Medicare beneficiaries should have access to affordable prescription drugs.

Your Committees have amended this measure by:

- (1) Requesting the President of the United States and Congress to take action in addressing the problem of high prescription drug costs;
- (2) Urging pharmaceutical companies doing business in Hawaii that have programs to assist in providing prescription drugs to the needy to develop a unified system that can be used by all companies to assist the needy who qualify for free medication;
- (3) Amending its title to read:

"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"; and

- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 150, S.D. 1, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 150, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Yonamine, McDermott and Stonebraker.

**SCRep. 1493 Water and Land Use on S.C.R. No. 146**

The purpose of this concurrent resolution is to protect the natural resources along North Kohala's undeveloped coastline on the island of Hawaii by urging the retention and preservation of open space and view planes, historic sites, and traditional access in this region.

The Department of Land and Natural Resources, The Trust for Public Land, and the Legislative and Governmental Affairs Committee of the Office of Hawaiian Affairs testified in support of this measure.

Your Committee finds that the preservation of this region will provide many opportunities for future generations to experience the beauty and culture of Hawaii as it exists today.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 146, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, Bukoski, Meyer and Thielen.

**SCRep. 1494 Health on S.C.R. No. 34**

The purpose of this concurrent resolution is to request the Department of Health (DOH) to keep the Waimano Home Crisis Shelter open and operating until an adequate public or private facility is able to offer the same services.



DOH, the State Council of Developmental Disabilities (DD Council), and Hawaii Government Employees Association supported the intent of this measure.

DD Council stated that support needs to be in place to address crisis situations regardless of whether the State or private sector provides the services, and regardless of the location. DOH stated that it intends to have a private provider in place by June 30, 2002, to provide the same services currently being provided by the Waimano Training School and Hospital.

Your Committee understands that the Crisis Shelter at Waimano serves a useful purpose and assists in the transition of clients from an institutional setting into the community. Your Committee finds that it would be difficult to place some of these clients in the community without the support services provided by the Crisis Shelter and that this shelter serves as an important safety net for its clientele.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 34, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Yonamine, McDermott and Stonebraker.

**SCRep. 1495    Health on S.C.R. No. 107**

The purpose of this concurrent resolution is to request the State Health Planning and Development Agency (SHPDA) to develop a State of Hawaii Health Policy Guidebook based on the Hawaii Health Performance Plan (HHPP).

SHPDA, the Statewide Health Coordinating Council, H2P2 Plan Development Committee, Certificate of Need Review Panel, Hawaii County Subarea Health Planning Council, Windward Oahu Subarea Health Planning Council, Tri Isle Subarea Health Planning Council, West Oahu Subarea Health Planning Council, Honolulu Subarea Health Planning Council, Kauai Subarea Health Planning Council, Rehabilitation Hospital of the Pacific, Hawaii Disability Rights Center, Kaiser Permanente, and St. Francis Healthcare System of Hawaii submitted testimony in support of this measure.

Your Committee notes that SHPDA is statutorily required to be Hawaii's primary health planning and development agency and serves as a regulatory and collaborative planning and development agency. It is through planning and development activities that HHPP was conceived and now serves as the foundation upon which SPHDA's other activities are based.

Your Committee further notes that through the collaborative efforts of public and private agencies and the diligent work of SHPDA, the health care industry, and communities throughout the State, a "map" of Hawaii's health care development vision has been developed.

Your Committee understands that this guidebook will place Hawaii at the forefront of community health planning in the United States. Moreover, this guidebook will have a significantly positive impact on the health of our island's communities.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 107 and recommends its adoption.

Signed by all members of the Committee except Representatives Yonamine, McDermott and Stonebraker.

**SCRep. 1496    Health on S.C.R. No. 133**

The purpose of this concurrent resolution is to recognize the Department of Health's (DOH) Public Health Nursing Program for its commitment in protecting and promoting the health and safety of the community.

DOH, Services for Seniors, Kauai Good Beginnings, Kauai Public Health Nurses, Hawaii Government Employees Association, Child and Family Service of Kauai, Hawaii Nurses Association, Apria Healthcare, Keiki College Preschool, several physicians, and concerned citizens submitted testimony in support of this measure.

Your Committee recognizes that a vast majority of Hawaii's population remains vulnerable to health and safety concerns on a daily basis. Public health nurses provide care to this vulnerable group, including special needs infants, toddlers, children, and the elderly. Your Committee notes that these nurses serve as a safety net for health care services when no other community resources are available. Without these services, a tremendous strain would be placed on the entire healthcare services system in Hawaii.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 133, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Yonamine, McDermott and Stonebraker.

**SCRep. 1497    Health on S.C.R. No. 153**

The purpose of this concurrent resolution is to support the collaborative efforts and the partnering initiatives between the Hawaii Health Systems Corporation (HHSC) and the Veterans Administration in Hawaii (HVA) to improve upon the quality, diversity, and accessibility of healthcare on the neighbor islands.

HHSC and Office of Veterans Services submitted testimony in support of this measure.

Your Committee understands that, presently, HHSC and HVA have established a partnering and collaborative relationship for the improved delivery of public health care services. Moreover, your Committee recognizes that there has been a move to provide accessible healthcare in the neighbor islands in the form of Community-Based Outpatient Clinics (CBOC), which offer veterans basic primary care.

However, your Committee realizes that neighbor island veterans must still travel to Honolulu for services that cannot be provided by CBOCs. HHSC and HVA have been working collaboratively to improve this situation and your Committee recognizes that this measure is intended to maintain this favorable relationship.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 153 and recommends its adoption.

Signed by all members of the Committee except Representatives Yonamine, McDermott and Stonebraker.

**SCRep. 1498 Health on S.C.R. No. 41**

The purpose of this concurrent resolution is to urge pharmaceutical companies doing business in Hawaii develop a more consumer friendly, unified system that can be used by all pharmaceutical companies, physicians, and consumers for free medication.

The Hawaii Pharmacists Association testified in support of this measure. The Department of Health (DOH) and the Executive Office on Aging (EOA) submitted testimony supporting the intent of this measure.

DOH expressed concern that if DOH or any other government agency attempted to manage or coordinate charitable contributions of pharmaceuticals, pharmacists and pharmaceutical companies may stop donating pharmaceuticals.

Your Committee finds that prescription medication assistance programs sponsored by pharmaceutical companies provide medications for the needy at reduced prices or free of charge. Many people do not take advantage of this service due to the time consuming process required for service.

Although your Committee realizes that people would benefit from this measure, your Committee believes that the issue of neurotrauma is urgent and may have a greater impact on the community and the healthcare system.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its substance and inserting provisions requesting DOH to convene a neurotrauma task force;
- (2) Amending the title to read: "REQUESTING THE DEPARTMENT OF HEALTH TO ESTABLISH A NEUROTRAUMA TASK FORCE;"
- (3) Requesting the task force to submit its findings to the Legislature prior to the convening of the Regular Session of 2002; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 41, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 41, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Yonamine, McDermott and Stonebraker.

**SCRep. 1499 Health on S.C.R. No. 42**

The purpose of this concurrent resolution is to urge the President and Congress of the United States of America to lead the nation and immediately address the problem of the high cost of prescription drugs for all Americans.

The Executive Office on Aging (EOA) and Hawaii Pharmacists Association submitted testimony in support of this measure.

Your Committee understands that the high cost of prescription medication is a problem for many Americans nationwide, and that a large majority of the elderly population are greatly affected by the cost due to their increased need for prescription medications. Your Committee finds that Medicare generally does not cover prescription drugs.

However, your Committee also finds that obesity and poor health education in the early years of life has a tremendous impact on health as a person grows older. Education and health maintenance conducted at an early age may diminish many of the diseases and medical difficulties of the aged.

Accordingly, your Committee has amended this measure by:

- (1) Amending the title to read:

"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";

(2) Deleting its contents and inserting provisions requesting the Department of Health and Department of Education to examine the problem of childhood obesity and recommend strategies to combat the problem; and

(3) Requesting a report to the Legislature prior to the convening of the Regular Session of 2002.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 42, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 42, H.D. 1.

Signed by all members of the Committee except Representatives Yonamine, McDermott and Stonebraker.

**SCRep. 1500 Health and Human Services and Housing on S.C.R. No. 130**

The purpose of this concurrent resolution is to urge the United States Congress and the Health Care Financing Administration to adjust Hawaii's aeromedical reimbursement rates by providing an immediate phase-in of the proposed Medicare fee schedule.

The Department of Health and Hawaii Air Ambulance (HAA) submitted testimony in support of this measure.

Your Committees note that Hawaii's Medicare reimbursement rates are based on a formula that differs from the rest of the nation because rates are set according to the airports used. Your Committees also note that the Bush Administration has put a freeze on all new rule changes affecting the new fee schedule, which was to go into effect this year.

Your Committees recognize that HAA provides a valuable service and is the only capable aeromedical transportation service in the State. Furthermore, your Committees note that at the present Medicare rates, HAA is barely covering its operational costs and may not be able to provide this service much longer if this trend continues.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 130 and recommends its adoption.

Signed by all members of the Committee except Representatives Yonamine, McDermott and Stonebraker.

**SCRep. 1501 Judiciary and Hawaiian Affairs on S.C.R. No. 160**

The purpose of the resolution is to create a task force to review issues and viewpoints regarding age of consent of consensual sexual conduct.

Your Committee received testimony in support from the Department of the Attorney General, the Department of the Prosecuting Attorney for the City and County of Honolulu, the Hawaii Commission on the Status of Women, the Coalition for the Prevention of Sex Assault, the Hawaii Family Forum, the Sex Abuse Treatment Center, the Hawaii Youth Services Network and a concerned individual

Your Committee finds that many bills have been proposed this legislative session relating to the age of consent and sexual assault. There being no consensus among experts on how to address this issue, the lack of reliable data does not provide solid understanding of problems involved. A task force would provide for better legislation in this confused field.

Your Committee amended the resolution by

1. Expanding the scope of the task force to include studying factual information, the national experience, and "best practices" for the purpose of assisting the legislature to develop social policy on the issue of "age of consent";
2. Requesting the Attorney General to co-partner the lead of the task force with the Coalition for the Prevention of Sex Assault;
3. Deleting the representative of the faith community in Hawaii from the membership of the task force;
4. Including the House Judiciary Chair and the Senate Judiciary Chair, or their designates as members of the task force;
5. Deleting the request that the Center for Alternative Dispute Resolution be involved with the task force to help reach a consensus; and
6. Make technical and non-substantive changes for the sake of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 160, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 160, H.D. 1.

Signed by all members of the Committee except Representatives Case, Yoshinaga, Auwae, Marumoto, Thielen and Whalen.  
(Representative Gomes voted no.)

**SCRep. 1502 Education on S.C.R. No. 35**

The purpose of this Concurrent Resolution is to urge Hawaii's congressional delegation to seek full federal funding for mandated programs and services.

Your Committee received testimony in support of the measure from the Department of Education.

Your Committee finds that however laudable the intent of certain federal initiatives, such as the Individuals with Disabilities Act, may be, these initiatives will fall far short of their goals if the states do not receive adequate resources to implement their responsibilities under those federal laws.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 35, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Kahikina, Schatz, Halford, McDermott and Stonebraker.

#### **SCRep. 1503     Education on S.C.R. No. 97**

The purpose of this measure is to urge Hawaii's Congressional delegation to coordinate efforts in the United States Congress to obtain funding for forty percent of the cost of special education and related services for children with disabilities.

Your Committee finds that under Title 20, section 1411(a) of the United States Code, the maximum amount of federal funds that a state may receive for special education and related services is the number of children with disabilities in the state who are receiving special education and related services multiplied by forty percent of the average per-pupil expenditure in public elementary and secondary schools in the United States.

Since the enactment of the Education for All Handicapped Children Act of 1975 and its subsequent amendments, including the Individuals with Disabilities Education Act of 1990, however, Congress has appropriated funds for a maximum of ten percent of special education and related services for children with disabilities when federal law authorizes the appropriation of up to forty percent.

The Hawaii Department of Education received approximately \$23,500,000 in federal funds during fiscal year 1999-2000 for what was then referred to as "education of the handicapped". If this figure represented an appropriation of funds for ten percent of special education and related services for children with disabilities, then an appropriation of forty percent would have equaled \$94,000,000.

Your Committee received testimony in support of this measure from Department of Education.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 97, S.D. 2, and recommends its adoption.

Signed by all members of the Committee except Representatives Kahikina, Schatz, Halford, McDermott and Stonebraker.

#### **SCRep. 1504     Education on S.C.R. No. 120**

The purpose of this measure is to request the Board of Education and the Department of Education to provide a report on the history of federal impact aid funds received by the State of Hawaii.

Specifically, this measure requests the Board of Education and the Department of Education to:

- (1) Identify the full cost of educating federally connected students with disabilities as allowed by the federal impact aid formulas;
- (2) Determine if federally connected students with disabilities are making progress toward predetermined academic, behavioral, and other annual goals;
- (3) Provide a report on how funds were used toward special education programs, teachers salaries, and equipment, including assistive devices;
- (4) Identify all public educational institutions:
  - (A) That are located on U.S. Department of Defense facilities; or
  - (B) That are attended predominantly by students residing on federal property;
- (5) Pursue separate appropriations for the construction and maintenance of public educational institutions, as allowed under federal law; and
- (6) Transmit their report to Hawaii's congressional delegation with a recommendation that the U.S. Department of Defense be apprised of the report's significant findings and proposed remedies.

In addition, this measure urges the members of Hawaii's congressional delegation to join in a concerted effort to provide full funding for federally connected students in Hawaii and to minimize the financial impact of federally connected students to Hawaii's public education system.

According to a study conducted by the Legislative Reference Bureau in 1993, impact aid is essentially an attempt by the federal government to reimburse the states for the loss of some of their tax base through the military presence. The U.S. Department of

Education does not operate dependent (Section 6) schools for the military and civilian family members of personnel stationed in Hawaii.

The Department of Education commented on this measure.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 120, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Kahikina, Schatz, Halford, McDermott and Stonebraker.

**SCRep. 1505 Education on S.C.R. No. 121**

The purpose of this concurrent resolution is to request the Auditor to conduct a study on the licensing of private trade, vocational, or technical schools.

Among other things, this concurrent resolution requests the Auditor to:

- (1) Investigate potential state liability to determine whether the State should continue the licensure of private trade, vocational, or technical schools, and to assess the potential impact if such regulation were to be repealed;
- (2) Recommend alternative strategies to determine their economic impact; and
- (3) Investigate, assess the economic impact of, and recommend alternative means of student indemnification.

Your Committee finds that private trade schools offer training and education in a variety of employment opportunities ranging from barbering and cosmetology to massage therapy, travel agency services, air conditioning, automotive mechanics, refrigeration, and food and beverage management. These skills are taught by various schools that lead ultimately to an occupation in services and trades--all important programs in helping the economy of the State. From the licensing point of view, it is important to protect students and consumers so that students receive proper training and can qualify for financial assistance, while consumers are protected from inappropriate services and dishonest trade practices. From the point of view of government oversight of these schools, it is not clear whether and how State involvement should be provided. As such, this concurrent resolution seeks a clarification of the issues by the Auditor.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 121 and recommends its adoption.

Signed by all members of the Committee except Representatives Kahikina, Schatz, Halford, McDermott and Stonebraker.

**SCRep. 1506 Education and Health on S.C.R. No. 92**

The purpose of this concurrent resolution is to request the Department of Health and Department of Education to undertake certain functions with respect to children suffering from disorders that affect their ability to learn.

Specifically, this concurrent resolution requests the Department of Health and the Department of Education to jointly research and examine non-medication alternatives to dealing with children who have difficulty paying attention, have difficulty learning, and display hyperactive behavior, including reallocation of resources to non-medication programs of social, recreational, educational, athletic, artistic, and cultural activities.

Your Committees find that education of Hawaii's youngsters continues to be a high priority for state government. The State needs to provide competent services to children with attention deficit disorder or attention deficit hyperactivity disorder, and provide them with educational programs that can maximize the child's potential, given whatever physical, mental, or emotional conditions exist. Whether medication is necessary or excessive is not an issue that can be taken lightly. Therefore your Committees find that a study such as is proposed in this resolution is important and necessary to protect Hawaii's school age children and to assist in the development of their learning skills.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 92, S.D. 1, and recommend its adoption.

Signed by all members of the Committee except Representatives Schatz, Takumi, Halford, Ontai, Yonamine, McDermott and Stonebraker.

**SCRep. 1507 Education and Legislative Management on S.C.R. No. 113**

The purpose of this measure is to request the Legislative Reference Bureau to study the regulation and funding of new century charter schools.

In addition, this concurrent resolution requests the Bureau to consider various issues in its study, including how much of a charter school's operating, capital investment, and research and development budgets should be raised by the local school board on its own and how much should the Department of Education fund; how the state general fund allocation to be received by a charter school can be computed so as to not adversely impact the overall budget of the Department of Education; and how a charter school can comply with the requirements of the Individuals with Disabilities Education Act, Section 504 of the Rehabilitation Act, and the Felix consent decree.

Your Committees find that shortly after the law authorizing the establishment of new century charter schools took effect, there were complaints from these schools about inadequate funding being allocated by the Department of Education for their support, as well as complaints from the Department of Education about inadequate funding by the Legislature for the support of these additional schools, which could burden the rest of the public school system. Your Committees find that the funding and regulation of these charter schools may need to be changed to better support new century charter schools and the rest of the public school system.

Upon further consideration, your Committees has amended this concurrent resolution by:

(1) Adding three new whereas clauses to state that:

(A) The concept of new century charter schools represented a new paradigm in public education reform, improving student performance, and increasing accountability;

(B) No applications for conversions of existing public schools to charter schools were received after the law authorizing the establishment of twenty-five new charter schools took effect; and

(C) There is a need to identify incentives and remove disincentives to convert existing public schools to charter schools, especially those with poor student performance or higher percentages of special needs;

(2) Requesting the Legislative Reference Bureau in its study to also review other issues raised in testimony on this Concurrent Resolution before legislative standing committees by the Superintendent of Education concerning the legal status, legal representation, funding, and oversight of charter schools;

(3) Requesting the Bureau and the Department of Education to identify the most significant impediments to conversions of existing public schools; and

(4) Requesting the Auditor, Department of Education, Department of Budget and Finance, Department of the Attorney General, Department of Health, and the University of Hawaii College of Education to assist the Bureau in studying the issuance of charters to operate charter schools.

As affirmed by the records of votes of the members of your Committees on Education and Legislative Management that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 113, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 113, H.D. 1.

Signed by all members of the Committee except Representatives Schatz, McDermott, M. Oshiro and Stonebraker.

#### **SCRep. 1508 Water and Land Use on S.C.R. No. 139**

The purpose of this concurrent resolution is to protect archaeological sites in the area around Kealakekua Bay on the island of Hawaii by requesting the Department of Land and Natural Resources (DLNR) to assess the impacts of various visitors at Ka'awaloa and to examine the carrying capacity and levels of acceptable change.

DLNR supported the overall concept of this measure but expressed concerns regarding its cost implications.

Your Committee finds that the Kealakekua area has become a popular destination area. The reefs and clear waters attract boaters, kayakers, and snorkelers. The uncontrolled access to the lands of Ka'awaloa by hikers as well as boaters landing on the shore raises real concerns about visitor impacts on the area's significant resources.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 139, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, Bukoski, Meyer and Thielen.

#### **SCRep. 1509 Agriculture on S.C.R. No. 45**

The purpose of this concurrent resolution is to request the Department of Agriculture to:

(1) Research and analyze the provisions of the federal Plant Protection Act; and

(2) Make certain determinations that will assist the State in controlling alien species.

Testimony in support of this concurrent resolution was received from five members of the Maui County Council. The Hawaii Association of Realtors supported the intent of this measure. One Member of the Maui County Council commented on this measure.

Your Committee finds that the State's programs and policies in addressing the issue of invasive alien species are piecemeal, limited in scope, and lacking in coordinated strategies and vision. A comprehensive assessment is needed to facilitate meaningful policy discourse regarding this issue.

To achieve this objective, your Committee has amended this measure by:

(1) Deleting the substance of this concurrent resolution and replacing it with language requesting that the Legislative Reference Bureau conduct a study that provides the background information, policy options, and possible funding mechanisms for a comprehensive program that addresses invasive alien species; and

(2) Amending the title of the concurrent resolution to reflect the new provisions.

Your Committee notes that the Chair of the Committee on Water and Land Use requested that reference be made to House Standing Committee Report Nos. 1182 and 1183 for H.R. No. 125 and H.C.R. No. 133, respectively, regarding the problem of invasive macroalgae also be addressed in the study.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 45, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 45, H.D. 1.

Signed by all members of the Committee except Representatives Case, Takumi, Halford and Whalen.

#### **SCRep. 1510     Agriculture on S.C.R. No. 119**

The purpose of this concurrent resolution is to convene a joint legislative agricultural theft committee to assess and review agricultural theft laws and enforcement issues that impede the arrest and conviction of persons suspected of agricultural theft.

The Pineapple Growers Association of Hawaii, the Hawaii Export Nurseryman Association, and the Department of Agriculture testified in support of this concurrent resolution.

Upon further consideration, your Committee has amended this measure by:

(1) Deleting the substance of this concurrent resolution and replacing it with language requesting that the Department of Land and Natural Resources (DLNR) convene a task force to advise DLNR on the development of a master plan to encompass the entire Waimanalo watershed; and

(2) Amending the title of this concurrent resolution to reflect the new provisions.

Your Committee finds that the waters of the Waimanalo watershed area have been identified as among Hawaii's most seriously, polluted bodies of water. The creation of a task force to study this issue is an important step towards addressing this problem.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 119, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 119, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representatives Case, Takumi, Halford and Whalen.

#### **SCRep. 1511     Labor and Public Employment on S.C.R. No. 159**

The purpose of this concurrent resolution is to request the Employees' Retirement System of Hawaii (ERS) to study current public sector pension benefits and make recommendations for enhancement or change. This study is to also consider the feasibility of adding an alternative defined contribution plan.

ERS testified in support of the intent of this measure.

Your Committee finds that:

(1) In the private as well as public sector, pension benefits are often a major consideration for employees in both initially accepting employment and in remaining in certain positions; and

(2) Enhancing public sector pension benefits will help improve recruitment for and retention of public sector employees.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 159 and recommends its adoption.

Signed by all members of the Committee except Representatives Nakasone, Souki and Rath.

#### **SCRep. 1512     Labor and Public Employment and Legislative Management on S.C.R. No. 147**

The purpose of this concurrent resolution is to address concerns over the administration of workers' compensation claims by requesting the Auditor to conduct:

(1) A management audit of the Department of Labor and Industrial Relations' Disability Compensation Division (DCP); and

(2) A study to determine whether an injured employee's access to medical care is being curtailed due to the practice of tying reimbursement rates to the medical fee schedule.

The Hawaii Medical Association testified in support of this measure.

Your Committees find that there are concerns that a backlog of open workers' compensation cases has delayed the processing of claims and the rendering of decisions by DCP. In addition, there have also been reports of health care providers not accepting workers' compensation cases due to the reimbursement rates for such cases being tied to 110 percent of the Medicare Resource Based Relative Value Scale system as applicable to Hawaii.

As affirmed by the records of votes of the members of your Committees on Labor and Public Employment and Legislative Management that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 147, S.D. 1, and recommend its adoption.

Signed by all members of the Committee except Representatives Garcia, Nakasone, Souki, Rath, Luke and Halford.

**SCRep. 1513 Finance on S.C.R. No. 13**

The purpose of this measure is to encourage the Employees' Retirement System to apply the principles of socially responsible investment in its investment practices and decisions.

In addition, this measure requests the Legislative Reference Bureau to conduct research on socially responsible investment-also known as double-bottom line investment, mission-related investment, and natural investing-by examining the laws and practices in other states, and current reports and studies in the field.

Testimony in support of this measure was received from the Hawaii Coalition Against Legalized Gambling, Responsible Markets, LLC, and numerous individuals.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 13, S.D. 2, and recommends its adoption.

Signed by all members of the Committee except Representative Nakasone.  
(Representatives Moses and Rath voted no.)

**SCRep. 1514 Finance on S.C.R. No. 24**

The purpose of this measure is to urge a study of older underground plumbing systems and water systems statewide to assess health risks.

Testimony in support of this measure was submitted by the Board of Water Supply.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 24 and recommends its adoption.

Signed by all members of the Committee except Representative Nakasone.

**SCRep. 1515 Finance on S.C.R. No. 7**

The purpose of this measure is to request the Department of Health and the Department of Education to develop a plan to improve the oral health of children in the State of Hawaii.

Your Committee has amended this measure by further emphasizing the connection between oral health and general health, and by noting that even with the currently excellent ratio of dentists to people in this State, there are populations of children, low-income adults, and disabled who face a lack of sufficient oral health care.

Your Committee has also amended this measure by including the low-income adult and disabled populations in the desired plan for improved oral health care, and by requesting the Department of Health to develop this plan in cooperation with the Department of Human Services.

Additionally, your Committee has revised the scope of the plan to also include:

- 1) Examining temporary licensure and reciprocity for licensing dentists to serve underserved populations; and
- 2) Providing incentives for dentists to volunteer their services in underserved populations and communities.

Your Committee has also amended this measure to specify that copies of this Concurrent Resolution also be transmitted to the Director of Human Services, Primary Health Care Association, and Board of Dental Examiners.

Finally, your Committee has amended the title of this measure to properly read, "REQUESTING THE DEVELOPMENT OF PLAN TO IMPROVE ORAL HEALTH FOR CHILDREN, LOW-INCOME ADULTS, AND THE DISABLED IN THE STATE."

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 7, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 7, S.D. 1, H.D. 1.

Signed by all members of the Committee.



**SCRep. 1516 Finance on S.C.R. No. 65**

The purpose of this measure is to establish a joint Senate-House committee to investigate the State's efforts to comply with the Felix Consent Decree.

Testimony in support of this measure was received by the Department of Education and the Department of Health.

Your Committee has amended this measure by specifying that the investigative committee shall be comprised of twelve members, six members appointed by the Senate President and six members appointed by the Speaker of the House.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 65, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 65, S.D. 1, H.D. 1.

Signed by all members of the Committee except Representative Nakasone.

**SCRep. 1517 Finance on S.C.R. No. 102**

The purpose of this measure is to request the Legislative Reference Bureau to update its survey of federally mandated state programs.

Testimony in support of this measure was received from the Legislative Reference Bureau.

Your Committee has amended this measure to specify that the survey cover state and federal operating funds.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 102, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 102, S.D. 1, H.D. 1.

Signed by all members of the Committee.

**SCRep. 1518 Judiciary and Hawaiian Affairs on S.B. No. 483**

The purpose of this bill is to revise Hawaii's antitrust law by:

- (1) Clarifying the rights of private individuals who have been directly injured by parties engaged in unfair competition;
- (2) Clarifying that the State Attorney General is authorized to seek threefold compensatory damages in class action suits on behalf of indirect purchasers filed against parties engaged in unfair competition; and
- (3) Making technical changes to the consent judgment provisions of the law.

Testimony in support of this bill was submitted by the Attorney General. The Department of Commerce and Consumer Affairs commented.

Your Committee finds that Hawaii's antitrust laws are necessary to ensure fair competition in the business community. Your Committee further finds that this bill is beneficial to the Attorney General's enforcement efforts.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 483 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Chang, Souki and Yoshinaga.

**SCRep. 1519 Judiciary and Hawaiian Affairs on S.B. No. 1509**

The purpose of the bill is to amend the statute on theft to:

- (1) Designate the legal owner as the owner of a vehicle that has no registered owner under section 708-836, Hawaii Revised Statutes, relating to unauthorized control of a propelled vehicle; and
- (2) Allow photocopies of unaltered price or name tags, or other markings on goods or merchandise and printed register receipts as prima facie evidence as to value and ownership in theft cases.

The Department of the Prosecuting Attorney for the City and County of Honolulu and the Honolulu Police Department testified in support of this measure.

Your Committee finds that:

(1) The statutory requirement for proof of value in theft cases has not kept pace with the technology of recordkeeping of prices for merchandise stock. With proper evidentiary foundation, photocopies of price tags and printed register receipts are reliable evidence of value; and

(2) There is a gap in the definition of "owner" in the offense of unauthorized control of propelled vehicle. Current law limits "owner" to the registered owner or unrecorded owner pending transfer. Therefore, vehicles that are not required to be registered, such as golf carts, are not covered under this offense. Adding a provision of "legal owner" in these cases will close this gap.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1509 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Souki and Yoshinaga.

**SCRep. 1520     Judiciary and Hawaiian Affairs on S.B. No. 797**

The purpose of this bill is to clarify the scope of subpoena powers of state and county legislative bodies by removing obsolete loyalty oath references, which were found in repealed Chapter 85, Hawaii Revised Statutes (HRS).

Seven members of the Maui County Council testified in support of this measure.

Your Committee finds that the law has been interpreted to require the loyalty oath for subpoena powers. Since the requirement for a loyalty oath no longer exists, certain county councils have not been able to compel county officials to appear before the council or its committees. This bill will remove any confusion about the interpretation of this section.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 797 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Ahu Isa, Case, Kanoho, Souki, Yoshinaga and Whalen.

**SCRep. 1521     Water and Land Use on S.C.R. No. 61**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study relating to the management of the Ahupua`a `O Kahana.

The Ahupua`a `O Kahana is the only publicly-owned ahupua`a on Oahu and is designated as a Hawaiian Cultural Living Park which includes traditional irrigation systems, taro patches, and fishponds. Your Committee finds that this concurrent resolution should enhance the coordination efforts to help preserve this important ahupua`a.

The Department of Land and Natural Resources and two individuals testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 61 and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, Bukoski, Meyer and Thielen.

**SCRep. 1522     Water and Land Use on S.C.R. No. 89**

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to keep the Legislature apprised of the development of the Reserve Operations Plan for the Northwestern Hawaiian Islands Coral Reef Ecosystem Reserve.

Testimony in support of this measure was received from DLNR and the Office of Hawaiian Affairs.

Your Committee finds that DLNR has been assigned the lead role in coordinating with federal agencies on the development of Reserve Operations Plan. While state waters are not currently included within the boundaries of the Reserve, the State has a seat, appointed by the Governor, on the newly formed Northwestern Hawaiian Islands Coral Reef Ecosystem Reserve Advisory Council.

Your Committee further finds that DLNR will work with all other state agencies as the Reserve Operations Plan develops. Your Committee believes that this is an important undertaking and looks forward to receiving reports on the status of the Reserve Operations Plan.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 89 and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, Bukoski, Meyer and Thielen.

**SCRep. 1523     Water and Land Use on S.C.R. No. 140**

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to work with the community and proceed with the plan to create a state park and nature reserve at Kapua, Honomalino, Okoe, Kaulanamauna, and Manuka districts in south Kona and Ka'u, on the island of Hawaii.

In testifying in support of this measure, DLNR indicated that these areas should be protected and eventually given state park status. However, it cited limited funding and staffing. Supporting testimony was also submitted by The Trust for Public Land.

Your Committee notes that S.R. No. 267, adopted by the 1971 Senate, requested a feasibility study relating to the creation of a state park in the same general area as named in this concurrent resolution. DLNR's Division of State Parks subsequently submitted a request to create a "primitive type" natural recreational and historic park in this area. The Board of Land and Natural Resources unanimously voted to adopt this concept of a "primitive type" park. Your Committee finds that since this decision in 1971, no further action has been taken on this proposal. Through this concurrent resolution, your Committee intends to renew efforts to develop a park in this area.

Necessary funding for this measure may be authorized in the current legislative session or deferred to the next legislative session.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 140, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, Bukoski, Meyer and Thielen.

#### **SCRep. 1524    Tourism and Culture on S.C.R. No. 31**

The purpose of this measure is to request the Auditor to conduct a management and financial audit of the Hawaii Tourism Authority and report all findings and recommendations to the 2002 Legislature.

Testimony in support of this measure was received from the Department of Business, Economic Development, and Tourism, and the Hawaii Tourism Authority.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 31, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Case, Takumi, Halford and Ontai.

#### **SCRep. 1525    Tourism and Culture on S.C.R. No. 76**

The purpose of this measure is to request the State Foundation on Culture and the Arts (SFCA) to establish a formal policy on supporting Native Hawaiian culture and arts, primarily focusing on perpetuating and promoting Native Hawaiian culture and arts for the benefit of visitors and residents alike.

The SFCA testified in support of this measure, and stated that although such a policy is already in place, they will commit to doing better, both from a policy-making and programmatic perspective.

As affirmed by the record of votes of the members of your Committee on Tourism and Culture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 76, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Case, Takumi, Halford and Ontai.

#### **SCRep. 1526    Water and Land Use on S.C.R. No. 61**

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to conduct a study relating to the management of the Ahupua'a 'O Kahana.

The Ahupua'a 'O Kahana is the only publicly-owned ahupua'a on Oahu and is designated as a Hawaiian Cultural Living Park which includes traditional irrigation systems, taro patches, and fishponds. Your Committee finds that this concurrent resolution should enhance the coordination efforts to help preserve this important ahupua'a.

The Department of Land and Natural Resources and two individuals testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 61 and recommends its adoption.

Signed by all members of the Committee except Representatives Ito, Bukoski, Meyer and Thielen.

#### **SCRep. 1527    Education on S.C.R. No. 98**

The purpose of this concurrent resolution is to request the Department of Education (DOE) to provide transportation for students involved in extracurricular activities after school hours.

DOE submitted testimony in support of this measure.

Your Committee finds that after school extracurricular activities are beneficial to students and enhance the overall effectiveness of education. Unfortunately, many students are unable to participate in such activities due to transportation constraints. Your Committee feels that it is in the public interest to provide transportation for students who wish to participate in extracurricular pursuits. However, in consideration of DOE concerns, your Committee would like to clarify that this measure is only intended to address on-campus, school-based activities, and not those which are conducted at other locations.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 98 and recommends its adoption.

Signed by all members of the Committee except Representatives Kahikina, Schatz, Halford, McDermott and Stonebraker.

**SCRep. 1528 Education on S.C.R. No. 152**

The purpose of this concurrent resolution is to request the Department of Education (DOE) to ensure that middle and intermediate school students are provided with enrichment activities.

DOE submitted testimony in support of the intent of this concurrent resolution.

Your Committee finds that many intermediate and middle school students are left without enrichment activities as they may no longer attend A-Plus program after school, and do not have access to the same breadth of activities provided to high school students. This measure requests that DOE ensure that these students be provided with adequate enrichment opportunities. However, as it will most likely require policy decision-making to effectuate the requests made in this measure, your Committee notes that DOE should work collaboratively with the Board of Education on this matter.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 152, S.D. 1, and recommends its adoption.

Signed by all members of the Committee except Representatives Kahikina, Schatz, Halford, McDermott and Stonebraker.

**SCRep. 1529 Education and Higher Education on S.C.R. No. 99**

The purpose of this concurrent resolution is to request the Department of Education and the University of Hawaii to study the feasibility, benefits, and costs associated with creating a linked K-16 student database.

The resolution permits them to contract out the study if they do not have the expertise to do it, or if it would be more cost-effective to do so.

The benefits of a linked database as set forth in this resolution would allow the tracking of student achievement and coursework. In Texas, this has had the effect of significantly improving student academic achievement and test scores, and eventually eliminating the need for remedial classes. Your Committee finds that instituting a system that will improve student achievement is an important goal for both the Department and the University.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 99, S.D. 1, and recommend its adoption.

Signed by all members of the Committee except Representatives Takumi, Schatz, Halford, McDermott, Ontai and Stonebraker.

**SCRep. 1530 Finance on S.B. No. 1173**

The purpose of this measure is to repeal the Hawaii Environmental Disclosure Law.

Your Committee received testimony in favor of this measure from the Office of the Lieutenant Governor and from the Office of Environmental Quality Control.

Your Committee finds that this law was originally enacted to alert the public of major corporate changes, particularly in the case of the agricultural industry. However, there have only been twelve filings in the last 18 years.

Because there are currently more effective mechanisms in place to notify the public of proposed changes in the agricultural industry, your Committee finds that this statute is no longer necessary and should be repealed.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1173 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.