

Conf. Com. Rep. 1 on S.B. No. 1529

The purpose of this measure is to clarify the civil adjudication of civil traffic infractions.

Your Committee on Conference finds that this measure would provide clear, unambiguous, and consistent methods of processing traffic infractions in a more expedient and less burdensome manner, while ensuring protections against self-incrimination for defendants. Currently, a vast majority of lesser traffic offenses can be adjudicated without requiring the defendant's appearance in court. However, some methods used in processing traffic infractions remain unclear, ambiguous, and inconsistent. This measure attempts to address these issues. Your Committee on Conference notes that the measure permits the court to schedule the criminal and civil cases concurrently.

Your Committee on Conference has adopted the S.D. 2 version of this measure that is substantially similar to the H.D. 2 version, in addition to changing references to "citations" to "infractions", with the concurrence of the Judiciary. Your Committee on Conference has also changed the effective date from July 1, 2112, to January 1, 2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1529, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1529, S.D. 2, H.D. 2, C.D. 1.

Representatives Souki, Waters and Pine, Managers on the part of the House. (Representative Pine was excused.)
Senators English, Hee, Hooser and Gabbard, Managers on the part of the Senate. (Senator Hooser was excused.)

Conf. Com. Rep. 2 on S.B. No. 1709

The purpose of this measure is to treat three-wheeled mopeds designed to carry a driver and a passenger seated side by side the same way as single driver mopeds except for the requirement that the driver sit astride and alone on the moped.

Your Committee finds that three-wheeled mopeds are increasingly common on the roadways. Three-wheeled mopeds are typically rented to tourists by moped rental companies. Current law does not allow these vehicles to be classified as a moped.

The intent of this measure is to allow three-wheeled mopeds that are designed to carry a passenger to operate on highways, streets, and roadways in the same way as single driver mopeds except with regards to operating in bicycle lanes. Three-wheeled mopeds that are designed to carry a passenger are generally larger than single driver mopeds and present safety issues that may not be covered under existing laws that regulate single driver mopeds. This measure addresses those safety issues.

Your Committee on Conference has amended this measure by adopting the H.D. 2, and added language that clarifies that:

- (1) A driver of a three-wheeled moped is required to have bodily injury and property damage insurance; and
- (2) Are prohibited on bicycle lanes.

Your Committee on Conference also amended the effective date from July 1, 2112, to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1709, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1709, S.D. 1, H.D. 2, C.D. 1.

Representatives Souki, Waters and Ching, Managers on the part of the House. (Representative Ching was excused.)
Senators English, Tsutsui and Gabbard, Managers on the part of the Senate. (Senator Tsutsui was excused.)

Conf. Com. Rep. 3 on S.B. No. 946

The purpose of this measure is to allow a person whose driver's license has been revoked for life to reapply and be reissued a driver's license upon specified conditions and procedures.

Your Committee on Conference finds that a lifetime suspension of a driver's license, though warranted when imposed, eventuates in an inequality after a driver becomes rehabilitated from substance abuse.

The intent of this measure is to provide fairness and equity in the driver's license revocation process. The law should account for rehabilitation under certain safeguards as contained in this measure. However, this measure should not be construed as forgiving the offending driver. Your Committee on Conference recommends passage of this measure out of compassion for those who have paid the debt of their past indiscretions.

Your Committee on Conference has amended this measure by adopting the S.D. 2 version, a substantially similar measure, and inserting a fee of \$50 to cover administrative costs. Your Committee has also changed the effective date to July 1, 2008, at the request of the Administrative License Revocation Office in order to allow time for implementation.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 946, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 946, S.D. 2, H.D. 1, C.D. 1.

Representatives Souki, Waters, Nishimoto and Marumoto, Managers on the part of the House. (Representative Marumoto was excused.)
Senators English, Hee and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 4 on S.B. No. 1528

The purpose of this measure is to clarify that all traffic offenses and violations under the statewide traffic code are treated as traffic violations, not convictions.

Your Committee on Conference finds that this measure would affirm that traffic offenses are infractions, and therefore are deemed civil rather than criminal matters. This measure is in keeping with Hawaii appellate case law.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2020, to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1528, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1528, H.D. 1, C.D. 1.

Representatives Souki, Waters and Meyer, Managers on the part of the House. (Representative Meyer was excused.)
Senators English, Hee and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 5 on S.B. No. 1704

The purpose of this bill is to amend chapter 514A, Hawaii Revised Statutes (HRS), by reenacting parts I, V, and VII, of chapter 514A, HRS, that were previously repealed by Act 164, Session Laws of Hawaii 2004, and to make other housekeeping amendments.

Your Committee finds that Act 213, Session Laws of Hawaii 2000, and Act 131, Session Laws of Hawaii 2003, required the Real Estate Commission to review chapter 514A, HRS, make findings and recommendations for the recodification of that chapter, and submit legislation consistent with its review to the Legislature. The recodified condominium law was submitted and subsequently enacted as Act 164, Session Laws of Hawaii 2004, Act 93, Session Laws of Hawaii 2005, and Act 273, Session Laws of Hawaii 2006, as chapter 514B, HRS. However, parts I, V, and VII of chapter 514A, HRS, were repealed during the process. This has made it more difficult for members of associations of apartment owners, boards, and others in the condominium business created prior to July 1, 2006, to understand and discern exactly what laws and rights are applicable to them.

Your Committee has amended this measure, as recommended by the Real Estate Commission, by:

- (1) Adding a new section to amend section 467, HRS, to include apartments defined in section 514A-3, HRS, and governed by chapter 514A, HRS, in the definition of "hotel condominium";
- (2) Adding a new section to amend section 514B-161, HRS, to require that if an apartment owner or the board of directors requests mediation of a dispute involving the interpretation or enforcement of the association of apartment owners' declaration, bylaws, or house rules, the other party in the dispute shall be required to participate in mediation;
- (3) Changing the effective date to provide that:
 - (a) Sections 2, 3, and 4, of this measure shall take effect retroactive to July 1, 2006;
 - (b) Section 514A-121.5(b) to (j) in section 2 of this measure shall be repealed on June 30, 2009; and
 - (c) Cases pending before the Office of Administrative Hearings of the Department of Commerce and Consumer Affairs as part of the condominium dispute resolution pilot project established by section 28 of Act 164, Session Laws of Hawaii 2004, on June 30, 2006, that may have been dismissed due to the repeal of part VII of chapter 514A, HRS, shall be reinstated and subject to section 514A-121.5, in section 2 of this measure;
- (4) Making necessary technical and conforming amendments to sections 514A-6 and 514A-121.5, HRS, in section 2 of this measure; and
- (5) Making other technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1704, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1704, S.D. 1, H.D. 1, C.D. 1.

Representatives Herkes, McKelvey and Marumoto, Managers on the part of the House. (Representative McKelvey was excused.)
Senators Taniguchi, Espero and Slom, Managers on the part of the Senate. (Senator Espero was excused.)

Conf. Com. Rep. 6 on S.B. No. 1047

The purpose of this measure is to allow a driver who is at least nineteen years of age who meets certain requirements to obtain a commercial driver's license to drive in intrastate commerce.

Your Committee on Conference finds that there is a shortage of commercial drivers in Hawaii and the age requirement for commercial licenses makes recruiting younger individuals, such as high school seniors, difficult because they have to wait years to obtain a license.

The current age required to receive a commercial driver's license is twenty-one. This measure would increase the pool of qualified commercial drivers by lowering the age to nineteen. Your Committee is keenly aware that lowering the age may not solve the problem of the shortage of drivers, and may present highway safety concerns. However, the measure addresses these concerns in large part by ensuring that the applicant has a safe driving record in order to obtain a commercial driver's license.

In addition, your Committee on Conference believes that increasing the eligible pool of commercial drivers will increase demand for commercial driving schools and other instructional programs to enable the licensing of more commercial drivers. High school seniors would be more inclined to consider commercial driving as a career if the license eligibility age were nineteen.

Your Committee has amended the measure by deleting the requirement that a commercial drivers license applicant under the age of twenty-one complete a Department of Transportation administered training program and by changing the effective date from July 1, 2012, to upon its approval. Your Committee has also made a technical amendment to remove an extraneous subsection designation in section 1 of the bill.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1047, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1047, H.D. 2, C.D. 1.

Representatives Souki, Waters, Nishimoto and Pine, Managers on the part of the House. (Representative Pine was excused.)
Senators English, Hooser and Gabbard, Managers on the part of the Senate. (Senator Hooser was excused.)

Conf. Com. Rep. 7 on S.B. No. 1410

The purpose of this measure is to conform Hawaii's insurance laws to national standards regarding:

- (1) Long-term care insurance; and
- (2) The sharing of information with foreign insurance regulatory agencies by the Insurance Commissioner to facilitate the regulation of the insurance industry.

Your Committee finds that this measure is a reflection of model standards developed by the National Association of Insurance Commissioners.

Your Committee has amended this measure by making technical changes for the purpose of clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1410, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1410, S.D. 1, H.D. 1, C.D. 1.

Representatives Herkes, McKelvey, Yamane and Marumoto, Managers on the part of the House. (Representative McKelvey was excused.)
Senators Taniguchi, Ihara and Slom, Managers on the part of the Senate. (Senator Ihara was excused.)

Conf. Com. Rep. 8 on S.B. No. 920

The purpose of this measure is to prevent abuses that may occur from the distribution of condominium association membership lists. Specifically, this measure prohibits:

- (1) The use or distribution of membership lists without the prior written consent of the condominium association's board of directors; and
- (2) The condominium's managing agent, manager, and board of directors from using information from membership lists to create any separate list as a means of evading the restrictions on the use of such information.

Your Committee finds that condominium association member lists are the property of the association and members' information must be kept private. The intent of this measure is to stop managing agents from using condominium member lists without the prior written consent of the board of directors of a condominium association.

Your Committee has amended this measure by:

- (1) Adding language to specify that the consent requirements and the restrictions on the creation of separate lists found in subsections (f) and (g) in section 2 of this measure shall not apply to any time share plan regulated under chapter 514E, Hawaii Revised Statutes; and
- (2) Making this measure effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 920, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 920, S.D. 1, H.D. 1, C.D. 1.

Representatives Herkes, McKelvey and Marumoto, Managers on the part of the House. (Representative McKelvey was excused.)
Senators Taniguchi, Espero and Slom, Managers on the part of the Senate. (Senator Espero was excused.)

Conf. Com. Rep. 9 on S.B. No. 139

The purpose of this bill is to clarify that the cigarette tax moneys collected and earmarked, pursuant to section 245-15, Hawaii Revised Statutes, to fund the Cancer Research Center of Hawaii, emergency medical services, trauma care, and community health centers shall be calculated on a per cigarette basis. This bill further ensures that moneys are earmarked for each special fund through 2011 and beyond.

Your Committee on Conference amended this bill by changing the tax collection date for moneys earmarked for the Hawaii Cancer Research Special Fund from prior to September 29, 2006, to prior to October 1, 2007. Your Committee finds that prior to October 1, 2007, completes a fiscal quarter and will avoid administrative problems for the Department Of Taxation.

Your Committee on Conference further amended this bill by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 139, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 139, S.D. 1, H.D. 1, C.D. 1.

Representatives Green, Mizuno, Chong and Meyer, Managers on the part of the House. (Representative Chong was excused.)
Senators Ige, Fukunaga, Baker and Whalen, Managers on the part of the Senate.

Conf. Com. Rep. 10 on S.B. No. 755

The purpose of this measure is to provide standards for the selection of County Ethics Commissioners to ensure their impartiality and independence.

Your Committee on Conference finds that, in the interest of ensuring sufficient independence and impartiality, the selection process of the State Ethics Commissioners should serve as a model for the selection of County Ethics Commissioners. Each member of the State Ethics Commission is appointed by the Governor from a list of two persons nominated by the Judicial Council, and complies with Article XIV of the Constitution of the State of Hawaii, which provides that: "Ethics commissioners shall be selected in a manner which assures their independence and impartiality."

Your Committee further finds that, in contrast, members of the Honolulu Ethics Commission are appointed by the Mayor and confirmed by the Honolulu City Council, both of which are subject to oversight by the County Ethics Commission.

To remedy this perceived conflict of interest, this measure requires the counties to establish a selection process that ensures a minimal amount of involvement of persons who are to be subject to an ethics commission's oversight by requiring each County Ethics Commissioner to be appointed from a list of nominees selected by an independent body and not subject to confirmation by the county legislative body.

Your Committee has amended this measure to further clarify the selection process of County Ethics Commissioners by requiring that county ethics commissioners in each county to be selected by an independent body as set forth by county ordinance in each county.

The intent of your Committee on Conference is to create improved standards for the selection of County Ethics Commissioners that will allow them to fulfill their duties in an independent and impartial manner.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 755, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 755, S.D. 1, H.D. 1, C.D. 1.

Representatives Waters, B. Oshiro and Pine, Managers on the part of the House.
Senators Inouye, Tsutsui and Hemmings, Managers on the part of the Senate. (Senator Tsutsui was excused.)

Conf. Com. Rep. 11 on S.B. No. 618

The purpose of this measure is to require the Department of Education to establish a program for awarding honorary high school diplomas to individuals who were unable to complete high school due to military service during World War II, the Korean Conflict, or the Vietnam War and individuals interned during the Japanese and Japanese-American Internment during World War II.

Your Committee on Conference finds that during times of need, many citizens disrupt their lives and education to serve and protect their country through military service. In the past, many of Hawaii's citizens were unable to complete their compulsory education due to military service during World War II, the Korean Conflict, or the Vietnam War, or due to the Japanese and Japanese-American Internment during World War II. This measure recognizes the tremendous hardships suffered and sacrifices made by our loyal and courageous veterans and interned citizens through the establishment of a program for bestowing high school diplomas on these worthy individuals.

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

- (1) Changing references to an "honorary diploma" to a "veterans high school diploma"; and
- (2) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 618, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 618, H.D. 1, C.D. 1.

Representatives Takumi, Evans, Har and Finnegan, Managers on the part of the House.
Senators Inouye, Sakamoto and Hemmings, Managers on the part of the Senate. (Senator Hemmings was excused.)

Conf. Com. Rep. 12 on S.B. No. 1008

The purpose of this measure is to enhance the regulation of annuity sales by establishing standards and procedures for insurers and insurance producers that make recommendations to consumers regarding the purchase or exchange of annuities.

Your Committee finds that there is a need to protect consumers who purchase annuity products. This measure is based upon model legislation and the intent is to ensure that the insurance needs and financial objectives of consumers in transactions involving annuity products are appropriately and adequately addressed.

Your Committee has amended this measure by:

- (1) Adding language clarifying that nothing in this measure shall be construed to affect any provision of chapter 485A, Hawaii Revised Statutes, relating to the Uniform Securities Act;
- (2) Making the measure effective January 1, 2008; provided that section 5 shall take effect on July 1, 2008, and that section 4 shall be repealed on July 1, 2008; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1008, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1008, S.D. 1, H.D. 2, C.D. 1.

Representatives Herkes, Lee and Marumoto, Managers on the part of the House.
Senators Taniguchi, Espero and Trimble, Managers on the part of the Senate. (Senator Trimble was excused.)

Conf. Com. Rep. 13 on S.B. No. 667

The purpose of this bill is to ensure that residents of this State have access to appropriate mental health services by licensed mental health counselors and to enable qualified mental health counselor applicants to obtain licensure.

Specifically, this bill provides for the licensing of qualified mental health services providers by:

- (1) Allowing alternative experience for the practicum intern and post-graduate experience required for mental health counselor licensure, for applicants who graduated from an accredited educational institution before July 1, 2007; and
- (2) Clarifying that the requirement that clinical supervisors hold certain licenses does not apply to the practicum intern and post-graduate experience supervision requirements for applicants graduating from an accredited educational institution prior to July 1, 2007.

Your Committee on Conference amended this bill by changing the delayed effective date to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 667, S.D. 3, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 667, S.D. 3, H.D. 2, C.D. 1.

Representatives Green, Herkes, McKelvey and Ward, Managers on the part of the House. (Representative Ward was excused.)
Senators Ige, Taniguchi, Baker, Fukunaga and Whalen, Managers on the part of the Senate. (Senators Fukunaga and Whalen were excused.)

Conf. Com. Rep. 14 on S.B. No. 1675

The purpose of this bill is to encourage the use of automated external defibrillators by strengthening the law regarding civil liability.

Specifically, this bill changes the term automatic external defibrillator to automated external defibrillator and provides immunity from liability to any individual who administers an automated external defibrillator in a good faith attempt to resuscitate another person in immediate danger of loss of life, instead of providing immunity only to those who have successfully completed a training program.

Your Committee on Conference amended this bill to encourage employers and businesses to provide this life saving technology by:

- (1) Removing employers from vicarious liability for civil damages resulting from the provision of an automated external defibrillator, clarifying that employer liability only attaches as a result of a person's or employer's gross negligence or wanton acts or omissions; and
- (2) Removing the requirement that only employers who provide a defibrillator program shall be immune from liability.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1675, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1675, S.D. 1, H.D. 1, C.D. 1.

Representatives Green, Waters and Ward, Managers on the part of the House. (Representative Ward was excused.)
Senators Ige, Hee, Fukunaga and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 15 on S.B. No. 1425

The purpose of this measure is to ensure that an adequate supply of licensed contractors is available to perform necessary repairs and reconstruction work during a state of emergency or disaster. Specifically, this measure:

- (1) Authorizes the Contractors License Board (Board) to issue emergency contractor's licenses to qualified out-of-state contractors;
- (2) Authorizes the Board to establish an Emergency Contractors Recovery Fund to assist in covering liability costs for persons injured as a result of work performed by a contractor that is issued an emergency license to perform necessary repair and reconstruction work during a state of emergency or disaster;
- (3) Authorizes the Board to collect fees from applicants for an emergency contractor's license;
- (4) Requires a determination by the Board that a shortage of a qualified workforce exists prior to issuing emergency contractor's licenses to qualified out-of-state contractors;
- (5) Requires that an applicant for an emergency contractor's license provide:
 - (A) Proof of workers' compensation, property damage, and liability insurance in an amount not less than \$300,000 per occurrence and \$600,000 in the aggregate;
 - (B) A current financial statement prepared by a certified public accountant;
 - (C) A credit report; and
 - (D) Proof of intent to pay any and all applicable state general excise taxes by means of a state tax clearance statement;
- (6) Clarifies that a contractor who is issued an emergency contractor's license is subject to requirements set by Hawaii's contractor laws under Chapter 444, Hawaii Revised Statutes; and
- (7) Specifies that an emergency contractor's license shall only be valid during the period that the emergency exists.

Your Committee on Conference finds that the after effects of hurricanes Katrina and Rita demonstrated the adverse consequences of having a short supply of skilled and licensed contractors. Currently, if a natural disaster or other state of emergency were to arise in Hawaii, the demand for skilled and licensed contractors in Hawaii to perform the necessary repair and reconstruction work may exceed the actual supply. Your Committee on Conference further finds that allowing out-of-state contractors licensed in other jurisdictions to perform work in Hawaii under an emergency license represents a reasonable balance between the need for more contractors and the need to protect consumers.

To this end, your Committee on Conference amended this measure by:

- (1) Removing the provision authorizing the Board to establish an Emergency Contractors Recovery Fund;
- (2) Removing the minimum monetary amounts for insurance liability in the provision requiring proof of workers' compensation, property damage, and liability insurance;
- (3) Amending the provision requiring proof of licensure as a contractor in another state that follows the same adopted version of the applicable county's uniform building code to provide that the county in which the contractor is licensed have a similar, rather than the same uniform building code;
- (4) Clarifying language regarding submitting a state tax clearance statement;
- (5) Inserting language requiring the applicant to provide proof of bond in the amount and in such form as set forth in section 444-16.5, Hawaii Revised Statutes;
- (6) Removing the provision requiring a contractor who is issued an emergency contractor's license to be subject to requirements set forth by Hawaii's contractor license maintenance and penalty laws under chapter 444, Hawaii Revised Statutes;
- (7) Removing the provision requiring the emergency contractor's license to remain valid only during the period of the emergency; and
- (8) Making nonsubstantive changes for the purpose of style and clarity.

It is the intent of your Committee on Conference to ensure that there is an adequate supply of licensed contractors available to perform the necessary repairs and reconstruction work during a state of emergency or disaster and putting requirements in place to ensure public and consumer safety.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1425, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1425, S.D. 2, H.D. 1, C.D. 1.

Representatives Evans, Herkes, Har, McKelvey, Yamane and Finnegan, Managers on the part of the House. (Representative Finnegan was excused.)
Senators Inouye, Taniguchi, Sakamoto and Hennings, Managers on the part of the Senate. (Senator Sakamoto was excused.)

Conf. Com. Rep. 16 on S.B. No. 870

The purpose of this measure is to:

- (1) Establish and designate an archaeological data survey as an online database program of the State of Hawaii Museum of Natural and Cultural History, beginning with the collections of Bishop Museum; and

- (2) Authorize the Museum, in consultation with the Office of Hawaiian Affairs and the Department of Land and Natural Resources, to withhold from the database, either temporarily or permanently, information that may pose a threat to the protection of valuable archaeological sites and artifacts.

Your Committee on Conference finds that requiring a consensus of the three entities to determine what information may be withheld from the data survey will ensure protection for vulnerable artifacts and sites that may be threatened with harm or degradation should information about them be readily available.

Your Committee on Conference has amended this measure by making the bill effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 870, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 870, S.D. 1, H.D. 2, C.D. 1.

Representatives Ito, Chong, Carroll, Hanohano and Awana, Managers on the part of the House. (Representative Carroll was excused.)
Senators Fukunaga, Espero and Slom, Managers on the part of the Senate.

Conf. Com. Rep. 17 on S.B. No. 1924

The purpose of this measure is to allow the Board of Land and Natural Resources to sell or exchange up to fifteen acres of state land to an eleemosynary organization under certain conditions without legislative approval for three years.

Specifically, this measure requires that:

- (1) The eleemosynary organization use the land for the construction and maintenance of a multi-purpose community center with sufficient size and facilities to serve a community of twenty-five thousand people;
- (2) The eleemosynary organization demonstrates the sufficient sources of funding for the construction and maintenance of the community center; and
- (3) If the land ceases to be used for the purposes and conditions of the multi-community center, the land will revert back to the State.

Your Committee on Conference has amended this measure by:

- (1) Establishing that section 171-50(c), Hawaii Revised Statutes, does not apply to this measure;
- (2) Properly citing sections 171-50(a) and (b), Hawaii Revised Statutes, within the measure, where applicable;
- (3) Clarifying that, if the land reverts back to the State, any pending liabilities assigned to the property, eleemosynary organization, or other party in effect prior to the reversion will not be transferred to the State;
- (4) Changing the effective date of this measure from July 1, 2020, to effective upon its approval; and
- (5) Making technical and nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1924, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1924, S.D. 2, H.D. 2, C.D. 1.

Representatives Ito, Chong, Sagum, Tokioka and Awana, Managers on the part of the House. (Representative Tokioka was excused.)
Senators Kokubun, Baker, Tokuda and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 18 on S.B. No. 866

The purpose of this measure is to ensure that the Hawaii Tourism Authority (HTA) and Hawaii Visitors and Convention Bureau (HVCB) boards function independently from each other and that the relationship between the two boards remain at arm's length when the two entities transact tourism marketing contracts.

The measure accomplishes this purpose by prohibiting a person who has served as a member of the Board of Directors of the HVCB from sitting as a public, voting member of the Board of the HTA until at least two years have expired between the person's termination from service on the Board of the HVCB and the person's appointment to the Board of the HTA.

Your Committee on Conference finds that the *Special Master's Report to the Hawaii Tourism Authority on Recommendations Regarding The Hawaii Visitors and Convention Bureau*, dated December 31, 2003, by the Candon Consulting Group, LLC, recommended that the independence of the respective boards of directors of the HTA and the HVCB be preserved. Individuals have served consecutively as directors of both the HTA board and the HVCB board and visa-versa. This situation invites questions about the arm's length nature of the relationship between these two boards and their respective organizations. If enough members of each board regularly alternate service from one to the other, the independence of each entity would diminish or disappear. Your Committee notes that the intent of this measure is already embodied in HTA's current policy.

Your Committee on Conference further finds that, because tourism marketing contracts are executed between the HTA and the HVCB through a process that is exempt from the State Procurement Code, it is necessary to establish safeguards such as the two-year board service moratorium to ensure propriety.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2025 to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 866, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 866, S.D. 1, H.D. 1, C.D. 1.

Representatives Yamane, Manahan and Ching, Managers on the part of the House. (Representative Ching was excused.)
Senators Nishihara, Kim and Trimble, Managers on the part of the Senate. (Senator Trimble was excused.)

Conf. Com. Rep. 19 on S.B. No. 1750

The purpose of this bill is to prevent injury and death to infants and young children caused from shaken baby syndrome by requiring hospitals that provide medical care to a newborn to provide each parent of the newborn with written educational information approved by the Department of Health and provided by nonprofit organizations about the dangerous effects of shaken baby syndrome and the different methods of preventing shaken baby syndrome.

Your Committee on Conference amended this bill by:

- (1) Removing the requirement that hospitals provide information on shaken baby syndrome and inserting language allowing hospitals to provide this information;
- (2) Requiring the Department of Health to report statistical information and recommendations for legislation to the Legislature; and
- (3) By making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1750, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1750, S.D. 1, H.D. 1, C.D. 1.

Representatives Green, Mizuno and Ching, Managers on the part of the House. (Representative Ching was excused.)
Senators Ige, Fukunaga and Whalen, Managers on the part of the Senate. (Senator Fukunaga was excused.)

Conf. Com. Rep. 20 on S.B. No. 58

The purpose of this measure is to provide for the orderly disposition of a licensed dentist's practice in the event of the dentist's unexpected death or incapacity by allowing the executor or administrator of the dentist's estate, or the dentist's legal guardian or authorized representative, to operate the practice for up to one year for the purpose of winding down, transferring, or selling the practice.

The sudden death or incapacitation of a dentist not only affects patients' continuity of care, but also causes the dental practice to rapidly lose value for each day it remains closed. In such situations, the dentist's family may be forced to hurriedly sell the practice before it loses much of its value; the dentist's work staff may suddenly find themselves unemployed; and existing patients may be confused by the abrupt change in the practice's ownership. Your Committee finds that this measure seeks to address these concerns by providing a sufficient transition period for a deceased or incapacitated dentist's practice to be closed, transferred, or sold.

Your Committee has amended this measure to make it effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 58, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 58, S.D. 2, H.D. 1, C.D. 1.

Representatives Green, Herkes, Waters, McKelvey, Mizuno and Awana, Managers on the part of the House. (Representatives Waters and Awana were excused.)
Senators Taniguchi, Hee, Espero and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 21 on S.B. No. 1017

The purpose of this measure is to remove a provision that limited the use of funds appropriated for fiscal year 2006-2007 as a grant-in-aid to the Hawaii Habitat for Humanity Association only to homes built on leased state lands.

Your Committee finds that Hawaii Habitat for Humanity provides a valuable service to the people of Hawaii by providing low-income families with safe and affordable self-help houses with zero interest loans. Hawaii Habitat for Humanity helps many low-income families achieve the goal of homeownership at a time when affordable housing in the State is out of reach for many families.

The intent of this measure is to ensure that Hawaii Habitat for Humanity Association's zero-interest revolving fund can continue to assist low-income families achieve homeownership in the State.

Your Committee has amended this measure by reinstating the language regarding administration of the loans and changing the reference to chapter 201G, Hawaii Revised Statutes, to chapter 201H, Hawaii Revised Statutes, to ensure that a standard for operating the loan program exists.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1017, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1017, H.D. 1, C.D. 1.

Representatives Shimabukuro, Rhoads and Awana, Managers on the part of the House. (Representative Awana was excused.)
Senators Taniguchi, Espero and Slom, Managers on the part of the Senate. (Senator Espero was excused.)

Conf. Com. Rep. 22 on S.B. No. 1803

The purpose of this measure is to provide health care coverage for Hawaii's residents by amending state health insurance laws with respect to small insurers.

Specifically, this measure:

- (1) Exempts a small group health insurer from having to offer a group health plan to small employers that employ only one employee, if the insurer offers the small employers at least one small group health plan that meets the requirements of chapter 393, Hawaii Revised Statutes, relating to prepaid health care plans; and
- (2) Exempts any accident or sickness insurer with less than thirty per cent share of the accident and sickness insurance market from the prohibition against requiring a prospective insured to purchase another class or an additional policy of the same class of insurance in order to obtain the desired accident and sickness insurance policy.

Your Committee finds that affordable health insurance is one of the State's most pressing concerns and that small insurers provide coverage to individuals, self-employed workers, and small business group plans that have one or few employees. Expanding coverage options will benefit consumers and should increase health insurance competition in Hawaii.

Your Committee has amended this measure by:

- (1) Adding language to allow the Insurance Commissioner to prohibit the exemption from section 431:2-201.5, Hawaii Revised Statutes, of group health plans offered to small employers that employ only one employee if the Insurance Commissioner determines that the group health insurer has the capacity to adequately deliver services to enrollees of additional groups subject to its obligations to existing employer groups;

- (2) Removing the exemption of any accident or sickness insurer with less than thirty per cent share of the accident and sickness insurance market from the prohibition against requiring a prospective insured to purchase another class or an additional policy of the same class of insurance in order to obtain the desired accident and sickness insurance policy;
- (3) Removing the requirement that the Insurance Commissioner conduct a review of the efficacy of this measure; and
- (4) Making this measure effective July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1803, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1803, S.D. 1, H.D. 1, C.D. 1.

Representatives Green, Herkes, Yamashita, Mizuno, Souki and Ward, Managers on the part of the House. (Representative Ward was excused.)
Senators Taniguchi, Hee and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 23 on S.B. No. 188

The purpose of this measure is to amend the Small Business Regulatory Flexibility Act by:

- (1) Requiring a small business impact statement to be submitted to the Small Business Regulatory Review Board (Board) as early as possible in the review process;
- (2) Requiring the Board to notify a small business that they may complain to the Ombudsman if the decision is to uphold an agency rule;
- (3) Expanding Board duties to include review of any proposed new or amended rule; and
- (4) Making housekeeping amendments.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2050 to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 188, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 188, S.D. 2, H.D. 1, C.D. 1.

Representatives Yamashita, Herkes, Waters, Wakai and Marumoto, Managers on the part of the House. (Representative Wakai was excused.)
Senators Fukunaga, Taniguchi and Slom, Managers on the part of the Senate.

Conf. Com. Rep. 24 on S.B. No. 1315

The purpose of this measure is to:

- (1) Codify sections of Act 292, Session Laws of Hawaii 2000, to make the Access Hawaii Committee, which provides oversight of the Internet portal manager, permanent; and
- (2) Add a representative of the Legislature's data management system and the Administrative Director of the Judiciary to the Committee.

Your Committee on Conference has amended this measure by:

- (1) Increasing the total membership from thirteen to fifteen;
- (2) Replacing a representative of the Legislature's data management system with a representative of the Senate appointed by the President of the Senate and a representative of the House of Representatives appointed by the Speaker of the House of Representatives; and
- (3) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference 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 Final Reading in the form attached hereto as S.B. No. 1315, S.D. 2, H.D. 1, C.D. 1.

Representatives Yamashita, Sagum and Ward, Managers on the part of the House. (Representative Ward was excused.)
Senators Fukunaga, Tsutsui, Ige and Slom, Managers on the part of the Senate.

Conf. Com. Rep. 25 on S.B. No. 46

The purpose of this measure is to require public disclosure of proposed compensation or changes in compensation for administrative positions in the University of Hawaii system that are filled by civil-service exempt employees.

Specifically, this measure requires the disclosure to be made no later than ten business days before any related open meeting is convened for purposes of public comment.

Your Committee has amended this measure by:

- (1) Inserting three sections from the S.D. 1 version of this measure relating to public disclosure of proposed compensation or change in compensation, as follows:
 - (A) Section 2, amending section 89C-4, Hawaii Revised Statutes, as a new section 2 of this measure;
 - (B) Section 3, amending section 92-5(a), Hawaii Revised Statutes, as a new section 3 of this measure; and
 - (C) Section 5, amending section 304A-1004, Hawaii Revised Statutes, as a new section 5 of this measure;
- (2) Renumbering the existing section 2 as a new section 4 of this measure and changing the disclosure timeframe from ten to six business days in section 304-1001, Hawaii Revised Statutes;

- (3) Renumbering the remaining sections of the measure consecutively;
- (4) Changing the effective date from July 1, 2059, to upon approval; and
- (5) Making technical nonsubstantive changes for the purposes of style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 46, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 46, S.D. 1, H.D. 1, C.D. 1.

Representatives Chang, Sonson and Ching, Managers on the part of the House.
Senators Hee, Kokubun and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 26 on S.B. No. 987

The purpose of this measure is to support renewable energy by:

- (1) Clarifying the definition of "renewable energy producer" to include thermal energy sold to customers of district cooling systems, for purposes of leasing public lands;
- (2) Allowing a county to grant, sell or otherwise dispose of easements for chilled water and seawater distribution systems for renewable energy seawater air conditioning district cooling systems by negotiation without public auction; and
- (3) Establishing, as state and county policy, priority handling and processing of state and county permits for renewable energy projects.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2050, to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 987, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 987, S.D. 1, H.D. 2, C.D. 1.

Representatives Morita, Ito, Carroll, Chong and Thielen, Managers on the part of the House. (Representative Thielen was excused.)
Senators Menor, Kokubun, Inouye, Hooser and Trimble, Managers on the part of the Senate. (Senator Kokubun was excused.)

Conf. Com. Rep. 27 on S.B. No. 1943

The purpose of this measure is to:

- (1) Add biofuel processing facilities to the list of permitted uses in an agricultural district; and
- (2) Establish an energy feedstock program.

Your Committee on Conference has amended this measure by:

- (1) Adding a paragraph in the findings and purpose section to emphasize that it is the intent of the Legislature that Hawaii-based production of energy feedstock shall become a significant portion of the total feedstock intake for Hawaii biofuels processing facilities;
- (2) Adding crops for bioenergy to activities allowed in agricultural districts;
- (3) Clarifying the description of biofuel processing facilities; and
- (4) Establishing that, in addition to being exempt from civil service, the temporary staff authorized to be hired by the Department of Agriculture for the new energy feedstock program shall also be exempt from the State's public sector collective bargaining laws.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1943, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1943, S.D. 2, H.D. 2, C.D. 1.

Representatives Ito, Morita, Tsuji and Meyer, Managers on the part of the House.
Senators Menor, English, Kokubun, Hooser and Trimble, Managers on the part of the Senate.

Conf. Com. Rep. 28 on S.B. No. 56

The purpose of this bill allows dentists to claim an exemption from jury service.

Your Committee has amended this bill by changing the delayed date to effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 56, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 56, S.D. 1, H.D. 1, C.D. 1.

Representatives Waters, B. Oshiro and Marumoto, Managers on the part of the House.
Senators Hee, Kokubun, Nishihara and Gabbard, Managers on the part of the Senate. (Senator Nishihara was excused.)

Conf. Com. Rep. 29 on S.B. No. 1665

The purpose of this measure is to strengthen Hawaii's animal cruelty laws. This measure creates an offense of cruelty to animals in the first degree by making it a felony to intentionally or knowingly torture, mutilate, or poison or cause the torture, mutilation, or poisoning of any pet animal resulting in serious bodily injury or death of the pet animal.

Your Committee finds that violence, whether against humans or animals, must not be tolerated in our society. Evidence suggests that there is a link between animal abuse and the commission of violent acts against humans. Your Committee further finds that Hawaii is one of only nine states in the United States which does not have a felony offense for domestic animal abuse.

Your Committee made the torturing, mutilation, and poisoning of pet animals a felony. Your Committee finds that pet animals provide a close emotional bond and relationship with their owners and family members and friends. Violence and harm committed against these animals have significant emotional impact to their owners and family. Thus, pet animals are protected by the felony provisions.

Your Committee amended this measure by:

- (1) Adding poisoning, along with torture and mutilation, to the offense of cruelty to animals in the first degree;
- (2) Eliminating the mandatory counseling provision for animal cruelty offenders;
- (3) Making conduct, against a pet animal, that results in serious bodily injury or death, a felony;
- (4) Defining pet animals as a dog, cat, domesticated rabbit, guinea pig, or caged birds, so long as they are not bred for consumption;
- (5) Making conduct against any animal resulting in substantial bodily injury, a misdemeanor;
- (6) Exempting the practice of cropping and docking from the felony provision but not from the misdemeanor prohibition;
- (7) Conforming the forfeiture provisions to apply to the offense of cruelty to animals in the first degree; and
- (8) Making technical, non-substantive changes.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1665, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1665, H.D. 1, C.D. 1.

Representatives Waters, B. Oshiro, Sonson and Ching, Managers on the part of the House.
Senators Hee, Kokubun, Nishihara and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 30 on S.B. No. 1833

The purpose of this bill is to modify the provisions of the Hawaii Family Leave Act by providing the employee - not the employer - with the option of substituting accrued paid leave, such as vacation, personal, or paid family leave, for any part of the four-week period allowed for family leave. Currently, family leave may consist of paid leave, unpaid leave, or a combination of paid and unpaid leave.

A growing number of employees are taking family leave to care for elderly family members and loved ones. Such care often necessitates the substitution of other types of leave, including vacation leave, when the amount of allowed family leave is depleted. Your Committee on Conference believes that the manner in which family leave is taken should be a decision that is left to the employee and that an employer should not force an employee to exhaust the employee's accrued vacation leave to care for a family member.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1833, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1833, S.D. 1, H.D. 1, C.D. 1.

Representatives Sonson, Nakasone and Ward, Managers on the part of the House. (Representative Ward was excused.)
Senators Hee, Baker, Kokubun and Trimble, Managers on the part of the Senate. (Senator Trimble was excused.)

Conf. Com. Rep. 31 on S.B. No. 1004

The purpose of this bill is to increase access to mental health care by establishing requirements under which qualified, licensed psychologists practicing at federally qualified health centers may prescribe certain types of psychotropic medication under the general supervision of a medical doctor.

Your Committee on Conference amended this measure by:

- (1) Removing the term and definition of "prescribing mental health professional" and replacing it with "supervising physician" which means a medically trained and licensed physician or psychiatrist who accepts professional responsibility for the provision of psychopharmacotherapy;
- (2) Clarifying that the requirement of a supervised practicum shall be by a medically trained and licensed physician or psychiatrist who accepts professional responsibility for the provision of psychopharmacotherapy and who is not in the employ of the person being directed or supervised;
- (3) Clarifying that it is the duty of a psychologist holding a conditional prescription certificate to inform the Board of Psychology (Board) the name of the supervising physician under whose supervision the psychologist will prescribe psychotropic medication and to promptly inform the Board of any change of the supervising physician;
- (4) Changing the agency responsible for the joint formulary advisory committee from the Department of Health to the Department of Commerce and Consumer Affairs;
- (5) Adding two psychologists working at federally qualified health centers to the joint formulary advisory committee membership;
- (6) Amending the date that the State Health Planning and Development Agency is to submit a report to the Legislature from 2010 to 2013; and
- (7) Altering the effective date in order to allow the Department of Commerce and Consumer Affairs time to develop rules and procedures and to read as follows:

"This Act shall take effect upon approval; provided that:

- (1) Prescriptive authority for qualified psychologists shall not be granted until July 1, 2008;
- (2) Section 5 of this Act shall take effect on July 1, 2009; and

- (3) On July 1, 2014, this Act shall be repealed and section 465-3, Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day before the effective date of this Act."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1004, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1004, S.D. 2, H.D. 2, C.D. 1.

Representatives Green, Herkes and Awana, Managers on the part of the House.
Senators Ige, Taniguchi, Baker and Trimble, Managers on the part of the Senate. (Senator Trimble was excused.)

Conf. Com. Rep. 32 on S.B. No. 1400

The purpose of this measure is to protect elderly consumers in our communities by requiring financial institutions to report suspected financial abuse.

Your Committee on Conference finds that reporting financial abuse to the Department of Human Services is important because the Department is better suited to carry out investigations of potential financial abuse of elders. Your Committee on Conference finds that mandating financial institutions to report suspected financial abuse to the Department would not increase the jurisdiction of the Department, since any report of financial abuse of a nondependent elder could be rereferred to the proper enforcement authorities. It is the intent of your Committee on Conference that the reporting financial institution is to have no liability for any further act or omission once it has made the required report to the Department of Human Services or the local law enforcement agency.

Your Committee on Conference amended this measure to:

- (1) Require financial institutions to report all suspected incidents of financial abuse of elders to the Department of Human Services in addition to local law enforcement agencies;
- (2) Require the Department to make a timely determination as to whether it has jurisdiction over the elder in question and to notify the reporting agency in cases where the department does not have jurisdiction;
- (3) Require financial institutions to report suspected cases not under the jurisdiction of the Department to the proper local law enforcement agency; making it clear that no financial institution shall be held liable for not reporting suspected cases to the local law enforcement agency where the Department fails to notify the financial institution of its lack of jurisdiction;
- (4) Revert back to Senate Draft No. 2 for the definition of "financial abuse," which is simpler and easier to understand; and
- (5) Go into effect upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1400, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1400, S.D. 2, H.D. 3, C.D. 1.

Representatives Shimabukuro, Herkes, Waters, McKelvey and Marumoto, Managers on the part of the House. (Representatives Herkes and Marumoto were excused.)
Senators Chun Oakland, Taniguchi, Hee, Ihara and Hemmings, Managers on the part of the Senate. (Senators Hee and Hemmings were excused.)

Conf. Com. Rep. 33 on S.B. No. 1161

The purpose of this measure is to provide due process to parties in family court protective order proceedings involving alleged domestic abuse by amending section 586-10.5, Hawaii Revised Statutes, to require the Department of Human Services' report on the matter to be provided to the parties at least two days before the hearing, if possible.

Your Committee finds that reports made by the Department of Human Services to the family court should be made in writing to ensure that a written record is established.

Your Committee amended this measure to amend section 586-10.5, Hawaii Revised Statutes, to:

- (1) Delete the option that would allow the Department of Human Services to provide an oral report regarding the dispositions of referrals made to the department in cases where there are allegations of domestic abuse involving minors or incapacitated persons; and
- (2) Require the court to:
 - (A) File the report and mail a copy to the petitioner and respondent at least two working days prior to the hearing date when possible; or
 - (B) When mailing the report within the required time frame is not possible, to provide a copy to the petitioner and the respondent at the hearing.

Your Committee also amended the title of section 586-10.5, Hawaii Revised Statutes, to reflect the additional responsibilities of the court.

Finally, your Committee amended the effective date of this measure from January 1, 2112 to January 1, 2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1161, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1161, S.D. 1, H.D. 1, C.D. 1.

Representatives Shimabukuro, Waters and Awana, Managers on the part of the House.
Senators Chun Oakland, Hee, Fukunaga and Hemmings, Managers on the part of the Senate. (Senator Hemmings was excused.)

Conf. Com. Rep. 34 on S.B. No. 228

This purpose of this bill is to create special sentencing for graffiti offenders and requiring the discharge of community service through graffiti eradication activities. The bill also establishes the graffiti eradication sentencing program within the judiciary and removes the five-year look-back period for aggravated criminal property damage.

Your Committee on Conference has provided new language to hold minors and their parents or guardians responsible for the minors' acts of graffiti. The minor or the minor's parent or guardian will be held responsible for the cost of materials and supplies to remove the graffiti. The minor will also be required to perform a minimum of eighty hours of community service eradicating other graffiti damaged property.

However, your Committee on Conference is concerned of the dangers involved in eradicating graffiti from such places as highway bridges or signs and has provided an alternative option for the court in these situations. This option would require the minor or the minor's parents or legal guardian to pay for the costs incurred in removing or repairing such property rather than endangering the minor.

Your Committee on Conference amended the bill by:

- (1) Removing Section 2 entitled special sentencing considerations and Section 3 creating a graffiti eradication program with the Judiciary and replacing the sections with new language that amends section 577-3.5, Hawaii Revised Statutes (H.R.S.) to require the court to order
 - (a) a minor who is found to have committed an act of graffiti, the minor's parents, or the minor's legal guardian to remove the graffiti from the affected property within 60 days and to pay for the cost of paint and materials or to pay for the actual cost of repairing or replacing the damaged property, and
 - (b) the minor to perform a minimum of eighty hours of community service removing graffiti from other properties; and
- (2) Changing the delayed date to take effect upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 228, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 228, S.D. 1, H.D. 1, C.D. 1.

Representatives Waters, B. Oshiro and Pine, Managers on the part of the House.
Senators Hee, Kokubun and Gabbard, Managers on the part of the Senate. (Senator Kokubun was excused.)

Conf. Com. Rep. 35 on S.B. No. 1603

The purpose of this measure is to reduce the exposure of state and county governments to liability and keep public beach parks with potentially dangerous conditions open to the public by:

- (1) Repealing the sunset dates of Act 190, Session Laws of Hawaii 1996 (Act 190), and Act 170, Session Laws of Hawaii 2002 (Act 170); thus making these provisions permanent laws;
- (2) Extending the sunset date of Act 82, Session Laws of Hawaii 2003 (Act 82), to June 30, 2010; and
- (3) Indemnifying county agencies when a state agency uses county facilities or avails itself of county aid or support.

Your Committee on Conference finds that Act 190 established a process to develop legally adequate warnings at public beach parks. Act 170 provides liability protection for lifeguard services on the beach and in the ocean. Act 82 established a risk assessment group to review warning sign design and placement and to protect the State and counties from liability arising from recreational activities on public lands.

Your Committee on Conference has amended this measure by:

- (1) Amending and extending the sunset date of Act 170, Session Laws of Hawaii 2002, from June 30, 2007, to June 30, 2010;
- (2) Amending and extending the sunset date of Act 82, Session Laws of Hawaii 2003, from June 30, 2008, to June 30, 2010;
- (3) Creating a task force within the Department of the Attorney General to:
 - (A) Collect data on and examine the effectiveness of providing lifeguards conditional liability protection for lifeguard services at State beach parks;
 - (B) Collect data on and examine the effectiveness and adequacy of warning signs at public beach parks, and protecting the State and counties from unlimited liability with regard to activities in the ocean and at public beaches;
 - (C) Collect data on and examine the effectiveness and adequacy of warning signs at public recreational lands, and protecting the State and counties from unlimited liability arising out of recreational activities on public lands; and
 - (D) Submit a written report of its findings and recommendations, including any proposed legislation, to the Legislature prior to the 2008 Regular Session; and
- (4) Amending section 46-72, Hawaii Revised Statutes, to conform the statutes of limitations for injuries or damages involving counties with the limitations applicable generally to the State and private citizens; and
- (5) Making technical and nonsubstantive amendments for the purposes of style and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1603, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1603, S.D. 2, H.D. 2, C.D. 1.

Representatives Ito, Waters and Thielen, Managers on the part of the House.
Senators Kokubun, Inouye, Hee, Hooser and Slom, Managers on the part of the Senate. (Senators Hee and Slom were excused.)

Conf. Com. Rep. 36 on S.B. No. 162

The purpose of this measure is to designate Iolani Palace as the State of Hawaii Museum of Monarchy History and to exempt the State of Hawaii Museum of Monarchy History from the standards and conditions related to the receipt of funds contained in chapter 42F, Hawaii Revised Statutes.

Your Committee on Conference finds that the Friends of Iolani Palace has served as the "de facto" caretaker for over forty years by maintaining Hawaii's most significant historic house museum. While the Friends of Iolani Palace have received financial assistance from the State, this assistance is not always received on a yearly or consistent basis. Thus, the Friends of Iolani Palace rely heavily on private donations and small, piecemeal state subsidies.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the purpose section by adding additional purposes relating to the examination of the use of funds appropriated and an annual report requirement of the functions accomplished;
- (2) Clarifying that it is the official designation of the Friends of Iolani Palace that shall be the State of Hawaii Museum of Monarchy History;
- (3) Transferring the responsibility to provide annual reports to the Legislature from the Director of the Friends of Iolani Palace to the State of Hawaii Museum of Monarchy History;
- (4) Changing the effective date of this measure to be effective upon its approval; and
- (5) Making technical and nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 162, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 162, S.D. 1, H.D. 2, C.D. 1.

Representatives Ito, Chong, Sagum and Ching, Managers on the part of the House. (Representative Ching was excused.)
Senators Kokubun, Baker, English, Hee, Tokuda and Slom, Managers on the part of the Senate.

Conf. Com. Rep. 37 on S.B. No. 1154

The purpose of this measure is to provide flexibility to the Board of Regents of the University of Hawaii in the financing and administration of capital projects within the jurisdiction of the University.

Your Committee on Conference finds that pursuant to Act 115, Session Laws of Hawaii 1998, the University of Hawaii was granted greater flexibility in managing its resources. Since that time, the University of Hawaii has gained increased autonomy over its operations and administration and established itself as an entity that is highly capable of handling a vast array of responsibilities, including financial strategy. This measure provides the University of Hawaii with increased financial autonomy through the authority to issue revenue bonds for university capital projects, subject to approval by the Governor. This authority will aid the University of Hawaii in ensuring that it remains a premiere institution of higher learning that will rival the elite universities of this nation and in continuing to provide safe and modern facilities for its students.

Upon further review, your Committee on Conference has amended this measure by:

- (1) Including a \$100 million limit on the total principal amount of revenue bonds that may be issued by the Board of Regents;
- (2) Including an appropriation of \$100 million from the revenue bond proceeds authorized for university projects;
- (3) Changing the effective date to July 1, 2007; and
- (4) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1154, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1154, S.D. 2, H.D. 2, C.D. 1.

Representatives Chang, Tokioka and Ching, Managers on the part of the House.
Senators Sakamoto, Baker, Taniguchi, Tsutsui and Gabbard, Managers on the part of the Senate. (Senator Taniguchi was excused.)

Conf. Com. Rep. 38 on S.B. No. 138

The purpose of this measure is to ensure that the Diamond Head State Monument, one of Hawaii's most recognized natural monuments, is sufficiently preserved and cared for by establishing a sub-account within the state parks special fund into which eighty per cent of admission proceeds generated by the Diamond Head State Monument will be deposited to cover costs for operations, repair, and maintenance of the Diamond Head State Monument.

Your Committee on Conference finds that the moneys generated through admission fees to the Diamond Head State Monument are currently deposited into the state parks special fund to be used for the maintenance of state parks and state parks programs statewide. Your Committee on Conference believes that the funds the Diamond Head State Monument receives from the state parks special fund is not sufficient to ensure proper operation and maintenance of the monument. Establishing a sub-account within the state parks special fund into which a percentage of the proceeds generated by the admission fees to the Diamond Head State Monument to cover costs for operations, repair, and maintenance of the Diamond Head State Monument will provide additional financial support to protect and maintain this highly recognizable landmark.

Your Committee on Conference has amended this measure by:

- (1) Changing the percentage of the admission proceeds to be deposited into the sub-account to fifty-five per cent; and
- (2) Changing the effective date of this measure to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 138, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 138, S.D. 1, H.D. 1, C.D. 1.

Representatives Ito, Chong and Marumoto, Managers on the part of the House.
Senators Kokubun, Tsutsui, Tokuda and Slom, Managers on the part of the Senate.

Conf. Com. Rep. 39 on S.B. No. 1182

The purpose of this measure is to provide financial relief for residents of certain residential care homes by increasing the monthly needs allowance of care home residents.

Your Committee on Conference finds that the monthly needs allowance for residents of long-term care and community care home facilities in Hawaii has not been raised since 1988, when it was set at \$30. Your Committee on Conference further finds that the amount is far too low for these residents to procure the daily necessities essential to enjoy a minimally acceptable quality of life. Therefore, your Committee on Conference finds it is in the public's interest to raise the monthly needs allowance from \$30 to \$50.

Your Committee on Conference amended this measure to:

- (1) Provide that the monthly needs allowance shall also be paid to individuals who are incapacitated; provided that the operator of the residence or facility at which the person resides spends the money on behalf of the person and provides a written accounting of the spending;
- (2) Take effect on July 1, 2007; and
- (3) Make technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1182, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1182, S.D. 2, H.D. 1, C.D. 1.

Representatives Green, Shimabukuro, Mizuno, Rhoads and Awana, Managers on the part of the House.

Senators Chun Oakland, Fukunaga, Baker, Hooser, Ihara, Sakamoto and Hemmings, Managers on the part of the Senate. (Senators Fukunaga, Ihara and Hemmings were excused.)

Conf. Com. Rep. 40 on S.B. No. 1222

The purpose of this measure is to:

- (1) Establish that all energy technology systems must be installed and placed in service in the State of Hawaii to obtain the State's income tax energy tax credit; and
- (2) Expand tax credits applicable to shareholder pro rata shares in S corporations.

Your Committee on Conference has amended this measure by changing the applicable years of this measure from taxable years beginning after December 31, 2007, to taxable years beginning after December 31, 2006.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1222, S.D. 3, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1222, S.D. 3, H.D. 2, C.D. 1.

Representatives Morita, M. Oshiro, Carroll, Chong and Thielen, Managers on the part of the House. (Representatives Chong and Thielen were excused.)

Senators Menor, Fukunaga, Baker, Hooser and Trimble, Managers on the part of the Senate. (Senator Hooser was excused.)

Conf. Com. Rep. 41 on S.B. No. 1191

The purpose of this measure is to make appropriations for various traffic improvements to enhance pedestrian safety, and to establish a photo red light imaging detector system program.

This measure makes appropriations to the Department of Transportation for the following purposes:

- (1) To identify and implement immediate improvements to high-risk crosswalks and road crossings;
- (2) To work with the counties and nonprofit organizations to identify and implement improvements to high-risk crosswalks and road crossings, and to concurrently conduct a study to identify state and county intersections where the time to cross the intersection is insufficient for the elderly, children, and disabled pedestrians, and to develop additional plans to make crosswalks and roadways safer;
- (3) For the purchase and installation of traffic countdown timers at state-controlled intersections;
- (4) For a public awareness campaign on pedestrian safety; and
- (5) For the purchase and installation of pedestrian-activated signals, and for pilot projects such as the painting of advanced crosswalk markings, hand-carried signs and flags, and enforcement of crosswalk laws for drivers and pedestrians, among others.

This measure also makes appropriations to the counties as follows:

- (1) For the purchase and installation of traffic countdown timers; provided that each county shall provide matching funds; and
- (2) For the purposes of establishing the photo red light imaging detector system program.

Your Committee on Conference finds that the elderly, children, and disabled persons are the most vulnerable to pedestrian accidents, while others are also at risk. Making Hawaii's roadways safer for pedestrians is consistent with Kamehameha's famous law, Ke Kanawai Mamalahoe, the Law of the Splintered Paddle, now in Article IX of the State Constitution. Ke Kanawai Mamalahoe ensures that every man, woman, and child is able to travel freely and in peace, with the right "to lie down to sleep by the roadside without fear of harm." Due to the alarming rise in pedestrian accidents so far this year, immediate action is needed.

Your Committee has amended this measure by:

- (1) Appropriating the sum of \$1,500,000 in each fiscal year (\$3,000,000 total) for expenditure by the Department of Transportation of which (\$1,800,000 total) to be expended for pedestrian safety improvements, and as matching grants-in-aid to each county (\$1,200,000 total) for pedestrian safety improvements;
- (2) Deleting all other appropriations;
- (3) Deleting the provisions relating to a photo red light imaging detector system; and
- (4) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1191, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1191, S.D. 2, H.D. 2, C.D. 1.

Representatives Souki, Lee, Nishimoto and Pine, Managers on the part of the House.

Senators English, Baker and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 42 on S.B. No. 1929

The purpose of this measure is to allow the Chief Procurement Officer to assess administrative fines for noncompliance with the Hawaii Public Procurement Code.

Your Committee on Conference finds that existing law does not provide for the assessment of administrative fines for noncompliance with procurement laws. While a criminal misdemeanor sanction applies to providers of services and vendors of goods for violation of the procurement code, there are no administrative sanctions for anyone whose actions may not warrant criminal prosecution. Furthermore, criminal sanctions are rarely utilized inasmuch as most procurement violations are usually inadvertent, a result of administrative error, lack of knowledge, or simple carelessness.

This measure is intended to address situations wherein an agency's inappropriate procurement decision or action appears to be a lack of concern to adequately understand the seriousness of the violation. In these flagrant but infrequent situations, the authority to assess an administrative fine will help to emphasize the importance of compliance with the State's procurement code.

Your Committee on Conference has amended this measure by:

- (1) Deleting the provision requiring the procurement policy board to establish proposed administrative rules for submission to the Legislature;
- (2) Deleting the repeal of the misdemeanor penalty; and
- (3) Changing the effective date from July 1, 2034 to upon its approval, with the proviso that the repeal of the criminal penalty takes effect on the day that the administrative rules on fines take effect, in order to maintain the criminal penalty during the transition.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1929, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1929, S.D. 2, H.D. 2, C.D. 1.

Representatives Yamashita, Waters, Magaoay and Ching, Managers on the part of the House. (Representative Waters was excused.)
Senators Nishihara, Tsutsui, Kim and Trimble, Managers on the part of the Senate. (Senator Trimble was excused.)

Conf. Com. Rep. 43 on S.B. No. 1066

The purpose of this measure is to ensure that the Diamond Head State Monument, one of Hawaii's most recognized natural monuments, is sufficiently preserved and cared for by establishing a sub-account within the state parks special fund into which eighty per cent of admission proceeds generated by the Diamond Head State Monument will be deposited to cover costs for operations, repair, and maintenance of the Diamond Head State Monument.

Your Committee on Conference finds that the moneys generated through admission fees to the Diamond Head State Monument are currently deposited into the state parks special fund to be used for the maintenance of state parks and state parks programs statewide. Your Committee on Conference believes that the funds the Diamond Head State Monument receives from the state parks special fund is not sufficient to ensure proper operation and maintenance of the monument. Establishing a sub-account within the state parks special fund into which a percentage of the proceeds generated by the admission fees to the Diamond Head State Monument to cover costs for operations, repair, and maintenance of the Diamond Head State Monument will provide additional financial support to protect and maintain this highly recognizable landmark.

Your Committee on Conference has amended this measure by:

- (1) Changing the percentage of the admission proceeds to be deposited into the sub-account to fifty-five per cent; and
- (2) Changing the effective date of this measure to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 138, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 138, S.D. 1, H.D. 1, C.D. 1.

Representatives Tsuji, Morita, Souki, M. Oshiro, Brower and Ching, Managers on the part of the House. (Representatives Souki and Ching were excused.)
Senators Menor, Tsutsui, Hooser and Trimble, Managers on the part of the Senate. (Senator Trimble was excused.)

Conf. Com. Rep. 44 on S.B. No. 17

The purpose of this measure is to prohibit government contracts with a value of less than \$1,000,000 for design professional services from requiring the design professional to defend the governmental body from any liability, damage, loss, claim, action, or proceeding.

This measure addresses the problems that arise from the fact that a great majority of architectural businesses may not be able to absorb the unpredictable costs of defending the State against all claims.

Your Committee on Conference has amended this measure by changing the effective date from January 1, 2112, to upon its approval and by making technical, nonsubstantive amendment for the purpose of style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 17, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 17, S.D. 2, H.D. 2, C.D. 1.

Representatives Yamashita, Waters, Magaoay and Marumoto, Managers on the part of the House. (Representative Waters was excused.)
Senators Nishihara, Hee, Kim and Trimble, Managers on the part of the Senate. (Senator Trimble was excused.)

Conf. Com. Rep. 45 on S.B. No. 12

The purpose of this measure is to ensure fair pricing methodologies in the health insurance market by:

- (1) Prohibiting health insurance rates that are excessive, inadequate or unfairly discriminatory;
- (2) Requiring health care insurers to submit rate filings for approval by the Insurance Commissioner; and
- (3) Establishing penalties and appeal procedures.

Your Committee on Conference amended this measure by:

- (1) Removing language that clarified that "managed care plan" shall not include any health plan established or funded by any federal, state, or county government;
- (2) Including language that requires every managed care plan to file in triplicate with the Insurance Commissioner, every rate, charge, classification, schedule, practice, or rule and every modification of any of the foregoing;
- (3) Requiring the Insurance Commissioner to establish rules to ensure that confidential and proprietary information is protected and shall not be subject to public inspection;
- (4) Clarifying that the rates shall be established in accordance with actuarial principles, based on reasonable assumptions, and supported by adequate supporting and supplementary rating information;
- (5) Amending the filing waiting period to sixty days and the extension period to fifteen days;
- (6) Adding language authorizing the Insurance Commissioner to "make the following rate effective when filed: any special filing with respect to any class of health insurance, subdivision, or combination thereof that is subject to individual risk premium modification and has been agreed to under a formal or informal bid process";
- (7) Adding language that provides that rate filings shall not apply to third party administrator services, prepaid dental insurance offered by managed care plans, prepaid vision insurance offered by managed care plans, and disability insurers licensed under chapter 431;
- (8) Requiring the Insurance Commissioner to "... specify interim rates sufficient to protect the interests of the managed care plan and its enrollees, ensure the solvency of the managed care plan, maintain the plan's health care delivery, and prevent any impairment of enrollees' health care benefits. When a new rate becomes legally effective and the new rate is higher than the interim rate, the commissioner shall allow the managed care plan to retroactively adjust the premiums to the time when the interim rate was first imposed. If the new rate is lower than the interim rate, the commissioner may order that the difference be applied to stabilize future rates or be refunded to current enrollees of the managed care plan";
- (9) Changing the effective date to January 1, 2008; and
- (10) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 12, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 12, S.D. 2, H.D. 2, C.D. 1.

Representatives Green, Herkes, M. Oshiro, Sonson and Marumoto, Managers on the part of the House.
Senators Ige, Taniguchi, Fukunaga and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 46 on S.B. No. 795

The purpose of this measure is to require the Department of Accounting and General Services to establish a Statewide Building Code Council and implement a statewide building code.

Specifically, the measure outlines the requirements and provisions to be contained in the statewide building code. The measure also appropriates an unspecified amount for the operations of the State Building Code Council, including technical assistance services, and training and administrative assistance, as required, to be expended by the Department of Accounting and General Services.

Your Committee on Conference finds that the State has historically allowed the individual counties to establish their own building codes. The adoption of a uniform statewide building code applicable to one and two family dwellings, all other residential uses, commercial and industrial buildings, and state buildings would make it possible for building owners, designers, contractors, and code enforcers within the State to apply consistent standards. Your Committee on Conference believes that the health and safety considerations relating to establishing a statewide building code is of statewide interest, especially relating to emergency disaster preparedness.

Your Committee on Conference has amended this measure by:

- (1) Adding a purpose section that describes the differences in various codes from county to county and stating the overall purpose of the measure is to require the Department of Accounting and General Services to establish and implement a statewide building code;
- (2) Clarifying language to ensure that statewide building code requirements apply to all construction in the State of Hawaii;
- (3) Clarifying the descriptions of the Statewide Building Code Council;
- (4) Requiring the Statewide Building Code Council members to serve four-year terms;
- (5) Inserting a specific amount in the appropriation section for the operations of the Statewide Building Code Council, including technical assistance services, and training and administrative assistance as required;
- (6) Changing the effective date to July 1, 2007; and
- (7) Making technical nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 795, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 795, S.D. 2, H.D. 1, C.D. 1.

Representatives Herkes, Sagum, Tokioka and Marumoto, Managers on the part of the House.
Senators Inouye, Nishihara, Tsutsui and Hemmings, Managers on the part of the Senate. (Senator Hemmings was excused.)

Conf. Com. Rep. 47 on S.B. No. 678

The purpose of this measure is to exempt from the general excise tax amounts received by the operator of the Hawaii Convention Center for reimbursement of costs or advances made pursuant to a contract with the Hawaii Tourism Authority (HTA).

Existing law requires that the general excise tax be imposed on the operator of the Hawaii Convention Center based on the gross income that the operator derives from its contract with HTA, including the costs and advances that the operator receives for operating the convention center. Since the moneys that are paid to the operator are paid out of the Convention Center Enterprise Special Fund, some of the moneys that should be used to operate the convention center are in fact being used to pay the operator's general excise tax obligation. Exempting the costs and advances from the general excise tax in this case would make those moneys available for the marketing and operations of the Convention Center in accordance with the HTA contract.

Your Committee on conference has amended this measure by changing the effective date from July 1, 2030, to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference 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 Final Reading in the form attached hereto as S.B. No. 678, S.D. 1, H.D. 1, C.D. 1.

Representatives Yamane, Manahan, Chong and Ching, Managers on the part of the House.
Senators Nishihara, Espero, Tsutsui, Kim and Trimble, Managers on the part of the Senate. (Senator Trimble was excused.)

Conf. Com. Rep. 48 on S.B. No. 149

The purpose of this measure is to authorize the issuance of general obligation bonds to finance capital improvement projects in the State.

Your Committee on Conference finds that the total amount of principal and interest estimated for the general obligation bonds authorized under this measure, and for all bonds authorized and unissued and calculated for all bonds issued and outstanding, will not cause the debt limit of the State to be exceeded at the time of issuance.

Your Committee on Conference has amended this measure by:

- (1) Inserting the appropriate dollar amounts throughout the measure as provided by the Department of Budget and Finance; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 149, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 149, S.D. 1, H.D. 1, C.D. 1.

Representatives M. Oshiro, Nakasone and Meyer, Managers on the part of the House.
Senators Baker, Tsutsui and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 49 on S.B. No. 837

The purpose of this measure is to promote Hawaii's diversified agricultural industry and protect its agricultural lands for long term agricultural activities by authorizing the Agribusiness Development Corporation to purchase and lease privately owned agricultural lands in Kunia and Ewa.

Specifically, this measure:

- (1) Authorizes the Agribusiness Development Corporation to purchase privately owned agricultural lands in Kunia and Ewa with a combination of revenues derived through the issuance of general obligation bonds, general obligation reimbursable bonds, revenue bonds, and general fund appropriations;
- (2) Appropriates funds to the Agribusiness Development Corporation for the purchase of agricultural lands in Kunia and Ewa that are owned by private entities;
- (3) Allows the Agribusiness Development Corporation to purchase, accept, and maintain permanent conservation easements;
- (4) Allows the Agribusiness Development Corporation to contract with a financial institution to provide lease management services, including the collection of lease rents and other moneys owed the corporation related to the lease of agricultural lands under the corporation's control; and
- (5) Allows the Agribusiness Development Corporation to lease the Kunia and Ewa agricultural lands under its control for up to fifty-five years.

Your Committee on Conference finds that enabling the Agribusiness Development Corporation to purchase agricultural lands in Kunia and Ewa, and then lease those lands for up to fifty-five years will ensure that these lands will remain for agricultural production. Your Committee on Conference believes that the purchase of strategic parcels of agricultural lands, such as the parcels in Kunia and Ewa, will ensure that these lands will remain in agriculture in perpetuity.

Your Committee on Conference has amended this measure by:

- (1) Deleting revenue bonds, general obligation bonds, and general obligation reimbursable bonds as financial vehicles that the Agribusiness Development Corporation may use to purchase lands in Kunia and Ewa;
- (2) Changing the blank appropriation amount to \$9,200,000 for the Agribusiness Development Corporation to purchase agricultural lands owned by private entities in Kunia and Ewa;
- (3) Changing the effective date of this measure from July 1, 2020, to July 1, 2007; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 837, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 837, S.D. 2, H.D. 2, C.D. 1.

Representatives Tsuji, Chong, Brower, Yamane and Ching, Managers on the part of the House.
Senators Kokubun, Baker, Tokuda, Tsutsui and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 50 on S.B. No. 1284

The purpose of this bill is to establish a policy to enable the Employees' Retirement System (ERS) to eventually eliminate its unfunded liability.

The bill would:

- (1) Increase the state and county contributions to the ERS for all their employees;
- (2) Repeal one of three provisions allowed an adjustment of the employer contribution rates "if the period required to amortize the unfunded accrued liability falls below 25 years" and replaces it with "if there is no unfunded accrued liability";
- (3) Change the salary assumptions from an increase of four percent to assumptions adopted by the Board on the recommendation of the actuary; and
- (4) Prohibit benefit enhancements whenever an unfunded accrued liability exists.

Your Committee on Conference amended the bill by providing that a moratorium on benefit enhancements be from January 2, 2008 to January 2, 2011.

Your Committee on Conference further amended the bill by changing the effective date from July 1, 2059 to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1284, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1284, S.D. 2, H.D. 2, C.D. 1.

Representatives Sonson, Nakasone and Meyer, Managers on the part of the House.
Senators Hee, Baker, Kokubun, Tsutsui and Gabbard, Managers on the part of the Senate. (Senator Kokubun was excused.)

Conf. Com. Rep. 51 on H.B. No. 1379

The purpose of this bill is to conform the State Unemployment Insurance (UI) law to federal law by:

- (1) Excluding services by certain temporary migrant agricultural workers who are residents of foreign countries from the employment security law; and
- (2) Treating Indian tribes similarly to government and nonprofit groups in providing coverage under the employment security law.

Hawaii is currently experiencing a worker shortage, and many businesses, especially agricultural industries, have been forced to hire employees from foreign countries on a temporary basis. Under current law, these businesses are required to pay state unemployment taxes on these individuals even though they will never qualify to collect unemployment benefits. This measure attempts to remedy this situation.

Your Committee on Conference has amended this measure by making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1379, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1379, H.D. 1, S.D. 1, C.D. 1.

Representatives Sonson, Nakasone and Pine, Managers on the part of the House.
Senators Baker, Hooser, Tsutsui and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 52 on H.B. No. 1646

The purpose of this bill is to protect the health and safety of consumers and the environment from the negative effects of pesticides by:

- (1) Requiring every pesticide retailer in the state to post a warning sign or place a warning sign at the product display areas with respect to the sale of pesticides;
- (2) Requiring the pesticide warning signs to contain at a minimum:
 - (A) Information on the proper handling, storage, and disposal of all pesticides sold;
 - (B) Emergency telephone numbers to call in case of pesticide poisoning; and
 - (C) Any other information deemed by the Department of Agriculture (DOA) to be appropriate and helpful for consumers;
- (3) Requiring DOA to adopt rules regarding the posting of the warning signs; and
- (4) Authorizing DOA to adopt any other rules including rules regarding the size and placement of the warning signs.

Your Committee on Conference has amended this bill by:

- (1) Correcting a typographical error to the definition of "distribute or sell";
- (2) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1646, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1646, H.D. 2, S.D. 1, C.D. 1.

Representatives Morita, Tsuji, Herkes and Ching, Managers on the part of the House. (Representative Ching was excused.)
Senators Menor, Kokubun, Hooser and Trimble, Managers on the part of the Senate. (Senator Trimble was excused.)

Conf. Com. Rep. 53 on H.B. No. 1628

The purpose of this bill is to raise consumer awareness of macadamia nut products by requiring labels on macadamia nut consumer packages claiming that a portion of the macadamia nuts was grown in Hawaii to specify the percentage by weight of Hawaii-grown macadamia nuts.

Your Committee finds that this bill will help protect consumers from misleading labels on macadamia nut packages by requiring clearer disclosures of the amount and origin of the raw or processed macadamia nuts sold in packages.

Your Committee has amended this measure by:

- (1) Making it effective upon its approval; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1628, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1628, H.D. 1, S.D. 1, C.D. 1.

Representatives Tsuji, Herkes, Brower, McKelvey and Ching, Managers on the part of the House.
Senators Kokubun, Taniguchi, Tokuda and Slom, Managers on the part of the Senate.

Conf. Com. Rep. 54 on H.B. No. 349

The purpose of this bill is to protect the health and safety of bicyclists and motorists by:

- (1) Authorizing each county to adopt and enforce ordinances regulating both guided and unguided bicycle tour businesses operating on state and county highways; and
- (2) Requiring each county to follow federal guidelines for commercial bicycle tours when those tours begin in federal or state parks and continue on to state highways.

Current laws do not regulate bicycle tours operating on state or county roadways. While these tours provide a valuable service to Hawaii's tourism market, many safety and liability concerns have been raised by a number of individuals at both the state and county level. Allowing each county to adopt ordinances that regulate the operations of these tours provides safety for both the bicyclist and the motorist using public roadways.

Your Committee on Conference has amended this bill by:

- (1) Changing its effective date to upon approval; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 349, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 349, S.D. 1, C.D. 1.

Representatives Souki, Yamane, Yamashita and Pine, Managers on the part of the House. (Representative Pine was excused.)
Senators Inouye, English, Fukunaga and Hemmings, Managers on the part of the Senate.

Conf. Com. Rep. 55 on H.B. No. 714

The purpose of this bill is to assist the Department of Land and Natural Resources (DLNR) in the enforcement of laws protecting and conserving the state's natural resources and to protect its law enforcement personnel by:

- (1) Allowing the use of blue and red lights on approved law enforcement vehicles of its Division of Conservation and Resource Enforcement Division (DOCARE); and
- (2) Amending the definition of "authorized emergency vehicles" to include DOCARE vehicles.

Under state law, DOCARE officers are provided with full police powers to enforce all state laws and county ordinances within all lands and waters of the state under the jurisdiction of DLNR. However, patrol vehicles currently used by DOCARE are not authorized to use emergency lights that would designate their vehicles as law enforcement vehicles. Your Committee on Conference finds that the use of blue and red colored lights would not only act as a deterrent to criminal activity on state lands but also provide safety for DOCARE officers as they would be easily identified as law enforcement personnel.

However, your Committee on Conference has been notified by the Department of Public Safety (DPS) that vehicles used by their officers already use blue and red lights and that as currently written, it is unclear as to whether these law enforcement vehicles would not be authorized to use blue and red lights. Accordingly, your Committee on Conference has amended this measure by:

- (1) Amending section 291-31.5, Hawaii Revised Statutes (HRS), to allow DOCARE vehicles to operate, affix, display, or possess a lamp, reflector, or illumination device that appears to be the color blue and red rather than creating an entirely new section under Chapter 291, HRS;
- (2) Clarifying that DPS law enforcement vehicles are also allowed to use blue and red lamps, reflectors, or illumination devices that are authorized by the Director of Public Safety;
- (3) Including DPS and DOCARE vehicles under the definition of "authorized emergency vehicle" in section 291C-1, HRS; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 714, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 714, H.D. 2, S.D. 1, C.D. 1.

Representatives Souki, Ito, Waters and Ching, Managers on the part of the House. (Representative Ching was excused.)
Senators Kokubun, English, Tokuda and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 56 on H.B. No. 71

The purpose of this bill is to monitor the qualifications and competence of nurse aides practicing in the state by providing a process for the certification and recertification of nurse aides who work in nursing facilities participating in Medicare and Medicaid programs and in other state-licensed and state-certified health care settings.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 71, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 71, H.D. 2, S.D. 2, C.D. 1.

Representatives Green, Shimabukuro, McKelvey, Mizuno and Ward, Managers on the part of the House.
Senators Chun Oakland, Ige, Taniguchi and Hemmings, Managers on the part of the Senate. (Senator Hemmings was excused.)

Conf. Com. Rep. 57 on H.B. No. 1264

The purpose of this bill is to successfully implement a sustainable affordable-housing development model by authorizing the Hawaii Housing Finance and Development Corporation (HHFDC) to waive the ten-year-buyback and shared-appreciation-equity restrictions under Chapter 201H, Hawaii Revised Statutes (HRS), for:

- (1) Lessees of sustainable affordable residential leases under section 516-1, HRS; and
- (2) Designated immediate family members who are offered the right of first refusal upon the death of the purchaser.

Your Committee on Conference has amended this bill by deleting the waiver of restrictions for the sale or transfer to a designated immediate family member who is offered the right of first refusal upon the death of the purchaser.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1264, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1264, S.D. 1, C.D. 1.

Representatives Shimabukuro, Rhoads and Awana, Managers on the part of the House.
Senators Taniguchi, Espero, Ihara and Slom, Managers on the part of the Senate. (Senator Ihara was excused.)

Conf. Com. Rep. 58 on H.B. No. 1370

The purpose of this bill is to appropriate emergency funding to the Department of Health's (DOH) Adult Mental Health Division (Division).

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in Governor's Message No. 234 to the Legislature, requested immediate consideration and passage of this bill by the Legislature, citing an existing critical funding shortage.

This bill appropriates funds for fiscal year 2006-2007 to sustain the ongoing services provided by the Division.

Your Committee on Conference has amended this bill by:

- (1) Changing the appropriation to \$8,377,698; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1370, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1370, H.D. 1, S.D. 1, C.D. 1.

Representatives Green, Mizuno and Awana, Managers on the part of the House.
Senators Ige, Baker and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 59 on H.B. No. 1608

The purpose of this bill is to protect public health and safety during traffic emergencies by allowing for the establishment of traffic emergency zones to provide access to an affected area. Among other things, this measure:

- (1) Provides the Governor or state director of transportation in the case of a state highway, or a mayor or county director of transportation in the case of a county highway, with emergency powers to protect public health and safety in cases of highway closures;
- (2) Exempts state or county highway or street improvements from certain county permitting and approval processes and from the state procurement code when an area has been designated a traffic emergency zone;
- (3) Allows for the acquisition of cane haul roads by the state or county department of transportation for designation as state or county highways for a temporary period of time;
- (4) Provides a qualified immunity for government for a claim for negligence in the design, construction, repair, and correction of work performed; and
- (5) Indemnifies the owner of a cane haul road from any liability that may arise out of the use of such cane haul road when designated as a state highway.

Many communities throughout the state, especially those with limited highway access, are often affected when a major accident or natural disaster occurs. Some communities have faced hours of isolation in such instances. Allowing traffic emergency zones to be established will aid the State Department of Transportation and county departments of transportation in providing quicker access to areas affected by the closure of the only means of travel into or out of a community.

Your Committee on Conference notes that the qualified standard of care under the emergency doctrine is intended to ensure that negligence claims take into consideration the relevant facts and circumstances of the emergency situation when evaluating the reasonableness of actions or omissions, including the time constraints and seriousness of the emergency. Greater latitude should be given when time is short and potential consequences are catastrophic, such as the need to quickly evacuate people in the face of a tsunami. On the other hand, greater care should be taken where time constraints or consequences are less severe. Consideration should also be given to the time available for reasonable actions in advance of expected emergencies or the time available if the emergency access is to continue over an extended period.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that designation of a traffic emergency zone can occur when substantial endangerment to public health and safety is or is highly likely to be caused by the temporary closure of, or lack of adequate access to an area, by a county highway or state highway; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1608, S.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1608, S.D. 3, C.D. 1.

Representatives Souki, Evans, B. Oshiro, McKelvey and Pine, Managers on the part of the House. (Representative Evans was excused.)

Senators English, Hee and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 60 on H.B. No. 1612

The purpose of this bill is to expand consumer protections against identity theft by allowing security freezes to be placed on consumer credit reports upon the request of consumers who are not victims of identity theft.

Your Committee on Conference finds that there is a need to provide greater protections against identity theft by allowing any consumer to place a security freeze on the consumer's credit report, regardless of whether the consumer has been the victim of identity theft so that the consumer does not have to wait until the consumer can establish that the consumer's identity has been stolen before requesting the security freeze.

Your Committee on Conference has amended this measure by:

- (1) Specifying that any consumer who is a Hawaii resident may place a security freeze on the consumer's credit report;
- (2) Clarifying that a consumer credit reporting agency cannot charge a fee to a victim of identity theft for placing, lifting, or removing a security freeze on a credit report, but may charge any other consumer a fee not to exceed \$5 for each request by the consumer to place, lift, or remove a security freeze from a credit report;
- (3) Changing the effective date to July 1, 2007; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1612, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1612, S.D. 1, C.D. 1.

Representatives Herkes, Waters, McKelvey and Marumoto, Managers on the part of the House.
Senators Taniguchi, Espero, Ihara and Slom, Managers on the part of the Senate. (Senator Ihara was excused.)

Conf. Com. Rep. 61 on H.B. No. 1337

The purpose of this bill is to provide additional protections for consumers of pre-paid cemetery or funeral services. Specifically, this bill, among other things:

- (1) Establishes procedures for the cancellation, termination, and refund of pre-need funeral and pre-need interment services contracts;
- (2) Requires cemetery authorities to file and maintain copies of maps or plats providing unique identifiers for each plot, niche, mausoleum, or crypt, and to maintain a permanent, accurate record of the identity of each person whose remains are located in the cemetery;
- (3) Gives contracts containing pre-need interment services priority over mortgages or other liens perfected on cemetery property that has been dedicated to cemetery use;
- (4) Creates a statutory lien upon all real and personal property held by a pre-need funeral authority when its pre-need funeral trusts are not fully funded;
- (5) Requires a cemetery or pre-need funeral authority to disclose certain additional information to a purchaser of cemetery property or pre-need funeral services in a written contract;
- (6) Requires the records of cemetery and pre-need funeral authorities to include change of address notices and cancellation notices from purchasers, and notices of termination sent to purchasers; and
- (7) Increases from \$1,000 to \$5,000, the maximum amount of fines for each violation of the Cemetery and Funeral Trusts law committed by cemetery or pre-need funeral authorities.

Your Committee on Conference finds that this measure improves consumer protections within the death care industry by clarifying and enhancing both the rights of purchasers of pre-need funeral or interment services and the responsibilities of cemetery and pre-need funeral authorities.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1337, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1337, H.D. 1, S.D. 1, C.D. 1.

Representatives Herkes, Waters and Ching, Managers on the part of the House. (Representative Ching was excused.)
Senators Taniguchi, Espero and Slom, Managers on the part of the Senate.

Conf. Com. Rep. 62 on H.B. No. 487

The purpose of this bill is to make housekeeping amendments to implement laws relating to the Hawaii Housing Finance and Development Corporation that were enacted during the Regular Session of 2006.

Your Committee has amended this bill by:

- (1) Adding a definition of "elderly housing project"; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 487, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 487, H.D. 1, S.D. 1, C.D. 1.

Representatives Shimabukuro, Rhoads and Awana, Managers on the part of the House.
Senators Taniguchi, Espero and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 63 on H.B. No. 692

The purpose of this bill is to extend the lapse date, from June 30, 2007, to June 30, 2010, for special purpose revenue bonds previously authorized to assist Aloun Farms in building an agricultural processing plant.

Your Committee on Conference has amended this measure by changing its effective date to June 29, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 692, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 692, H.D. 2, S.D. 1, C.D. 1.

Representatives Tsuji, M. Oshiro, Brower and Meyer, Managers on the part of the House.
Senators Kokubun, Tsutsui, Tokuda and Slom, Managers on the part of the Senate.

Conf. Com. Rep. 64 on H.B. No. 375

The purpose of this bill is to enhance pedestrian safety by:

- (1) Requiring drivers to stop for pedestrians within a crosswalk under certain conditions;
- (2) Clarifying when it would be safe for a driver to proceed after stopping for a pedestrian in a crosswalk;
- (3) Providing specific monetary penalties for a driver who violates the crosswalk law, as follows:
 - (A) For a first infraction, a fine of \$150;
 - (B) For a second infraction, a fine of \$300, and revocation of license and privilege to operate a vehicle for a period of 90 days; and
 - (C) For a third and subsequent infraction committed within two years of the date of a second infraction, a fine of \$1,000, and revocation of license and privilege to operate a vehicle for a period of 180 days;

and
- (4) Providing a flat penalty of a \$100 fine for each violation of the crosswalk law by a pedestrian.

The number of pedestrians crossing the street that are injured or killed appears to be increasing every year, with approximately 122 pedestrian fatalities occurring over the past four years. Your Committee on Conference finds these numbers to be unacceptable. While both inattentive drivers and pedestrians share some of the blame, drivers have the greater potential to cause injury to a pedestrian with their vehicles. Clarifying a driver's duty to stop and yield the right of way for a pedestrian in a crosswalk and establishing increased fines for both drivers and pedestrians who violate Hawaii's crosswalk laws will make Hawaii's streets safer for everyone.

However, your Committee on Conference notes that as currently drafted, drivers who violate Hawaii's crosswalk law multiple times may receive lesser fines due to the timeframe in which the infraction occurred. Accordingly, your Committee on Conference has amended this measure by:

- (1) Clarifying that:
 - (A) For a first infraction, or any infraction not preceded within one year by a prior violation, a fine of \$150 shall be imposed;
 - (B) For an infraction that occurs within one year of a prior violation, a fine of \$300 and revocation of license and privilege to operate a vehicle for a period of 90 days shall be imposed; and
 - (C) For an infraction that occurs within two years of two prior violations and for four or more violations, regardless of when they were committed, a fine of \$1,000, and revocation of license and privilege to operate a vehicle for a period of 180 days;

and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 375, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 375, H.D. 1, S.D. 2, C.D. 1.

Representatives Souki, B. Oshiro and Pine, Managers on the part of the House.
Senators English, Hee and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 65 on H.B. No. 1518

The purpose of this bill is to minimize frivolous or fraudulent tort claims against engineers, architects, landscape architects, and surveyors by providing a Design Claim Conciliation Panel (Panel) to review claims.

Your Committee on Conference finds that design professionals have had fewer protections against frivolous lawsuits since the repeal in 2004 of the Design Professional Conciliation Panel Law established by Act 228, Session Laws of Hawaii 1981. This measure seeks to fill that void by establishing a new conciliation panel to review the merits of tort claims against design professionals and providing procedures to resolve these claims before resorting to litigation.

Your Committee on Conference has amended this measure by:

- (1) Requiring that the design professional that must be consulted by the claimant or the claimant's attorney prior to filing a claim with the Panel must also be knowledgeable and experienced in Hawaii building codes and construction practices and the professional standard of care in Hawaii;
- (2) Changing the effective date to January 1, 2008; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1518, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1518, H.D. 1, S.D. 2, C.D. 1.

Representatives Herkes, Waters, McKelvey and Marumoto, Managers on the part of the House.
Senators Taniguchi, Hee, Sakamoto and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 66 on H.B. No. 1830

The purpose of this bill is to provide a safe haven for newborns by:

- (1) Providing immunity from prosecution for persons leaving an unharmed newborn at a hospital, fire station, or police station, or with emergency medical services personnel, within 72 hours of birth;
- (2) Providing immunity from liability to the hospital, fire station, police station, or emergency services personnel who receive the newborn;
- (3) Requiring that the individual leaving the newborn provide written information on the family medical history of the child; and
- (4) Requiring personnel to make a reasonable effort to obtain certain information pertaining to the child from the person leaving the child.

Your Committee on Conference has amended this bill by:

- (1) Removing the requirement that written information be provided on the family medical history of the child;
- (2) Inserting provisions for the acceptance of a harmed newborn child; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1830, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1830, H.D. 2, S.D. 2, C.D. 1.

Representatives Shimabukuro, Green, Waters, Mizuno and Marumoto, Managers on the part of the House.
Senators Chun Oakland, Hee and Hemmings, Managers on the part of the Senate. (Senator was excused.)

Conf. Com. Rep. 67 on H.B. No. 964

The purpose of this bill is to ensure the safety of workers by providing a cost effective detection and deterrence tool of drug testing. Specifically, this bill facilitates employment-related drug testing by:

- (1) Including, in the definition of "substance abuse on-site screening test" under the Substance Abuse Testing law, the use of screening tests that may be used for forensic testing as a workplace testing device;
- (2) Requiring employers using a screening test for pre-employment screening to administer the test in accordance with the manufacturer's package insert if there is no United States Food and Drug Administration insert; and
- (3) Authorizing employers to drug test job applicants and unions to drug test members.

Drug use, especially the use of "crystal meth", is a major problem facing Hawaii, and is a growing problem in the workplace that contributes to an impaired workforce resulting in work quality issues. In an effort to promote drug-free environments, many employers require prospective employees to be subjected to substance abuse screening prior to employment. However, these tests can be costly and difficult to schedule since only a few laboratories conduct them. Your Committee on Conference finds that the use of oral fluid drug screening devices may provide a cost effective way for employers to provide drug screening of potential employees.

However, your Committee on Conference is also cognizant of concerns raised about this bill by both opponents and proponents of the measure, particularly with regard to confidentiality and false positive results. Accordingly, your Committee on Conference has amended this measure by:

- (1) Clarifying the definition of "substance abuse on-site screening test" (screening test) to mean a test that is manufactured by a facility that is certified as meeting the ISO 13485:2003 standard established by the International Organization for Standardization and which may be used by an employer in the workplace;
- (2) Deleting reference to a screening test under the definition of "substance abuse test" under Hawaii's Substance Abuse Testing law;
- (3) Deleting the requirement that a screening test be used for pre-employment screening purposes only;
- (4) Stipulating that every employer using a screening test administer the test according to the package insert accompanying the screening test;
- (5) Removing the authority of unions to drug test members;
- (6) Deleting the requirement that employers using a screening test adhere to rules pertaining to specimen collection, urine specimen, shipping of specimens, chain of custody, and confidentiality that may be applicable to on-site drug testing;
- (7) Inserting language stipulating that any indication of the presence of drugs, alcohol, or the metabolites of drugs by the screening test shall not be used to deny or deprive a person of employment or any benefit, or result in any adverse action against an employee or prospective employee unless a substance abuse test is conducted and certain requirements are met, including requiring an employer to have an employee or prospective employee report within 4 hours to a licensed laboratory for a substance abuse test;
- (8) Requiring the employer to bear the cost of the laboratory referral;
- (9) Allowing an employee or prospective employee to be denied or deprived of employment or benefits, or have adverse action taken against the employer or prospective employee, if the employee or prospective employee refuses to take or fails to report for a substance abuse test, provided that the employer gave written notice stating that:
 - (A) The employer followed statutorily established procedures for administering the screening test;
 - (B) The employee or prospective employee was informed that they may refuse to submit to the screening test; and

- (C) If the employee or prospective employee fails to submit to a substance abuse test, the employer may take adverse employment action against the employee or prospective employee;
- (10) Establishing strict confidentiality requirements with regard to any information concerning the screening test; and
- (11) Making it unlawful for any employer to suspend, discharge, or discriminate against an employee because the employee tested positive for the presence of drugs, alcohol, or the metabolites of drugs in a screening test unless an employee fails or refuses to report to a laboratory for a substance abuse test.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 964, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 964, H.D. 1, S.D. 2, C.D. 1.

Representatives Sonson, Green, Waters, B. Oshiro and Marumoto, Managers on the part of the House. (Representative Waters was excused.)
Senators Ige, Hee, Fukunaga and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 68 on H.B. No. 1503

The purpose of this bill is to strengthen protections for dislocated workers by amending Hawaii's Dislocated Workers law. Specifically, this bill:

- (1) Expands the 60-day notification to employees and the Director of Labor and Industrial Relations (Director) of the closing of covered establishments by:
 - (a) Adding the notification requirement for the transfer of any covered establishment from one employer to another because of the sale, transfer, merger, and other business takeover or transaction of business interest; and
 - (b) Expanding the definition of "closing" to include bankruptcy and other close of business transactions;
- (2) Stipulating that if an employer does not provide at least 60 days' notice to each employee and the Director of a closing, divestiture, partial closing, or relocation of a covered establishment, the employer shall be liable to each affected employee for an amount equal to back pay and benefits for the period of violation;
- (3) Exempting a covered establishment which is actively seeking a buyer for a sale, transfer, or merger until such time the sale, transfer, or merger results in a divestiture from notification requirements until a divestiture occurs; and
- (4) Imposing penalties on an employer who fails to notify the Director or employees of a closing, partial closing, divestiture, or relocation of a business with fines being deposited into the Employment and Training Fund.

Current Hawaii law protects employees who face termination from employment due to a sudden closure or partial closure of a business as a result of a sale, transfer, merger, or transaction of business interests. However, your Committee on Conference finds that bankruptcies and divestitures of businesses are not covered under current law. This bill will help ameliorate the effects these situations will have on people's lives.

However, your Committee on Conference notes that concerns were raised regarding the exemption from the notification requirements for businesses actively seeking a buyer for a sale, transfer, or merger and whether these businesses would be able to comply with the 60-day notice requirement. Accordingly, your Committee on Conference has amended this measure by:

- (1) Stipulating that a business actively seeking a buyer for a sale, transfer, or merger is not required to provide 60-days' notice until the employer has entered into a binding agreement for the sale, transfer, or merger of the covered establishment that results in a divestiture; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1503, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1503, H.D. 1, S.D. 1, C.D. 1.

Representatives Sonson, Waters, Nakasone and Awana, Managers on the part of the House. (Representative Nakasone was excused.)
Senators Hee, Kokubun, Nishihara and Gabbard, Managers on the part of the Senate. (Senator Kokubun was excused.)

Conf. Com. Rep. 69 on H.B. No. 791

The purpose of this bill is to establish a requirement for ethanol content for each grade of gasoline produced, imported, or sold in the State. Specifically, this measure requires that premium gasoline produced, imported, or sold in the State for use in motor vehicles contain no ethanol.

Your Committee finds that there are small niche markets, especially to fill a non-automobile demand, for gasoline that contains no ethanol. Your Committee believes, however, that an attempt to allow the free market to meet this demand should be explored.

Accordingly, your Committee has amended this bill by:

- (1) Deleting the amendments to chapter 486H, Hawaii Revised Statutes, that refer to ethanol content requirement, and deleting the repeal of section 486J-10, Hawaii Revised Statutes;
- (2) Requiring fuel distributors to report to the Department of Business, Economic Development, and Tourism on the distribution and availability of gasoline that does not contain ethanol, and requiring the Department to report its findings prior to the 2008 Regular Session of the Legislature for the purpose of assisting the Legislature in determining future policy to ensure the availability of non-blended gasoline for certain watercraft, small engine, and light aircraft markets; and
- (3) Changing the effective date to be upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 791, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 791, H.D. 1, S.D. 1, C.D. 1.

Representatives Morita, Herkes, McKelvey and Meyer, Managers on the part of the House.
Senators Menor, Taniguchi, Hooser and Slom, Managers on the part of the Senate.

Conf. Com. Rep. 70 on H.B. No. 1246

The purpose of this bill is to deter the theft of copper by:

- (1) Establishing theft of copper as a felony offense; and
- (2) Imposing additional requirements for, and establishing additional penalties for violations relating to, the sale of copper to scrap dealers.

Your Committee on Conference has amended this bill by:

- (1) Allowing a scrap dealer to only accept the seller's, and not the seller's agent's, written statement that the seller has the lawful right to sell and dispose the copper;
- (2) Requiring a scrap dealer to report to the police not only suspicious attempted sales but all instances of attempted sales in which the seller does not provide a receipt or notarized declaration;
- (3) Imposing mandatory minimum sentencing for violations of the scrap dealer licensing and statement requirements;
- (4) Clarifying that the mandatory minimum fine of \$5,000 and six-month suspension of the scrap dealer's license applies not only to the third offense but to all subsequent offenses;
- (5) Providing that a scrap dealer is subject to license revocation if the third or subsequent offense occurs within a five-year period from the occurrence of two prior offenses;
- (6) Clarifying that the offense of theft of copper applies only to copper that weighs a pound or more, instead of any property that weighs a pound or more and contains copper in whole or in part;
- (7) Including a sunset date of July 1, 2009; and
- (8) Making technical, nonsubstantive changes for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1246, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1246, H.D. 1, S.D. 1, C.D. 1.

Representatives Waters, B. Oshiro and Marumoto, Managers on the part of the House.
Senators Hee, Kokubun, Nishihara and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 71 on H.B. No. 1130

The purpose of this bill is to improve our election system by:

- (1) Revising various election campaign filing deadlines and filing periods;
- (2) Clarifying the treatment of Internet activity under the campaign spending law by amending the definitions of "contribution" and "expenditure";
- (3) Requiring noncandidate committees to register with the Campaign Spending Commission (Commission) by filing an organizational report and to file the report earlier than candidate committees under certain circumstances;
- (4) Requiring:
 - (A) Noncandidate committees;
 - (B) Board of Education candidates;
 - (C) Board of Education candidate committees; and
 - (D) Candidates who were previously exempt from mandatory electronic filing because their contributions or expenditures were \$5,000 or less, to file their reports by electronic means;
- (5) Repealing the right of a candidate or candidate committee without access to a computer or the Internet to request a waiver from the Commission from the mandatory electronic filing requirement;
- (6) Repealing the two-fundraisers-per-election limit that currently applies to candidates who are not running for statewide office;
- (7) Clarifying the applicability of the cap on contributions by nonresident individuals and persons;
- (8) Increasing amounts that may be spent per voter for state and county elections in a partially publicly-funded campaign;
- (9) Adding the Office of the Prosecuting Attorney as an election subject to the spending limitation per voter in partially publicly-funded campaigns; and
- (10) Increasing the maximum amount of public funding available to partially publicly-funded campaigns.

Your Committee on Conference has amended this measure by:

- (1) Deleting the sections relating to increased expenditure limits and available public funds for partially publicly-funded campaigns; and
- (2) Changing the effective date to take effect upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1130, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1130, H.D. 1, S.D. 1, C.D. 1.

Representatives Waters, B. Oshiro and Marumoto, Managers on the part of the House.
Senators Hee, Kokubun, Nishihara and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 72 on H.B. No. 895

The purpose of this bill is to provide the counties and tow companies with the tools necessary to take custody and properly dispose of abandoned vehicles in a more efficient manner by allowing the counties to increase registration fees and thereby increase deposits into the Highway Beautification and Disposal of Abandoned or Derelict Vehicles Revolving Fund to defray costs associated with the storage of abandoned or derelict vehicles.

Abandoned and derelict motor vehicles mar the beauty of Hawaii's landscape and, at times, create unsafe situations on our roadways. While the counties work diligently to remove these vehicles in a timely manner, increases in the number of abandoned vehicles, along with a lengthy notification process that sometimes takes upwards of three months, has caused the problem to steadily worsen.

However, storage space problems, as well as increased operational and storage costs, have caused many tow companies financial hardship. As such, your Committee on Conference has amended this measure by:

- (1) Allowing motor vehicle registration fees to be increased up to a maximum of \$10;
- (2) Increasing towing and storage fees that towing companies may charge; and
- (3) Decreasing the number of days in which the owner of the towed motor vehicle must be notified.

Your Committee on Conference is also cognizant of the fact that many complaints have been received regarding the charging of "unhooking" fees for vehicles that are hooked to a tow-truck when an owner appears on the scene to recover a vehicle, and "overtime" fees for tows occurring during the evening hours and on weekends. Accordingly, your Committee on Conference has further amended this measure by:

- (1) Eliminating the ability of tow-companies to charge overtime and unhooking fees; and
- (2) Changing the effective date to July 1, 2007.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 895, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 895, H.D. 2, S.D. 1, C.D. 1.

Representatives Souki, Har and Meyer, Managers on the part of the House.
Senators Inouye, English and Tsutsui, Managers on the part of the Senate.

Conf. Com. Rep. 73 on H.B. No. 14

The purpose of this bill is to repeal the transfer of functions from the Department of Budget and Finance to the Department of Education as specified in Act 51, Session Laws of Hawaii 2004, as amended, because the two departments have improved the fiscal processes between them.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 14, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 14, H.D. 1, S.D. 1, C.D. 1.

Representatives Takumi, M. Oshiro and Finnegan, Managers on the part of the House.
Senators Sakamoto, Baker, Tokuda and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 74 on H.B. No. 275

The purpose of this bill is to protect student-athletes and educational institutions from potentially unscrupulous practices of athlete agents by enacting the Uniform Athlete Agents Act, which requires sports agents to register with the Department of Commerce and Consumer Affairs, and sets forth requirements for agreements between athlete agents and student-athletes.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to July 1, 2008; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 275, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 275, H.D. 1, S.D. 2, C.D. 1.

Representatives Chang, Herkes, Tokioka and Ching, Managers on the part of the House. (Representative Ching was excused.)
Senators Taniguchi, Hee and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 75 on H.B. No. 1372

The purpose of this bill is to appropriate \$439,684 as an emergency appropriation to reimburse costs associated with the delivery of emergency aeromedical services on Oahu by the Hawaii Army National Guard or other provider.

Pursuant to the requirements set forth in Article VII, section 9, of the Constitution of the State of Hawaii, the Governor has requested immediate consideration and passage of this bill, citing an existing critical funding emergency to continue aeromedical services on Oahu.

Your Committee on Conference has amended this bill by:

- (1) Increasing the appropriation to \$1,444,828; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1372, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1372, H.D. 1, S.D. 1, C.D. 1.

Representatives Green, Mizuno and Awana, Managers on the part of the House.
Senators Ige, Baker, Fukunaga and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 76 on H.B. No. 1063

The purpose of this bill is to allow the Department of Defense to receive and expend all the federal Temporary Assistance to Needy Families funds received from the Department of Human Services for the Hawaii National Guard's Operation About Face family of programs statewide, by increasing the amount for fiscal year 2006-2007 from \$4,700,000 to \$7,900,000 in item I-20 of section 3 of Act 178, Session Laws of Hawaii 2005, as amended by Act 160, Session Laws of Hawaii 2006.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1063, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1063, S.D. 1, C.D. 1.

Representatives Evans, Har and Pine, Managers on the part of the House. (Representative Pine was excused.)
Senators Inouye, Tsutsui, Chun Oakland and Hemmings, Managers on the part of the Senate.

Conf. Com. Rep. 77 on H.B. No. 30

The purpose of this bill is to protect Hawaii's interests in international trade agreements by prohibiting the Governor from entering into any trade agreement without the approval of the Legislature through concurrent resolution adopted by a majority vote of the Senate and House of Representatives. If the Legislature is not in session, the Governor is required to notify the President of the Senate and Speaker of the House of Representatives and allow the Legislature to consider of approval of the procurement provisions in a special session.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that the Legislature may, but is not required to convene a special session to consider approval of the procurement provisions;
- (2) Clarifying that the Governor may not approve a trade agreement without legislative approval by a way of a concurrent resolution; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 30, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 30, H.D. 2, S.D. 1, C.D. 1.

Representatives Cabanilla, Yamashita, Tokioka and Thielen, Managers on the part of the House. (Representative Yamashita was excused.)
Senators Baker, English, Fukunaga, Tsutsui and Whalen, Managers on the part of the Senate. (Senators Tsutsui and Whalen were excused.)

Conf. Com. Rep. 78 on H.B. No. 334

The purpose of this bill is to demonstrate that Hawaii can successfully use its renewable resources to generate electricity by authorizing up to \$10,000,000 in special purpose revenue bonds to be issued to assist Sopogy, Inc., to establish a solar farm power plant at the Natural Energy Laboratory of Hawaii Authority (NELHA).

Your Committee on Conference finds that space limitations at NELHA may prevent Sopogy from securing the land needed for its solar farm project and has thus amended this bill to allow Sopogy to establish its project at suitable sites in the state other than the NELHA site.

Your Committee on Conference finds that Sopogy's solar farm power plant will move our state toward independence from petroleum products by demonstrating the viability and value of solar power as part of Hawaii's renewable energy portfolio.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 334, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 334, H.D. 1, S.D. 1, C.D. 1.

Representatives Yamashita, Morita, Carroll and Meyer, Managers on the part of the House.
Senators Menor, Tsutsui, Hooser and Trimble, Managers on the part of the Senate.

Conf. Com. Rep. 79 on H.B. No. 1364

The purpose of this bill is to expand participation in the State Rent Supplement Program (Program) by:

- (1) Requiring the Hawaii Public Housing Authority (HPHA) to allow individuals and families living in transitional shelters, who are homeless or on the public housing or Section 8 wait lists, to be eligible for the Program wait list; and
- (2) Removing the \$160 per month cap on payments and requiring the Program to serve individuals with incomes up to 95 percent of the area median income.

Your Committee on Conference has amended this bill by:

- (1) Removing the provisions requiring HPHA to allow individuals and families living in transitional shelters, who are homeless or on the public housing or Section 8 wait lists, to be eligible for the Program wait list;
- (2) Specifying that income limits are based on annual median income (AMI) as determined by the United States Department of Housing and Urban Development;

- (3) Requiring HPHA to give preference to qualified tenants with incomes at or below 80 percent AMI; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1364, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1364, H.D. 2, S.D. 1, C.D. 1.

Representatives Shimabukuro, Rhoads, Hanohano and Awana, Managers on the part of the House.
Senators Chun Oakland, Tsutsui, Ihara and Hemmings, Managers on the part of the Senate. (Senator Tsutsui was excused.)

Conf. Com. Rep. 80 on H.B. No. 402

The purpose of this bill is to provide the Department of Land and Natural Resources the necessary tools for proper stewardship of state lands by broadening the use of the Land Conservation Fund to include:

- (1) Payments of debt service on state financial instruments relating to the acquisition of interests or rights in land having value as a resource to the State; and
- (2) Acquisition of interests or rights in land having value as a resource to the State through the establishment of:
 - (A) Permanent conservation easements for the preservation and protection of land for agricultural use; or
 - (B) Agricultural easements.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to July 1, 2007; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 402, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 402, H.D. 1, S.D. 2, C.D. 1.

Representatives Ito, Tsuji, Chong and Meyer, Managers on the part of the House.
Senators Kokubun, Tsutsui, Tokuda and Slom, Managers on the part of the Senate.

Conf. Com. Rep. 81 on H.B. No. 250

The purpose of this bill is to meet the critical demand for harbor expansion and upgrades by establishing a formal partnership between the Aloha Tower Development Corporation (ATDC) and the Department of Transportation (DOT) for the development of Honolulu Harbor and Kewalo basin infrastructure projects on an expedited basis.

Your Committee on Conference finds that the continuing demand for further improvements and development of harbor facilities to meet rapid growth is a challenge that harbors statewide face. Your Committee on Conference therefore, believes that the planning of improvements and development of harbors statewide by ATDC is desirable. In particular, your Committee on Conference recognizes that the needs of Kahului Harbor are dire and should be treated with the utmost priority and urgency. However, due to the jurisdictional constraints of the ATDC, your Committee on Conference has amended this bill by:

- (1) Removing Kewalo Basin and the Kakaako area lands from the scope of this bill; and
- (2) Authorizing ATDC to partner with DOT only for the development of Honolulu Harbor and its adjacent lands.

This bill has also been amended by:

- (1) Deleting the provision for legislative approval on a project-by-project basis; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 250, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 250, H.D. 2, S.D. 2, C.D. 1.

Representatives Ito, Souki, Chong and Meyer, Managers on the part of the House.
Senators Kokubun, English, Baker, Fukunaga and Slom, Managers on the part of the Senate. (Senator Fukunaga was excused.)

Conf. Com. Rep. 82 on H.B. No. 116

The purpose of this bill is to provide for the effective integration of facilities necessary for the provision of advanced wireless communications services by:

- (1) Establishing an application process for the siting of wireless communications facilities that encourages the placement of antennas on existing structures; and
- (2) Making wireless communication antennas a permitted use in the state agricultural district.

Your Committee on Conference finds that with the increasing use of wireless communications in everyday activities and for a variety of purposes, sufficient coverage and capacity of wireless networks is necessary to meet the daily needs of consumers.

Your Committee on Conference has amended this measure by:

- (1) Deleting the preamble;
- (2) Deleting the provisions establishing an application process for the siting of wireless communications facilities;

- (3) Clarifying that the construction and operation of wireless communication antennas is a permitted use within the state agricultural district, but that this permitted use does not authorize the construction of any new structure that is not deemed a permitted use within the state agricultural district;
- (4) Specifying that wireless communication antennas located within the state agricultural district may either be freestanding or placed upon or attached to an existing structure; and
- (5) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 116, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 116, H.D. 2, S.D. 1, C.D. 1.

Representatives Herkes, Yamashita, Magaoy and Thielen, Managers on the part of the House. (Representative Yamashita was excused.)
Senators Taniguchi, Fukunaga and Slom, Managers on the part of the Senate. (Senator Fukunaga was excused.)

Conf. Com. Rep. 83 on H.B. No. 1322

The purpose of this bill is to improve insurance licensing by:

- (1) Reestablishing the limited line motor vehicle rental company producer's license issuance fee and services fee; and
- (2) Eliminating the requirement that licensed adjusters and independent bill reviewers must maintain a place of business in Hawaii.

Your Committee on Conference finds that this measure seeks to improve the insurance licensing operations of the Department of Commerce and Consumer Affairs by:

- (1) Amending the insurance licensing statutes to reestablish fees that were inadvertently deleted in previous legislation; and
- (2) Bringing greater consistency to the insurance licensing laws by making the place-of-business requirements for insurance adjusters and independent bill reviewers similar to those for insurance producers.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date to July 1, 2007; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1322, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1322, S.D. 1, C.D. 1.

Representatives Herkes, Tokioka and Marumoto, Managers on the part of the House.
Senators Taniguchi, Baker and Slom, Managers on the part of the Senate. (Senator Baker was excused.)

Conf. Com. Rep. 84 on H.B. No. 155

The purpose of this bill is to:

- (1) Provide an environmentally-friendly strategy for the lighting of Hawaii's streets, highways, airports and harbors; and
- (2) Work toward reducing Hawaii's dependence on oil imports.

Specifically, this bill establishes that, to the extent practicable, in the event that regulations or standards relating to outdoor lighting at airport facilities, harbors, or highways conflict with county ordinances or other regulations, the more stringent requirement or standard to reduce bright sources of light in the night sky shall govern all new installations. This bill also requires the Department of Transportation (DOT) to include biofuel storage and transmission infrastructure in all harbor improvement master plans.

Artificial lighting is increasing on all of the major Hawaiian islands as metropolitan centers increase. This increase in artificial light, especially from light sources at Hawaii's airports and harbors and along Hawaii's highways now threatens the telescopes' ability at Mauna Kea and Haleakala to study the night sky. DOT's compliance with county lighting ordinances, along with the use of environmentally-friendly, fully-shielded lighting fixtures, will conserve energy and resources while maintaining appropriate outdoor lighting suitable for safety, utility, and security.

While your Committee on Conference finds that reducing Hawaii's dependence on imported oil is important, questions remain about the cost and feasibility of improving Hawaii's harbor infrastructure to accommodate biofuel storage facilities. Accordingly, your Committee on Conference has amended this bill by:

- (1) Deleting Part II, which required DOT to include biofuel storage and transmission infrastructure in all harbor improvement master plans; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 155, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 155, H.D. 1, S.D. 2, C.D. 1.

Representatives Souki, Morita, Yamashita, Lee and Pine, Managers on the part of the House.
Senators English, Inouye, Baker, Tsutsui and Gabbard, Managers on the part of the Senate. (Senator Baker was excused.)

Conf. Com. Rep. 85 on H.B. No. 483

The purpose of this bill is to improve regulations of the check cashing industry by, among other things:

- (1) Requiring check cashers to register with the Department of Commerce and Consumer Affairs (DCCA);
- (2) Setting forth requirements for payment plans offered by check cashers;
- (3) Requiring check cashers to maintain records and report on business operations in accordance with DCCA rules;

- (4) Requiring additional information to be included in the posting and notice of check casher fees;
- (5) Limiting the total amount of a deferred deposit transaction to no more than 30 percent of the customer's gross monthly income; and
- (6) Exempting from the general excise tax, fees and interest received by check cashers for deferred deposit transactions.

Deferred deposit transactions, or payday loans, have the potential to trap consumers in a cycle of debt that makes it difficult to build assets for the future. In 2005, the Office of the State Auditor conducted a sunrise analysis on the regulation of check cashing and deferred deposit agreements and recommended that chapter 480F, Hawaii Revised Statutes, be strengthened to be more consumer friendly.

Your Committee on Conference further finds that requiring registration, rather than licensing, of check cashers with DCCA takes into consideration the concerns of both consumers and the industry regarding regulating check cashing and payday lending.

Your Committee on Conference also notes that a sunset of the registration requirements established by this measure would afford the Legislature an opportunity to revisit the issue of enhancing the regulation of check cashers and determine whether check cashers should be licensed.

Accordingly, your Committee on Conference has amended this measure by:

- (1) Changing the effective date to July 1, 2007;
- (2) Providing a sunset date of June 30, 2009, for the provisions of this bill:
 - (A) Requiring check cashers to register with the Department of Commerce and Consumer Affairs; and
 - (B) Setting forth requirements for payment plans offered by check cashers;
- (3) Specifying the print sizes required for postings and notices of check casher fees; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 483, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 483, H.D. 1, S.D. 1, C.D. 1.

Representatives Herkes, Waters, Sagum and Marumoto, Managers on the part of the House.
Senators Taniguchi, Espero and Trimble, Managers on the part of the Senate. (Senator Trimble was excused.)

Conf. Com. Rep. 86 on H.B. No. 34

The purpose of this bill is to voice Hawaii's opposition to the humanitarian crisis presently occurring in the Darfur Region of Sudan by prohibiting the Employees' Retirement System (ERS) from investing in securities of companies that have active business operations with Sudan.

Your Committee on Conference finds that a tragedy is currently occurring in the Darfur Region of Sudan. The United States, along with the international community and hundreds of humanitarian and faith-based organizations, have all agreed that genocide is occurring in this region of the world. At present, over 400,000 people have been killed in the region, with another 2.5 million people being displaced from their homes despite calls from the international community that the Sudanese Government put an end to these atrocities. Placing economic pressure on the Sudanese Government by prohibiting the ERS from investing in companies that do business with Sudan is but one step that can be taken to remedy this tragic situation, as similar action taken against the country of South Africa during the 1980s, as a means of ending the policy of apartheid, had a profound effect on the policies of that country.

However, your Committee on Conference understands the concerns raised by the ERS. Accordingly, your Committee on Conference has amended this measure by:

- (1) Stipulating that only companies with direct holdings be identified and scrutinized by the public trust and eliminating scrutiny for indirect holdings or possible future holdings;
- (2) Requiring the fund to assemble a "scrutinized companies list" which contains all scrutinized companies identified in which the public fund has direct holdings;
- (3) Eliminating the requirement that the public fund continue a semi-annual correspondence informing a company with and encouraging the company to continue to refrain from initiating active business operations in Sudan until it is able to avoid scrutinized business operations;
- (4) Requiring that, for each company newly identified with active business operations in which the public fund owns direct holding, the public fund send a written notice informing a company of its scrutinized company status and that it may become subject to divestment from the public fund;
- (5) Deleting the requirement that the public fund submit letters to the managers of actively managed investment funds with indirect holdings in companies with scrutinized active business operations requesting that the manager consider removing the companies from the fund or create a similar actively managed fund with indirect business holdings devoid of such companies; and
- (6) Changing the effective date to July 1, 2007.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 34, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 34, S.D. 2, C.D. 1.

Representatives Sonson, Cabanilla, Nakasone and Ward, Managers on the part of the House. (Representative Ward was excused.)
Senators English, Hee, Baker and Gabbard, Managers on the part of the Senate. (Senator Baker was excused.)

Conf. Com. Rep. 87 on H.B. No. 1005

The purpose of this bill is to improve the ability of the Public Utilities Commission (PUC) to carry out its duties and responsibilities by:

- (1) Requiring the PUC to restructure its operations pursuant to the PUC's December 2006, report to the Legislature, to improve its effectiveness and efficiency;
- (2) Appropriating funds to meet the costs incurred as a result of the restructuring process; and
- (3) Authorizing the PUC to consider the need for increased renewable energy use in exercising its authority and duties.

Your Committee on Conference finds that this measure will greatly benefit the public interest by enabling the PUC to efficiently and effectively carry out its duties.

Your Committee on Conference has amended this measure by:

- (1) Deleting the appropriation for the costs of restructuring;
- (2) Changing the effective date to July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1005, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1005, H.D. 2, S.D. 1, C.D. 1.

Representatives Herkes, Morita, M. Oshiro and Marumoto, Managers on the part of the House.
Senators Taniguchi, Baker and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 88 on H.B. No. 162

The purpose of this bill is to improve child support enforcement services in the state by:

- (1) Authorizing the Child Support Enforcement Agency to collect an annual fee of \$25, and use in accordance with the requirements of federal Title IV-D, for nonpublic assistance collection services in those cases in which no public assistance has been paid to the custodial parent under Title IV-A and the State has collected at least \$500 from the absent parent; and
- (2) Transferring the family support divisions of the City and County of Honolulu and the County of Hawaii whose functions, duties, responsibilities and activities relate to child support enforcement to the Department of the Attorney General (AG), effective October 1, 2007, without loss of pay, benefits, or where applicable, civil service status.

Your Committee on Conference has amended this bill by reverting to the language contained in Senate Draft 1 in Section 2 of the bill relating to the transfer of employees of the family support divisions of the County of Hawaii and of the City and County of Honolulu to the AG, for clarity and technical accuracy. Your Committee on Conference notes that this language represents the consensus of the counties and the AG concerning this matter and believes that this language is more appropriate.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 162, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 162, H.D. 1, S.D. 2, C.D. 1.

Representatives Waters, Sonson, Nakasone and Ching, Managers on the part of the House. (Representative Ching was excused.)
Senators Hee, Baker, Kokubun, Chun Oakland and Gabbard, Managers on the part of the Senate. (Senators Baker, Chun Oakland were excused.)

Conf. Com. Rep. 89 on H.B. No. 1231

The purpose of this bill is to appropriate funds to satisfy claims against the State for judgments, settlements, and miscellaneous payments.

Your Committee on Conference has amended this bill by:

- (1) Appropriating funds for three additional claims that have been resolved, totaling \$230,040;
- (2) Adding the dollar amount and the percentage that the appropriation contained in this bill will cause the state general fund expenditure ceiling to be exceeded for fiscal year 2006-2007;
- (3) Changing the effective date to upon approval; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1231, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1231, H.D. 2, S.D. 2, C.D. 1.

Representatives Waters, M. Oshiro and Marumoto, Managers on the part of the House.
Senators Hee, Baker, Kokubun, Tsutsui and Gabbard, Managers on the part of the Senate. (Senator Tsutsui was excused.)

Conf. Com. Rep. 90 on H.B. No. 667

The purpose of this bill is to preserve affordable housing in Honolulu by:

- (1) Increasing Hawaii Housing Finance and Development Corporation's (HHFDC) revenue bond authority from \$300,000,000 to \$400,000,000;
- (2) Authorizing the issuance of general obligation bonds for fiscal year 2007-2008 to acquire an interest in the land and improvements of the Kukui Gardens property; and
- (3) Appropriating funds for fiscal year 2007-2008 to acquire an interest in the land and improvements of the Kukui Gardens property and allowing HHFDC to contract with a private nonprofit management and development organization to operate the existing facility and to develop additional affordable rentals.

Your Committee on Conference has amended this bill by:

- (1) Removing the appropriation of funds;
- (2) Specifying the amount of up to \$25,000,000 in general obligation bonds;
- (3) Making a correction to the tax map key identification;
- (4) Clarifying that HHFDC may enter into a long-term, below market, ground lease of the land, and deed the improvements to a private nonprofit housing organization for the purposes of operating, managing, and maintaining the existing rental units and to potentially develop additional affordable rentals on the site;
- (5) Changing the effective date to July 1, 2007; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee on Conference notes that HHFDC intends to submit a request during the Regular Session of 2008 for the authorization of an additional \$26,000,000 in general obligation bonds for fiscal year 2008-2009 to complete the structured transaction.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 667, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 667, H.D. 1, S.D. 2, C.D. 1.

Representatives Shimabukuro, M. Oshiro, Rhoads and Ching, Managers on the part of the House.
Senators Taniguchi, Baker, Chun Oakland and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 91 on H.B. No. 835

The purpose of this bill is to assist pineapple plantation workers affected by the closing of Del Monte Fresh Produce by:

- (1) Establishing the Pineapple Workers and Retirees Housing Assistance Fund (Assistance Fund) to provide mortgage payments or rent subsidies to eligible workers, retirees, and their families; and
- (2) Appropriating funds for purposes of the Assistance Fund.

Your Committee on Conference requests that the Hawaii Housing Finance and Development Corporation expedite the rulemaking process to implement the Assistance Fund.

Your Committee on Conference has amended this bill by:

- (1) Appropriating \$600,000 for each year of fiscal biennium 2007-2009 for purposes of the Assistance Fund;
- (2) Changing the effective date to July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 835, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 835, H.D. 2, S.D. 1, C.D. 1.

Representatives Shimabukuro, Rhoads, Magaoay and Awana, Managers on the part of the House.
Senators Taniguchi, Baker and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 92 on H.B. No. 1605

The purpose of this bill is to enhance traffic flow on the island of Maui by appropriating funds for the development and implementation of an Intelligent Transportation System architectural plan for Maui, which includes a Maui traffic control center.

Traffic congestion continues to be a problem for the people of Maui. Traffic delays continue to intensify, creating slow transit times for commuters as well as public safety issues. Intelligent Transportation Systems apply communications and information technology to resolve traffic control issues and reduce congestion. The establishment of an Intelligent Transportation System on the island of Maui, including a Maui traffic control center, would help to maximize traffic flow and alleviate traffic congestion.

Your Committee on Conference has amended this measure by:

- (1) Specifying that \$400,000 shall be appropriated from the State Highway Fund for the development and implementation of an Intelligent Transportation System architectural plan for Maui; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1605, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1605, H.D. 1, S.D. 1, C.D. 1.

Representatives Souki, Carroll, McKelvey and Meyer, Managers on the part of the House.
Senators English, Baker, Tsutsui and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 93 on H.B. No. 500

GENERAL OVERVIEW

Through this measure, your Committee on Conference has made meaningful investments in the State's health and human services programs, education system, and environment to lay the foundation for a sustainable Hawaii, with strong families and communities, a workforce prepared to compete in the global marketplace, and a healthy economy and environment. Your Committee on Conference crafted a budget that invests in our State's greatest resource – its people.

These investments must be targeted and mindful of the future – government cannot be all things to all people. Spending in the executive budget has increased forty-four per cent over the last four years. It is without question that this growth rate is unsustainable over the long term. Indications that Hawaii's economy is slowing provide additional incentive to exercise fiscal conservatism when determining the level of additional funding for government programs.

While Hawaii's economy continues to grow, signs point to a slower growth rate in the near term. As a result, your Committee on Conference has crafted a balanced budget that responds to the needs and demands of our communities, with a focus on increasing the quality of life for Hawaii's residents, while remaining fiscally responsible.

STATE OF THE ECONOMY

After several years of strong economic growth – peaking with double-digit growth rates in fiscal year 2005 (sixteen per cent) and 2006 (10.9 per cent) – Hawaii's economy slowed sharply in 2006. In January 2007, a distinguished local economist commented that, after subsiding for nearly two years because of rising consumer price inflation, real personal income growth in Hawaii was approximately zero in mid-2006. The economist further noted that recent personal income growth rates should increasingly translate back toward the two per cent real growth that he believes is a sustainable path for Hawaii through the remainder of the decade.

In addition, the University of Hawaii Economic Research Organization's March 2, 2007, forecast also noted that "there are no warning signs on the horizon of an outright end to Hawaii's economic expansion" and "[j]ob and income growth will slow further, but not cease, and the unemployment rate will gradually ease upward from recent record-low levels."

COUNCIL ON REVENUES

At its March 13, 2007, meeting, the Council on Revenues decided to retain its December forecast of the general fund tax revenues for fiscal year 2007-2008 through fiscal year 2012-2013. The growth rate remains at six per cent for the current fiscal year, and 4.1 per cent for the second year of the biennium.

However, the preliminary comparative statement of state general fund collections for March 2007 indicates that revenue growth is only at 2.9 per cent over the corresponding period last year. This leaves a gap of 3.1 per cent growth that must be overcome if state revenues are to meet the Council's projections.

Essentially, the forecast of the Council on Revenues and the most recent collection data underscore the need to adopt a fiscally prudent, sustainable budget for the State of Hawaii.

FEDERAL RESERVE – NATIONAL ECONOMIC OUTLOOK

According to the March 28, 2007, forecast on the United States economy by the Chairman of the Board of Governors of the Federal Reserve, economic growth in the United States has slowed. The slowdown is attributed to a correction in the housing market, which has transitioned from the rapid expansion of previous years to a more sustainable pace.

Overall, the Federal Reserve believes that the United States economy appears likely to continue moderate expansion over the coming quarters. Real gross domestic product rose at an annual rate of about two per cent in the second half of 2006 and is presently expanding at a similar rate. The moderate expansion could change substantially, however, if the correction to the housing market is more severe than is currently anticipated or if the recent weakness in business investments persist.

Finally, the Chairman noted the troubling specter of inflation. Core consumer price index inflation over the twelve months ending in February was 2.7 per cent, up from 2.1 per cent a year earlier. In addition, the price index for personal consumption expenditures – another measure of core inflation monitored closely by the Reserve – trends similarly upward.

BUDGET HIGHLIGHTS

In total (all sources of funding), this measure appropriates \$10,370,709,982 in fiscal year 2007-2008 and \$10,539,570,447 in fiscal year 2008-2009. Specifically regarding general fund appropriations, this measure appropriates \$5,185,780,822 in fiscal year 2007-2008 and \$5,273,531,614 in fiscal year 2008-2009. Compared with the budget submitted by the Governor in December 2006, as adjusted by the seven Governor's Messages throughout this legislative session, this budget represents an amount of \$4,707,738 in fiscal year 2007-2008 and \$12,672,889 in fiscal year 2008-2009 that is lower in general fund appropriations. In new general fund appropriations, health and human services account for approximately twenty-eight per cent, lower education accounts for approximately thirty-five per cent, and higher education accounts for approximately thirteen per cent for fiscal year 2007-2008 and nineteen per cent for fiscal year 2008-2009 of the change to the State's general fund budget.

Health and Human Services

In total, this budget provides an additional \$124,230,748 for fiscal year 2007-2008 and \$138,384,849 for fiscal year 2008-2009 in general fund appropriations in the areas of health and human services.

Your Committee on Conference provided \$6,753,704 in general funds for each year of the biennium for infants and toddlers with developmental delays, ensuring that children with special health needs receive continued care coordination and early intervention services. Your Committee on Conference added five new positions and \$236,928 in general funds for the upcoming biennium to continue the preschool developmental screening of gap group participants in the Children with Special Health Needs program. Two additional permanent positions and \$87,965 in general funds for fiscal year 2007-2008 and \$112,953 in general funds for fiscal year 2008-2009 were also added by your Committee on Conference for the Family Health Services Administration and the Children and Youth Wellness program.

Your Committee on Conference added \$1,248,750 in general funds for each year of the biennium to purchase family planning services for women to address a critical shortage of needed services.

Your Committee on Conference is dedicated to ensuring that a system of care is provided for Hawaii's seriously mentally ill population and has designated a total of \$20,000,000 in general funds over the biennium for the Adult Mental Health Division for purchase of service contracts, as well as the provision of core services in each county.

Recognizing that substance abuse still plagues our communities, your Committee on Conference provided \$735,833 in general funds for fiscal year 2007-2008 and \$1,817,500 in general funds for fiscal year 2008-2009 to continue funding adolescent school-based substance abuse treatment services at all public middle and intermediate schools statewide.

To accommodate the increasing number of individuals with developmental disabilities admitted to the Medicaid Home and Community-Based Services waiver program, your Committee on Conference provided full funding, requiring an additional \$8,764,412 in general funds and \$8,558,196 in interdepartmental transfer funds transferred from the Department of Human Services for fiscal year 2007-2008 and \$11,479,791 in general funds and \$12,239,470 in interdepartmental transfer funds for fiscal year 2008-2009 to meet the state matching requirements under Title XIX.

Your Committee on Conference continued funding of agency-operated developmental disabilities domiciliary homes and apartment complexes operating with a twenty-four-hour, seven day a week staff, by providing \$1,800,000 in general funds for each year of the biennium. Your Committee on Conference believes that this additional \$600,000 general fund subsidy over the executive branch's biennial request is necessary to preserve residential alternatives for the developmentally disabled and mentally retarded population. A total of \$115,255 in general funds over the biennium was also added to the Developmental Disabilities Council to establish and support a statewide self-advocacy network for persons with developmental disabilities.

Your Committee on Conference, however, is concerned that the Developmental Disabilities Division has yet to implement its long awaited reorganization that has been pending since the closure of Waimano Training School and Hospital. Such inaction is detrimental to sound public policy and programming and further impedes the overall efficiency of the division. To this end, your Committee on Conference urges the division to focus on remedying these deficiencies to meet on-going challenges.

Your Committee on Conference provided strong support over the next biennium to ensure and strengthen the continuum of care for individuals, families, and communities, statewide. Improving access to health care services, especially in rural areas, is an important priority for your Committee on Conference. To ensure the provision of comprehensive medical and health care services to the rural communities of Hana, Molokai, Wahiawa, and Waianae, your Committee on Conference provided an additional \$3,800,000 for each year of the biennium.

Emergency medical treatment and the stabilization and transportation of patients are critical to maintaining public health and safety. Your Committee on Conference provided \$4,089,269 in general funds for fiscal year 2007-2008 and \$3,762,622 in general funds for fiscal year 2008-2009 to meet increased operational requirements for various ambulance service contracts on the islands of Oahu, Hawaii, Kauai, and Maui.

Your Committee on Conference also provided \$1,783,000 in general funds for fiscal year 2007-2008 and \$1,645,000 in general funds for fiscal year 2008-2009 for the statewide maintenance of the Emergency Medical Services Medical Communications system. To cover the additional cost for aeromedical services for rural O'ahu, your Committee on Conference provided \$800,000 in general funds for each year of the biennium. Furthermore, your Committee on Conference provided an additional \$3,000,000 in general funds for fiscal year 2007-2008 and 2008-2009 for the City and County of Honolulu's Emergency Medical Services. Your Committee on Conference also added \$388,000 in general funds for fiscal year 2007-2008 and \$397,000 for fiscal year 2008-2009 to purchase two ambulances and two Lifepak 12 defibrillators for each year of the biennium to address the needs of Oahu's emergency medical services.

To ensure the availability of comprehensive quality health care and to alleviate the health care workforce shortage in Hawaii, especially on the neighbor islands, your Committee on Conference added a total of \$400,000 in general funds and \$250,000 in special funds over the biennium for the State Health Planning and Development Agency, in conjunction with an appropriate agency such as the John A. Burns School of Medicine, to develop and maintain a statewide comprehensive health care workforce map and database. Your Committee on Conference believes that this data is essential to understanding Hawaii's workforce needs and distribution, given the pending retirement in the near future of many members of the workforce who belong to the baby boom generation.

Hawaii Health Systems Corporation and Kahuku Hospital

Your Committee on Conference determined that it is necessary to subsidize the operation of Kahuku Hospital to ensure its continued operation as it affiliates with the Hawaii Health Systems Corporation. Thus, your Committee on Conference provided \$1,500,000 in general funds for each year of the biennium for that purpose. Your Committee on Conference, however, believes that the cost to subsidize Kahuku Hospital should remain separate from the rest of the Hawaii Health Systems Corporation's funding and thus created a new program – Kahuku Hospital (HTH 211) to ensure transparency and accountability.

Further, to maintain the current level of services for the Hawaii Health Systems Corporation, your Committee on Conference also provided a special fund ceiling increase of \$46,983,063 for fiscal year 2007-2008 and \$70,789,063 for fiscal year 2008-2009 for that purpose. This increase will allow the Hawaii Health Systems Corporation to qualify three hospitals, Kula, Ho'ola Hamakua, and Samuel Mahelona Memorial Hospitals for critical access hospital status and increased reimbursement rates for services. Your Committee on Conference also appropriated an additional \$3,000,000 in general funds for fiscal years 2007-2008 and 2008-2009 for trauma center services.

Housing and Homelessness

Your Committee on Conference believes that we can and must do a better job of providing basic shelter for those who cannot afford to buy or rent housing in Hawaii. For those already homeless or in danger of becoming so, your Committee on Conference provided \$4,392,348 for fiscal years 2007-2008 and 2008-2009 to operate homeless shelters, provide necessary services, and where possible, provide intervention services to prevent families from becoming homeless.

Your Committee on Conference recognizes that the number of affordable rental units needed is approximately three thousand four hundred, with the demand over the next five years reaching seventeen thousand units. To further the development of affordable rental housing units, your Committee on Conference provided \$15,000,000 for fiscal year 2007-2008 to be deposited into the Rental Housing Trust Fund, enabling additional gap equity low interest loans or grants to be available to developers of affordable rental housing units.

In order to increase the availability of, and safety in, public housing, your Committee on Conference provided \$5,835,000 for fiscal year 2007-2008 and \$4,430,000 for fiscal year 2008-2009 for security improvements, energy efficient appliances, and to expedite repairs and the rental of vacant units in public housing developments.

The Department of Hawaiian Home Lands continues to develop and deliver land to native Hawaiians and provide native Hawaiians with an opportunity at homeownership. In support of this effort, your Committee on Conference has provided \$486,668 in special funds for fiscal year 2007-2008 and \$638,336 in special funds for fiscal year 2008-2009 for costs related to the Department's move to Kapolei and \$1,100,000 in special funds for debt service expenses for the construction of its new facility.

Development of larger multi-home project sites in the Kapolei area is creating more opportunities for lease awards, and the facility move will allow the Department to be closer to the many families that receive lease awards. As growth in Leeward Oahu continues, the Department will have a permanent presence to better serve the native Hawaiian population.

Your Committee on Conference strongly supports the efforts of the Department of Human Services to provide critical services to those least able to provide for themselves.

Of those in need, the children are the most vulnerable. Child Protective Services has made commendable progress toward improving their services for the abused and neglected children of this State. In the "Child and Family Services Review, Program Improvement Plan," required by the federal government, measures of efficiency in dealing with the immediate and on-going needs of these children have increased considerably. Encouraged by this progress, your Committee on Conference has approved an additional \$2,500,000 in general funds and \$2,275,000 in federal funds in each year of the biennium for improved services, including essential training for foster homes and adoptive parents. This amount is \$500,000 more than the Administration's budget request, which would not have taken full advantage of federal matching for this critical need.

Treatment of incarcerated youths in Hawaii has also been the subject of recent federal scrutiny. After years of unacceptable conditions at the Hawaii Youth Correctional Facility, the United States Department of Justice entered into a Memorandum of Agreement with the State on February 7, 2006. The Memorandum of Agreement requires the Hawaii Youth Correctional Facility to protect incarcerated youth from harm, provide them with proper access to medical and mental healthcare, and provide special education services as needed. The Memorandum of Agreement was designed to mandate a high level of training for all youth corrections officers and their supervisors, while protecting high-risk youth from self-inflicted harm or harm from others.

While the Committee recognizes the progress cited in the Department of Justice's report dated November 15, 2006, there are still concerns with the Hawaii Youth Correctional Facility's inability to hire and retain qualified employees and utilize the already extensive funding approved last legislative session. Your Committee on Conference is therefore providing the Hawaii Youth Correctional Facility with \$229,100 in additional general funds for essential training, as well as contracts to help alleviate abusive employee sick leave practices, and requiring that a progress report be submitted prior to the next legislative session. It is our hope that the Office of Youth Services will continue in the positive direction they have taken and make great strides toward their improvement goals for the Hawaii Youth Correctional Facility.

During the 2006 session, the Legislature approved a request for \$1,300,000 for the Safe House Program on the island of Hawaii. This program offers the courts an alternative for youth in need of residential placement that is more structured than a traditional group home but less severe than incarceration at the Hawaii Youth Correctional Facility. Your Committee on Conference has learned that the most urgent need for an additional Safehouse is on Maui. Maui judges send the largest number of minor offenders to the Hawaii Youth Correctional Facility due to the lack of an alternative residential program. Therefore, your Committee on Conference is providing an additional \$900,000 in fiscal year 2007-2008 and \$700,000 in fiscal year 2008-2009 to fund a Safehouse on Maui that is projected to provide fourteen co-ed beds for troubled youth.

This program was funded for the past two years with the understanding that federal funding would become available. Your Committee on Conference has learned that difficulties with Family Court approvals have hindered the process. Your Committee on Conference encourages the Department of Human Services to work diligently with the courts to overcome these barriers so that in the near future this very valuable program can receive the Title IV-E federal funding which will enable further expansion.

An improved economy, successful work placement strategies, and the federal time limit for benefits have reduced the number of Hawaii families who rely on Temporary Assistance to Needy Families cash benefits. Under federal rules, Temporary Assistance to Needy Families funds may also be used for programs and services to strengthen families and youth who are at risk. Your Committee on Conference provided \$4,536,713 for fiscal year 2007-2008 for various purchase of service contracts that will strengthen families, teach life skills, and improve the employability of low income families throughout Hawaii. Your Committee on Conference expects that the Department will ensure that these services reach the families that so desperately need assistance.

Sex Abuse and Domestic Violence

Unfortunately, violence within families still exists in the State. Your Committee on Conference recognizes that sexual violence, domestic abuse, and related concerns are not only law enforcement issues but also social issues that must be addressed in multiple ways. To this end, your Committee on Conference provided \$1,076,217 in general funds for fiscal years 2007-2008 and 2008-2009 for the Statewide Sexual Violence Services program through the Department of the Attorney General.

Your Committee on Conference also provided a much needed increase in funding for domestic violence shelters throughout the State by authorizing an additional \$762,500, statewide, for each year of the biennium.

• East Hawaii	\$315,936
• Kauai	\$405,385
• Maui	\$411,538
• Molokai	\$250,475
• Leeward Oahu and Honolulu	\$733,514
• Windward Oahu	\$431,487
• West Hawaii	\$322,833

Your Committee on Conference believes that the additional funding for domestic violence shelters and sex assault services is necessary to assist victims of such abuse, whether adults or children. Your Committee on Conference notes that funds for legal support services, as well as intrafamilial sex abuse and domestic violence services, are contained in the Judiciary budget.

Education

For both higher and lower education combined, this measure provides an additional \$212,057,676 for fiscal year 2007-2008 and \$285,058,441 for fiscal year 2008-2009 in new general fund appropriations.

Lower Education

With the proper education, Hawaii's students can actively participate in shaping the world they will live in, become the skilled workforce desired by employers, and enable Hawaii to attract new businesses and industries that offer living wage jobs. Education is the key to creating and sustaining a healthy and diversified economy.

To assist Hawaii's children in unlocking their potential, your Committee on Conference continues to make public lower and higher education its top priority. Providing the necessary programs, equipment, materials, and technology for Hawaii's children will support our children's ability to participate and compete in the global economy. Toward this end, your Committee on Conference has reaffirmed its continued support for Hawaii's public schools by providing for the critical needs to improve student achievement, as determined by the priorities of the Board of Education and the Department of Education.

Your Committee on Conference has provided for the Department of Education's highest priority items, including several items that were not included by the Governor in the December submittal, although they were approved by the Board of Education. Your Committee on Conference is providing for the following programs and materials necessary to support our children:

- \$20,105,474 to continue Weighted Student Formula funding under Act 160, Session Laws of Hawaii 2006;
- \$10,000,000 in federal funds for impact aid;
- \$8,748,056 in fiscal year 2007-2008 and \$7,270,623 in fiscal year 2008-2009 to meet the requirements of the No Child Left Behind initiative and for English for Second Language Learners proficiency testing;
- \$4,287,401 for special education teachers and educational assistants for current Individualized Education Plan requirements;
- \$2,940,950 in fiscal year 2007-2008 and \$2,577,132 in fiscal year 2008-2009 for instructional equipment and furnishings for schools;
- \$1,000,000 for the Early Education Task Force for schools;
- \$1,100,000 to continue the Superintendent's fund to support the Weighted Student Formula implementation;
- \$1,162,565 in fiscal year 2007-2008 and \$1,521,007 in fiscal year 2008-2009 for energy efficiency projects for public libraries;
- \$1,000,000 for books and library materials for public libraries;
- \$800,000 for the continuation of funding for substitute teacher compensation;

- \$250,000 for a recruitment and retention support center for schools;
- \$79,891 for agricultural programs in schools;
- \$427,308 for educational interpretation for mainstream hearing-impaired students and \$38,610 for equipment and furnishings;
- \$400,000 in general funds in both fiscal years and \$596,801 for fiscal year 2007-2008 and \$1,096,801 for fiscal year 2008-2009 in special funds for non-school hour programs at schools;
- \$328,508 in fiscal year 2007-2008 and \$835,436 in fiscal year 2008-2009 for athletic health care trainers and supplies for school athletic programs;
- \$175,000 for PSAT testing for schools; and
- \$5,636,680 for the transfer of two hundred fifty-eight permanent and 17.8 temporary school health aid positions from the Department of Health to comply with the requirements of Act 51, Session Laws of Hawaii 2004, as amended by Act 225, Session Laws of Hawaii 2006.

Your Committee on Conference provided for increased funding for technology and accountability through the following appropriations for equipment, positions, infrastructure, and programs:

- \$3,571,956 in fiscal year 2007-2008 and \$2,782,414 in fiscal year 2008-2009 for information technology improvements, including an Electronic Comprehensive Student Support System, an Electronic Student Information System, and a Wide Area Network upgrade; and
- \$3,073,932 in fiscal year 2007-2008 and \$2,792,932 in fiscal year 2008-2009 for investments to improve fiscal accountability, including providing fifteen complex area business managers and three accountants, creating a new facilities asset management plan to support renovations and maintenance of public schools, and redeveloping a new financial management system that will integrate the existing financial and human resource systems.

Your Committee on Conference provided relief for the increasing cost of maintaining facilities and services by providing the following additions to the Department of Education budget:

- \$12,358,139 in fiscal year 2007-2008 and \$13,118,345 in fiscal year 2008-2009 for school food services;
- \$1,365,962 in fiscal year 2007-2008 and \$3,182,543 in fiscal year 2008-2009 for essential utility services;
- \$9,991,030 in fiscal year 2007-2008 and \$14,029,731 in fiscal year 2008-2009 for increasing school bus transportation contracted costs; and
- \$1,278,000 for increases in property insurance.

Your Committee on Conference believes that these appropriations will provide Hawaii's public school students with the resources needed to support increased student achievement.

Higher Education

An economy based on knowledge, ideas, and risk-taking is the reality our State must embrace, and the University of Hawaii, system-wide, is critical to achieving this reality. New technologies and new industries are just two of the opportunities available to a skilled and literate workforce. College graduates are likely to change jobs several times over a lifetime of work, and to get ahead, incumbent workers will learn new skills and gain additional knowledge at the University of Hawaii.

The University of Hawaii Board of Regents approved a detailed biennial operating budget request of \$67,950,071 in fiscal year 2007-2008 and \$116,644,851 in fiscal year 2008-2009 which included the creation of positions vital to the expansion of programs such as Workforce Training and Development (i.e. nursing, construction, teaching, and social work), Economic Diversification Initiatives, Native Hawaiian Studies, Student Services Enhancement and Expansion, and Distance Learning Initiatives. For these initiatives, the Governor requested \$46,702,713 in fiscal year 2007-2008 and \$83,880,216 in fiscal year 2008-2009 in a scaled down University of Hawaii budget. Your Committee on Conference has provided the University of Hawaii with \$62,297,570 in fiscal year 2007-2008 and \$101,811,884 in fiscal year 2008-2009 for programs including:

- Restoring \$250,000 in each year of the biennium to support Western Interstate Commission for Higher Education programs for students interested in the fields of veterinary medicine, dentistry, optometry, and occupational and physical therapy that currently are not offered at the University of Hawaii;
- Addressing the growing shortage of nurses with appropriations of \$1,322,270 in fiscal year 2007-2008 and \$2,568,276 in fiscal year 2008-2009 for Statewide Nursing Workforce Development at the community colleges, University of Hawaii-Hilo, and University of Hawaii-Manoa and funds for staffing and operational support, including \$400,000 for the Quentin Burdick Rural Health Professions program;
- \$3,634,725 in fiscal year 2007-2008 and \$3,953,817 in fiscal year 2008-2009 in general funds to support further expansion of the John A. Burns School of Medicine to address the shortage of medical specialists and fulfill its potential to become a world-class leader in health, biomedical, and biotechnology research, training, and teaching;
- \$834,084 in general funds and \$1,710,000 in special funds in fiscal year 2007-2008 and \$750,000 in general funds and \$3,454,903 in special funds in fiscal year 2008-2009 for the establishment of a College of Pharmacy for the University of Hawaii Hilo campus;
- \$800,000 in general funds and \$400,000 from the research and training revolving fund in each fiscal year for support of AIDS research to assist Asian-Pacific Islanders; and
- \$11,000,000 in each fiscal year in special funds to establish the Cancer Research Special Fund created by Act 316, Session Laws of Hawaii 2006.

Your Committee on Conference remains committed to the vision of creating a world-class institution of higher learning and provided approximately \$26,170,000 in fiscal year 2007-2008 and \$38,570,000 in fiscal year 2008-2009 in continued support of University of Hawaii programs, workforce, curriculum, and student educational development, including approximately \$5,193,925 in fiscal year 2007-2008 and \$9,967,997 in fiscal year 2008-2009 for the University of Hawaii-Hilo and \$8,218,973 in fiscal year 2007-2008 and \$16,665,608 in fiscal year 2008-2009 for community college programs and \$1,767,288 in fiscal year 2007-2008 and \$2,905,350 in fiscal year 2008-2009 for staffing development and the expansion of programs and curriculum for the long-anticipated West O'ahu campus in Kapolei.

Your Committee on Conference finds that the economic capital of the State can be expanded only if there exists a solid foundation upon which to build. Thus, your Committee on Conference provided \$1,500,000 in fiscal year 2007-2008 and \$2,000,000 in fiscal year 2008-2009 for the "B Plus" state scholarship program and \$510,000 in fiscal year 2007-2008 and \$605,000 in fiscal year 2008-2009 for the Graduate Professional Access and Health Careers Opportunity Programs. Your Committee on Conference believes that funding these programs is necessary to foster student interest in post-secondary education and provide the means for additional students to pursue their own career paths, thus adding to our State's economic well-being.

Another area of concern for the University is the sharp increase in fuel, utilities, and other costs related to energy consumption. The University is one of the highest single consumers of these resources and has had to explore options to fund its energy cost shortfalls. The new tuition schedule approved by the Board of Regents in September 2006 will positively and significantly impact the revenues of the system. Additionally, a sizable portion of its projected tuition revenues are earmarked for utilities. Your Committee on Conference commends the University for taking this proactive step in providing for its own energy consumption. Thus, your Committee on Conference provided \$15,150,000 in fiscal year 2007-2008 and \$35,950,000 in fiscal year 2008-2009 in special funds to enable the University of Hawaii at Manoa to address these expected shortfalls in operating and utility costs, as well as to fund faculty, staffing, and student employee costs, collective bargaining costs, and routine facility maintenance costs campus-wide. Your Committee on Conference remains confident that the tuition fee schedule adjustment proposed by the University will provide the needed additional funds despite an anticipated drop in attendance due to the increase in tuition.

Your Committee on Conference is steadfast in its belief that higher education is the foundation of the future economic growth and stability of the State. Your Committee on Conference provided a budget for the University that addresses increases in utilities and employee compensation, medical and scientific research, workforce shortages, critical program shortfalls in student development and growth, Native Hawaiian studies and program development, current and planned expansion of the University statewide, and supporting diversity and lifestyle initiatives to provide the best opportunities for the students, faculty, and employees of the University – present and future.

Environment

Land and Natural Resources

Much of what makes Hawai'i a great place to live or to visit is its natural resources. Preserving, protecting, and providing for our islands' resources for the future and present benefit is of utmost importance. Hawai'i is a prime visitor destination for world leaders, businesspeople, and families, as well as a prime location for movie producers and film crews. Families statewide can continue to enjoy our island lifestyle through the protection of our natural environment. For residents and visitors alike, your Committee on Conference has provided support to:

- Combat invasive species, including the coqui frog, by providing an additional \$1,000,000 in general funds and special funds for both fiscal years 2007-2008 and 2008-2009, for the Hawaii and county invasive species councils;
- Enhance the State Parks Interpretive program by appropriating approximately \$485,000 in special funds for visitor education, tours, and trails assistance;
- Expand conservation and resource enforcement with fifteen additional personnel and equipment, by appropriating \$1,894,169 in fiscal year 2007-2008 and with twenty-five positions and \$1,969,240 in fiscal year 2008-2009;
- Encourage prevention of wildfires by creating a full-time Firewise Communities program coordinator for community outreach and education and providing additional ongoing state support of interdepartmental firefighting efforts with overtime pay, replenishment of outdated equipment, vehicles, and communications and life-saving apparatus by appropriating approximately \$330,000 in fiscal year 2007-2008 and \$340,000 in fiscal year 2008-2009; and
- Assist in reforestation, land and road restoration, and hazard control efforts for the over two thousand three hundred acres of public forest lands in the Kula Forest Reserve, Upper Waiohuli, Maui destroyed in the January 2007 wildfire by appropriating \$3,115,000 in special funds over the biennium for these purposes.

To protect wildlife and ensure the safety of residents and homes, your Committee on Conference has also appropriated \$500,000 in general funds for fiscal year 2007-2008 and \$420,000 for fiscal year 2008-2009 for Kawai Nui Marsh, which is an important wetland habitat for endemic and endangered native Hawaiian birds as well as a significant flood control reservoir.

To support the safe enjoyment of our natural resources, your Committee on Conference has also provided \$606,534 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009 for lifeguard services, and \$312,921 in special funds for lifeguard equipment costs in fiscal year 2007-2008 at Makena beach on Maui and Ke'e beach on Kaua'i.

Agriculture

Invasive pests threaten not only Hawai'i's native plants and wildlife, but agricultural crops and livestock as well. Hawai'i's agricultural industry contributes to our economy and remains an integral part of our State's character. With the continual threat of invasive pests that can damage our local consumption and export industry, the control and eradication of such pests is essential. Your Committee on Conference has therefore provided:

- \$196,014 for fiscal year 2007-2008 and \$236,352 for fiscal year 2008-2009 in general funds for five permanent positions to meet state mandates for bio-control research of natural enemies of invasive species;
- \$179,240 for fiscal year 2007-2008 and fiscal year 2008-2009 in general funds to continue the brown tree snake prevention program to defend against a threat that could potentially cost the State \$485,000,000 annually;
- \$500,000 in interdepartmental transfer funds for the Invicta manifest system to help efficiently allocate the Department of Agriculture's resources; and
- \$220,192 in federal funds for fiscal year 2007-2008 and fiscal year 2008-2009 for three temporary positions to assist the Plant, Pest, and Disease Control Division.

Your Committee on Conference finds that the *Varroa destructor* is a mite that feeds off of honeybees and is spread to other bees through direct contact. These parasites have destroyed more than half of some beekeepers' hives in the continental United States, and have essentially wiped out all wild honeybees there. The mite was discovered in Makiki in early April and has since been confirmed in hives around the island of Oahu. The local beekeeping industry is particularly concerned that the mite has the potential to devastate the burgeoning commercial queen bee export industry on the Big Island.

Your Conference Committee is gravely concerned with the mite's impact on our local beekeepers and has appropriated \$650,000 for fiscal year 2007-2008 to study the level of mite infestation in the State and to work toward controlling this latest invasive species.

Business, Economic Development and Tourism

Your Committee on Conference has remained steadfast in its support of Hawaii's existing business and economic engines. Specifically, in recognition of the importance of tourism to the State's economy, your Committee on Conference provided \$14,595,156 in special funds for fiscal year 2007-2008 and fiscal year 2008-2009 for the Hawaii Tourism Authority in support of our State's efforts to preserve Hawaii's ranking as a pre-eminent visitor destination.

With respect to energy, your Committee on Conference finds that sustainable communities in Hawaii's future must attain greater energy efficiencies and reductions in our reliance on fossil fuels. Your Committee on Conference provided two temporary positions and \$130,000 in general funds and \$500,000 in federal funds for fiscal year 2007-2008 and fiscal year 2008-2009 to implement the energy efficiency and renewable energy programs in the State. Additionally, recognizing the importance of the Hawai'i

Renewable Hydrogen Program, your Committee on Conference provided \$4,742,500 in special funds for fiscal year 2007-2008 and \$2,609,375 for fiscal year 2008-2009 for venture capital investments in private sector and federal projects that support this initiative.

Defense

Your Committee on Conference provided the necessary support to the Department of Defense to carry out its mission to ensure the safety of the public and to ensure that recovery efforts following the occurrence of natural or man made disasters are expeditiously executed. Your Committee on Conference approved:

- \$1,136,202 for fiscal year 2007-2008 and for fiscal year 2008-2009 as a reserve for public assistance and damage recovery in case of a disaster;
- \$111,483 for fiscal year 2007-2008 and \$148,645 for fiscal year 2008-2009 to provide a core disaster recovery staff;
- \$191,129 for fiscal year 2007-2008 and \$234,335 for fiscal year 2008-2009 to install and maintain a state siren warning system;
- \$1,836,611 for fiscal year 2007-2008 and \$1,896,753 for fiscal year 2008-2009 for the Hawaii National Guard Environmental Office; and
- \$25,000 for both fiscal years of the biennium to provide an additional subsidy to the Civil Air Patrol;

The efforts extended by our armed forces are greatly appreciated by the State. Your Committee on Conference provided the following program support for our armed forces veterans:

- \$37,500 for a quarterly veterans' benefit and entitlement newsletter;
- \$33,230 for a Clerk Typist I to assist in clearing the backlog of unprocessed discharge documents;
- \$8,000 for travel expenses for an Office of Veterans' Services Counselor; and
- \$144,180 for fiscal year 2007-2008 and \$152,192 for fiscal year 2008-2009 for maintenance of veterans' cemeteries.

Public Safety

Your Committee on Conference notes that Hawaii continues to struggle with the persistent growth of the inmate population and a high rate of recidivism among convicted offenders. The traditional solution to prison overcrowding is to add prison beds by building new facilities or expanding others. With the unlikelihood of any new facilities being built in the near future, your Committee on Conference, working closely with your Committee on Public Safety, recognizes the need for interim measures.

The primary strategy used by this Administration to reduce overcrowding has been to transfer inmates out of State. However, with a total of over 2,112 inmates (1,939 males and 173 females) housed in out of state facilities, and the escalating costs associated with those inmates, your Committee on Conference finds it necessary to support programs that reduce recidivism, upgrade the physical condition of existing facilities, and develop a transitional housing and release program to keep released inmates from returning to prison.

As previously mentioned, your Committee on Conference supports programs that assist in developing practical skills for inmates so that, upon release, their chances of obtaining gainful employment and becoming productive citizens increase and the propensity for recidivism decreases. Your Committee on Conference notes that important initiatives for community reintegration programs are contained in other legislative proposals. Your Committee on Conference provided for the following correction programs in the hopes of decreasing inmate recidivism:

- \$7,335,451 in revolving funds for fiscal year 2007-2008 and fiscal year 2008-2009 for the Correctional Industries program to provide inmates with experience in working in various trades and to increase their ability to become productive citizens upon release from prison;
- Three positions and \$408,552 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009 to continue traditional substance abuse services for inmates participating in Project Bridge programs;
- \$150,000 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009 for inmate transition and job development programs;
- Four positions and \$143,472 in general funds for fiscal year 2007-2008 and four positions and \$168,576 in general funds for fiscal year 2008-2009 for re-entry case workers to ensure that offenders will have housing and employment upon release from prison;
- \$50,000 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009 for an intensive re-entry program that will serve women offenders within one year to six months of their release from prison to provide them with life skills training;
- \$98,700 in general funds for fiscal year 2007-2008 and \$75,000 in general funds in fiscal year 2008-2009 to establish a culinary arts training program and to fund a landscape training program at the Women's Community Correctional Center; and
- \$50,000 in general funds for fiscal year 2007-2008 and \$26,000 in general funds for fiscal year 2008-2009 to support a vocational program offered by the mason's union to train inmates to become masons.

Looking to the future, your Committee on Conference has appropriated \$5,000,000 for the planning and design of one or more new correctional facilities on the island of Hawaii to provide no fewer than five hundred beds and appropriate space for drug treatment and other rehabilitative programs. It is hoped that the Administration will recognize the value of this appropriation as each passing day delays the availability of modern and efficient correctional facilities in the State.

Your Committee on Conference notes that there is a growing personnel vacancy problem in the Department of Public Safety. In testimony before the Senate Committee on Ways and Means on January 9, 2007, the Department noted that there were close to three hundred vacant positions, totaling over \$11,000,000 in general fund costs alone. Some of these vacancies date back to 1989. Your Committee on Conference is certain that a portion of the \$11,000,000 in vacancies is being used for purposes other than filling positions (as evidenced by the vintage of some of the vacancies). Therefore, your Committee on Conference eliminated eighteen positions and \$665,160 in general funds for positions that have been vacant for three years or longer. Your Committee on Conference believes that it is in the best interest of the Department to prepare a plan to address the vacancy problem before future vacant positions and funds are removed – potentially impacting items being funded with vacancy savings.

Other Department Highlights

To expand and update the State Institutional Network, your Committee on Conference provided \$2,400,000 for fiscal year 2007-2008. Your Committee on Conference recognizes the critical importance of the network and the numerous departments that utilize its various telecommunication services.

To help expedite the speed of businesses and professionals to obtain their professional and vocational licensing, your Committee on Conference has provided \$258,000 for fiscal year 2007-2008 for a records scanning project that will move all hard documents into electronic format. With the move away from paper records, the professional and vocational licensing process will become that much more efficient.

Pursuant to Act 143, Session Laws of Hawaii 2006, the Public Utilities Commission reported to the Legislature during the 2007 session on the findings from the organizational review of its operations. Upon recommendation from your Committee on Commerce, Consumer Protection, and Affordable Housing to implement the first phase of the proposed Public Utilities Commission reorganization, your Committee on Conference provided seven positions and \$495,790 in special funds for fiscal year 2008-2009 to implement the restructuring. In addition, your Committee on Conference approved \$609,710 in special funds for fiscal year 2008-2009 to relocate the Commission to new offices.

The Public Utilities Commission also requested permanent staff and funding for the Petroleum Industry Monitoring program it inherited from the Department of Business, Economic Development and Tourism under Act 78, Session Laws of Hawaii 2006. Your Committee on Conference provided three positions and \$213,595 in special funds for both years of the biennium.

GOVERNMENT ACCOUNTING AND STANDARDS BOARD – STATEMENT 45

The Government Accounting and Standards Board, was organized in 1984 to establish standards of financial accounting and reporting for state and local governmental entities. These standards guide the preparation of external financial reports of those entities.

In April 2004, the Government Accounting and Standards Board issued its Statement No. 45, which established standards for measuring and recognizing other postemployment benefits that primarily consist of retiree healthcare services. Because many government agencies cover healthcare costs on a pay-as-you-go basis, a large unfunded liability has developed. Recently, consultants reported that Hawaii's liability is approximately \$11,100,000,000. To put this amount in perspective, this is over twice as large as the State's annual general fund budget.

Not addressing this liability may have an impact on the State's bond rating, which would have a long-term effect on the State's ability to issue debt, as well as impact the amount that it pays for its debt. In one scenario proposed by the State's consultant, Hawaii would pay an additional \$340 million per year for its healthcare payments, an amount larger than the total annual budgets of the Department of Land and Natural Resources and the Department of Business, Economic Development, and Tourism combined.

This is a critical problem with which government will soon have to deal. Your Committee on Conference would be remiss if it did not mention the substantial liability that will affect all government entities in the near future. Your Conference Committee has great concerns and would like to see all stakeholders – the Governor, the mayors, and state and county legislators – come together to determine the best way to address this liability.

CAPITAL IMPROVEMENT PROGRAM HIGHLIGHTS

Investing in our educational system's infrastructure is a top priority of your Committee on Conference, and as such, the Capital Improvement Program budget devotes significant resources toward enhancing and expanding public school and University of Hawaii facilities. Your Committee on Conference provided a total of \$411,231,000 and \$340,150,000, in capital improvements, by all means of financing, for the Department of Education and the University of Hawaii, respectively. The following are a few highlights:

Department of Education (by all means of financing)

- \$155,923,000 for Department of Education statewide support, including the following lump sum items:
 - \$75,000,000 for school building improvements;
 - \$25,000,000 for electrical system improvements;
 - \$9,000,000 for compliance with the Americans with Disabilities Act;
 - \$8,000,000 for noise and heat abatement;
 - \$5,000,000 for compliance with the Clean Water Act;
- \$67,683,000 for Ewa Makai Middle School;
- \$41,377,000 for Wailuku II Elementary School; and
- \$20,000,000 for Kihei High School.

University of Hawaii (by all means of financing):

- \$135,000,000 for the University of Hawaii-West Oahu;
- \$32,067,000 for capital renewal and deferred maintenance;
- \$17,933,000 for health, safety, and various code requirements;
- \$6,837,000 for temporary facilities for nursing programs at community colleges statewide; and
- \$41,579,000 for the new Windward Community College Library and Learning Resources Center.

Other Highlights (by all means of financing)

- \$55,666,000 for various improvements to small boat harbors statewide;
- \$30,780,000 for dam and reservoir safety improvements statewide;
- \$25,000,000 for renovations, repair and maintenance, and elevator improvements for public housing projects statewide;
- \$20,950,000 for various improvements to state parks statewide;

- \$20,000,000 for Hawaii Health Systems Corporation health and safety projects system wide;
- \$19,000,000 for energy conservation improvements in state buildings; and
- \$12,092,000 for repairs and improvements to existing Department of Public Safety facilities.

Conclusion

With relatively modest revenue projections for Hawaii and the nation, as well as the troubling specter of inflation, your Committee on Conference has appropriated resources that reflect prudence and provide for sustainability. Your Committee on Conference will not soon forget the fiscal crises of the past, but looks to the future with cautious optimism, knowing the resources provided in this budget will address the urgent infrastructure and service needs of the State and provide for the strengthening of our families and communities, thus positioning Hawaii for success in the global economy and the sustaining of Hawaii as a great place to not only visit, but to *live*.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 500, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 500, H.D. 1, S.D. 1, C.D. 1.

Representatives M. Oshiro, Belatti, Brower, Carroll, Chong, Hanohano, Har, Lee, Magaoay, Manahan, Mizuno, Nakasone, Rhoads, Sagum, Tokioka, Awana, Meyer and Ward, Managers on the part of the House. (Representative Carroll was excused.)
Senators Baker, Chun Oakland, English, Fukunaga, Hooser, Kim, Menor, Tokuda, Tsutsui, Hemmings and Whalen, Managers on the part of the Senate. (Senators English and Menor were excused.)

Conf. Com. Rep. 94 on H.B. No. 1212

Your Committee on Conference provided an additional \$13,160,304 in general funds and \$796,705 in special funds for fiscal year 2007-2008 and an additional \$10,255,303 in general funds and \$204,067 in special funds for fiscal year 2008-2009, increasing the Judiciary's total budget for fiscal years 2007-2008 and 2008-2009 to \$149,488,167 and \$145,990,528, respectively.

Your Committee on Conference recognizes that the Judiciary is experiencing an increase in demand for its services resulting in dwindling resources. Your Committee on Conference addressed this situation by providing funding to improve the efficiency and productivity of existing programs and services and provide additional staffing and resources to ensure that the Judiciary is able to maintain its level of service as demand rises. Your Committee on Conference provided:

- (1) \$2,181,648 in general funds and special funds for fiscal year 2007-2008 and \$277,344 in general funds and special funds for fiscal year 2008-2009 for technology related items; and
- (2) \$1,291,439 and \$1,408,372 in general funds and special funds for fiscal year 2007-2008 and fiscal year 2008-2009, respectively, for the Hilo Courthouse.

Your Committee on Conference also supports the Judiciary's efforts to improve access to its services to better meet the needs of Hawaii's underserved populations. In this regard, your Committee on Conference provided the following:

- (1) \$268,198 in additional general funds for fiscal year 2007-2008 and fiscal year 2008-2009 for domestic violence services;
- (2) \$75,000 for the Hawaii Family Law Clinic;
- (3) \$200,000 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009 for intrafamilial sex abuse treatment services for child victims;
- (4) \$395,852 and \$439,706 in general funds and special funds for fiscal year 2007-2008 and fiscal year 2008-2009, respectively, for Girls Court;
- (5) \$70,816 in general funds and special funds and \$84,288 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009, respectively, for the Children's Justice Center; and
- (6) \$100,000 in general funds for fiscal year 2007-2008 and fiscal year 2008-2009, respectively, for the Office of Equality and Access to the Courts to address increased interpreter fees.

In addition to the resources provided for the Judiciary's operating requirements, your Committee on Conference appropriated \$27,750,000 in general obligation bonds for each fiscal year for various renovations, repairs, and improvements to Judiciary facilities statewide. This amount includes \$25,200,000 to finally complete construction of the Kapolei Judiciary Complex.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1212, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1212, H.D. 2, S.D. 2, C.D. 1.

Representatives Waters, M. Oshiro and Ward, Managers on the part of the House.
Senators Hee, Baker, Kokubun, Tsutsui and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 95 on H.B. No. 1200

The purpose of this measure is to appropriate funds for the operating and capital improvement expenses of the Office of Hawaiian Affairs for the fiscal biennium July 1, 2007, through June 30, 2009.

The budget for the Office of Hawaiian Affairs has remained relatively stable over the past several years, and this measure maintains that stability. In addition to several small housekeeping transfers within its budget, the Office of Hawaiian Affairs has also requested additional funding for two programs—the Multi Service Project for Alu Like, Inc., and Na Pua No'eau.

Additional funding for these programs will enable the Office of Hawaiian Affairs to provide additional services to its target population. Specifically, Alu Like, Inc., provides essential social services, community economic development, business assistance, employment preparation, training, library services, and educational and childcare services. Also, the Na Pua No'eau program nurtures leadership qualities in native Hawaiian children and offers educational programs that better prepare Hawaiian youth for the future.

Your Committee on Conference has provided full funding for all of the Office of Hawaiian Affairs' operating-budget initiatives.

The Office of Hawaiian Affairs requested that the \$56,040,000 needed to construct a new office building and cultural center in Kakaako be shared between the Office of Hawaiian Affairs and the State—with fifty per cent coming from its trust funds and the other fifty per cent from general obligation bond funds. Your Committee on Conference supports the development of an office building for the Office of Hawaiian Affairs and a cultural center to showcase and perpetuate the Hawaiian culture. However, the Office of Hawaiian Affairs has over \$400,000,000 in trust funds at its disposal and receives annual payments from the State of at least \$15,000,000. Accordingly, your Committee on Conference has funded the project completely through the use of the Office of Hawaiian Affairs' trust funds.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1200, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1200, H.D. 1, S.D. 2, C.D. 1.

Representatives Ito, M. Oshiro and Awana, Managers on the part of the House.

Senators Kokubun, Baker, English, Hee, Tsutsui and Slom, Managers on the part of the Senate. (Senators English and Slom were excused.)

Conf. Com. Rep. 96 on H.B. No. 928

The purpose of this bill is to:

- (1) Increase low- and moderate-income families' homeownership by exempting family self-sufficiency escrow accounts from the asset test for public assistance;
- (2) Appropriate funds for programs and services providing homeownership assistance; and
- (2) Increase state supplemental payments for certain domiciliary care and require a portion of the payment to be retained by the recipient for personal use.

Your Committee on Conference has amended this bill by:

- (1) Inserting an appropriation amount of \$500,000 for each year of fiscal biennium 2007-2009 for programs and services providing homeownership assistance;
- (2) Changing the effective date to July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 928, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 928, H.D. 1, S.D. 2, C.D. 1.

Representatives Shimabukuro, Rhoads and Awana, Managers on the part of the House.

Senators Chun Oakland, Tsutsui, Hooser and Hemmings, Managers on the part of the Senate. (Senator Hemmings was excused.)

Conf. Com. Rep. 97 on H.B. No. 1899

The purpose of this bill is to ensure the conservation of Kawai Nui Marsh, one of our state's largest and most important remaining wetlands, by:

- (1) Transferring ownership of lot 3 of Kawai Nui Marsh from the City & County of Honolulu (C&C of Honolulu) to the State to take advantage of federal funds, by September 1, 2007; and
- (2) Appropriating funds for the Department of Land and Natural Resources (DLNR) to:
 - (A) Maintain the Kawai Nui Marsh or contract with the C&C of Honolulu or any other public or private entity to maintain the Kawai Nui Marsh; and
 - (B) Conduct or contract for educational, ecological, cultural, and environmental services for Kawai Nui Marsh and its adjoining state-owned areas.

Your Committee on Conference has amended this bill by:

- (1) Deleting the appropriations for DLNR to maintain Kawai Nui Marsh or contract with the C&C of Honolulu to maintain Kawai Nui Marsh;
- (2) Deleting the appropriations to conduct or to contract for educational, ecological, cultural, and environmental services for Kawai Nui Marsh and its adjoining state-owned areas, as this appropriation has been addressed in the budget;
- (3) Changing the effective date to July 1, 2007; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1899, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1899, H.D. 2, S.D. 2, C.D. 1.

Representatives Ito, Chong and Thielen, Managers on the part of the House.

Senators Tokuda, Baker, Kokubun, Hee and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 98 on H.B. No. 869

The purpose of this bill is to reduce Hawaii's dependence on oil by appropriating funds to the University of Hawaii to conduct a study on energy-efficient transportation strategies in conjunction with the Department of Business, Economic Development, and Tourism.

Your Committee on Conference has amended this bill by:

- (1) Inserting the sum of \$50,000 for the study; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 869, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 869, H.D. 1, S.D. 2, C.D. 1.

Representatives Morita, Souki, Carroll and Thielen, Managers on the part of the House.
Senators English, Sakamoto, Menor, Baker and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 99 on H.B. No. 1614

The purpose of this bill is to support efforts to reduce and eliminate drug nuisances by appropriating funds for the enforcement and prosecution of drug nuisance abatement laws and to fund additional positions in the Drug Nuisance Abatement Unit of the Department of the Attorney General.

Your Committee on Conference amended the bill by:

- (1) Inserting an appropriation amount of \$150,000 for fiscal year 2007-2008 for additional positions for the Drug Nuisance Abatement Unit; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1614, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1614, H.D. 2, S.D. 2, C.D. 1.

Representatives Waters, Lee and Pine, Managers on the part of the House.
Senators Hee, Baker, Kokubun and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 100 on H.B. No. 1004

The purpose of this bill is to enhance protections for consumers by:

- (1) Requiring the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (Division) to restructure its operations pursuant to the Division's December 2006 report to the Legislature to improve its effectiveness and efficiency;
- (2) Appropriating funds to meet the costs incurred as a result of the restructuring process; and
- (3) Appropriating funds to the Office of the Auditor for research and support services necessary to protect Hawaii consumers by developing additional deterrents for identity theft.

Your Committee on Conference has amended this measure by:

- (1) Inserting the following appropriation amounts:
 - (A) \$168,000 for fiscal year 2007-2008 and the same sum for fiscal year 2008-2009 for additional positions in the Division;
 - (B) \$30,000 for fiscal year 2007-2008 and the same sum for fiscal year 2008-2009 to send professional staff of the Division to specialized training seminars; and
 - (C) \$100,000 for fiscal year 2007-2008 from the Compliance Resolution Fund for the Office of the Auditor to provide research and support services to develop deterrents for identity theft;
- (3) Giving business and government an additional year to comply with the social security number protection provisions of Act 137, Session Laws of Hawaii 2006, by extending the effective date of Act 137 to July 1, 2008; and
- (4) Changing the effective date to June 30, 2007, except for the appropriations in this bill, which are to take effect on July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1004, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1004, H.D. 2, S.D. 1, C.D. 1.

Representatives Herkes, Morita, Waters, Magaoay, Carroll and Marumoto, Managers on the part of the House.
Senators Taniguchi, Baker, Fukunaga and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 101 on S.B. No. 1853

The purpose of this measure is to preserve and sustain Native Hawaiian indigenous resources management practices by creating an 'Aha Moku Council System that will provide advisory assistance to the Department of Land and Natural Resources on all matters regarding the management of the State's natural resources.

Specifically, this measure adds a new chapter to title 12, Hawaii Revised Statutes, that:

- (1) Establishes an 'Aha Moku Commission to assist in the formation of regional 'Aha Moku Councils, which will serve in an advisory capacity on all matters regarding the management of the State's natural resources; and
- (2) Requires the Department of Land and Natural Resources to seek advisory assistance from the 'Aha Moku Councils in developing a comprehensive set of best practices for natural resources management.

Your Committee on Conference finds that developing an 'Aha Moku Council System that incorporates and represents all thirty-seven moku statewide will enable the development of a comprehensive set of best practices for natural resources management, which will reflect and sustain traditional Native Hawaiian practices. Your Committee on Conference emphasizes that the formation of an 'Aha Moku Council System will be an inclusive process and not limited to participation from Native Hawaiians.

Your Committee on Conference has amended this measure:

- (1) Deleting the new chapter added to title 12, Hawaii Revised Statutes, and replacing it with language that creates an 'Aha Kiolo Advisory Committee to:
 - (A) Explore, examine, and derive best practice models for the creation of an 'Aha Moku Council System and 'Aha Moku Council Commission;

- (B) Explore best practice models to establish an administrative structure, including member criteria and selection, for the creation of an 'Aha Moku Council Commission to oversee an 'Aha Moku Council System;
 - (C) Establish goals and objectives for an 'Aha Moku Council Commission and 'Aha Moku Councils to accomplish, including benchmarks for long-term planning;
 - (D) Establish a feasible operational budget for an 'Aha Moku Council Commission; and
 - (E) Submit written reports of its findings and recommendations, including any legislation, to the Legislature prior to the convening of the 2008 and 2009 Regular Sessions;
- (2) Deleting the blank appropriation amount and replacing it with an appropriation of \$110,000 for each year of the 2007-2009 fiscal biennium for the administrative costs of the 'Aha Kiole Advisory Committee and for allowing each of the thirty-seven moku statewide to participate in the discussion on the creation of an 'Aha Moku Council System;
 - (3) Changing the effective date of this measure from July 1, 2020, to effective upon approval and changing the effective date of the appropriation from July 1, 2020, to July 1, 2007; and
 - (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1853, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1853, S.D. 2, H.D. 2, C.D. 1.

Representatives Ito, Carroll, Chong, Hanohano and Awana, Managers on the part of the House.
Senators Kokubun, Baker, English, Hee and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 102 on S.B. No. 1382

The purpose of this bill is to appropriate funds for collective bargaining cost items for collective bargaining unit (2) and their excluded counterparts, including the cost of salary adjustments and contributions to the Hawaii employer-union health benefits trust fund.

Your Committee finds that the public employer has entered into agreements with the exclusive representative of bargaining units (2), (3), (4), (6), (8), and (13). The exclusive representative has notified the public employer that their membership has ratified the agreements, and in accordance with law, the public employer has submitted the cost items to the Legislature for appropriation within ten days of the ratification.

Your Committee has amended this measure as follows by:

- (1) Adding collective bargaining units (3), (4), (6), (8), and (13), and their excluded counterparts for funding under this measure;
- (2) Incorporating the funding figures agreed upon between the public employer and the exclusive representative of the bargaining units and the funding figures for their excluded counterparts; and
- (3) Providing a separate break out of funding for the Department of Education, including the public library system.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1382, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1382, S.D. 1, H.D. 1, C.D. 1.

Representatives Sonson, M. Oshiro and Meyer, Managers on the part of the House.
Senators Hee, Baker, Kokubun and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 103 on S.B. No. 1388

The purpose of this bill is to appropriate funds for all collective bargaining cost items for collective bargaining unit (9) and their excluded counterparts.

Your Committee finds that the decision of the arbitration panel appointed pursuant to law for collective bargaining unit (9) has been received by the Governor who, pursuant to section 89-11(g), Hawaii Revised Statutes, has transmitted, to the Legislature for appropriation, proposed legislation containing all items requiring moneys for implementation. Your Committee finds that this measure will fund the arbitration award for collective bargaining unit (9) for the upcoming fiscal biennium.

Your Committee has amended this measure as follows:

- (1) By incorporating the funding figures reached under the arbitration award; and
- (2) By providing a separate break out of funds for the Department of Education.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1388, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1388, S.D. 1, H.D. 1, C.D. 1.

Representatives Sonson, M. Oshiro and Meyer, Managers on the part of the House.
Senators Hee, Baker, Kokubun and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 104 on S.B. No. 1372

The purpose of this bill is to allow state departments and agencies, with the approval of the Department of Budget and Finance, to enter directly into financing agreements to finance the construction of facilities and to lease or purchase equipment.

Your Committee finds that allowing other departments and agencies to directly enter into financing agreements will effectively achieve a balance between increased government efficiency and continued oversight over the agreements by the Department of Budget and Finance.

Your Committee has amended this measure by making several technical amendments for the purposes of clarity and style and by changing the effective date from July 1, 2020, to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1372, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1372, S.D. 1, H.D. 1, C.D. 1.

Representatives M. Oshiro, Lee and Meyer, Managers on the part of the House.
Senators Baker, Tsutsui and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 105 on S.B. No. 990

The purpose of this measure is to increase the transparency of petroleum industry pricing by:

- (1) Requiring the Public Utilities Commission (PUC) to refer to the Attorney General for prosecution, deceptive, false, or misleading statements, and unlawful profiteering discovered in connection with PUC's regulation under chapter 486H, Hawaii Revised Statutes (HRS), Gasoline Dealers, or chapter 486J, HRS, the Petroleum Industry Information Reporting Act (Reporting Act);
- (2) Requiring the Department of Business, Economic Development, and Tourism (DBEDT) to use the information obtained under the Reporting Act to support the DBEDT Director's role as the State Energy Resources Coordinator and conduct strategic and systematic energy planning and emergency preparedness activities; and
- (3) Appropriating funds to allow the PUC to hire staff and administer the Reporting Act and DBEDT to fulfill its analysis and planning responsibilities as State Energy Resources Coordinator under the Reporting Act.

Your Committee on Conference finds that there is a need for more transparency in the petroleum industry and this measure seeks to address this issue by requiring the PUC to report petroleum industry profiteering or false or deceptive statements to the Attorney General, requiring DBEDT to use the information to conduct strategic and systematic energy planning and emergency preparedness activities, and allowing the PUC to examine and investigate distributors.

Your Committee on Conference has amended this measure by:

- (1) Removing section 1, the purpose section, of this measure;
- (2) With regard to the filing requirements of section 486J-3, HRS, removing the language allowing filing at other appropriate time intervals and on dates to be determined by the PUC;
- (3) Amending section 9 of the measure to require that the PUC publicly report information within fourteen days rather than thirty days and by removing the language giving the PUC the discretion to disclose the information as soon as practically and technically feasible;
- (4) Appropriating \$1,200,000 out of the general fund for fiscal year 2007-2008 to be deposited into the Petroleum Industry Monitoring, Analysis, and Reporting Special Fund;
- (5) Appropriating \$1,200,000 out of the Petroleum Industry Monitoring, Analysis, and Reporting Special Fund for fiscal year 2007-2008 to administer, implement, and maintain the Petroleum Industry Monitoring, Analysis, and Reporting Program; and
- (6) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 990, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 990, S.D. 2, H.D. 3, C.D. 1.

Representatives Morita, Herkes, Carroll, McKelvey and Thielen, Managers on the part of the House.
Senators Taniguchi, Tsutsui and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 106 on S.B. No. 1402

The purpose of this measure is to promote the installation of wind resistive devices for homes by appropriating funds out of the Loss Mitigation Grant Fund to be used for the purposes of the Loss Mitigation Grant Program.

The measure also makes the installation of residential safe rooms eligible for loss mitigation grant funds.

Your Committee on Conference finds that Act 5, Special Session, Session Laws of Hawaii 2005 (Act 5), appropriated \$2,000,000 for the Loss Mitigation Grant Program to provide grants for the installation of wind resistive devices for dwellings. The funds, however, have since lapsed due to the time consuming development of technical standards and program guidelines needed to administer the program.

This measure re-appropriates funds under Act 5 to allow the grants to be awarded as intended under the original Loss Mitigation Grant Program and for the installation of residential safe rooms.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$2,000,000 out of the Loss Mitigation Grant Program; and
- (2) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1402, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1402, S.D. 1, H.D. 1, C.D. 1.

Representatives Herkes, Lee, McKelvey and Marumoto, Managers on the part of the House.
Senators Taniguchi, Tsutsui and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 107 on S.B. No. 1946

The purpose of this measure is to increase the safety and effectiveness of dams and reservoirs and prevent future dam failures in the State.

Specifically, this measure:

- (1) Requires the owner or operator of each dam to hold a valid certificate of approval to impound water;
- (2) Allows authorized personnel of the Department of Land and Natural Resources (DLNR) to enter upon any property, public or private, at reasonable times, without notice, to investigate the condition or operation of any dam;
- (3) Makes it unlawful to refuse entry to any authorized personnel of DLNR to inspect a dam or reservoir;
- (4) Grants DLNR rights to injunctive relief to enforce the provisions of Chapter 179D, Hawaii Revised Statutes (Dam and Reservoir Safety Act (Act));
- (5) Allows DLNR, in cases of emergency, to employ immediate remedial measures, at the cost of the owner of a dam or reservoir, to protect life and property;
- (6) Establishes a Dam and Reservoir Safety Special Fund to implement the Act;
- (7) Allows liens to attach to the property of a dam or reservoir owner for the costs of any remedial measures taken by DLNR;
- (8) Requires dams and reservoirs completed prior to the effective date of this measure to apply for a certificate of approval to impound water;
- (9) Requires dams or reservoirs up to ninety per cent completed on the effective date of this measure to submit, for approval by DLNR, plans and specifications for any dam or reservoir construction, enlargement, repair, or removal, prior to commencing the work contemplated;
- (10) Permits a dam or reservoir owner to continue to impound water while in the process of applying for a certificate of approval to impound water, unless the Board of Land and Natural Resources (BLNR) determines that the dam or reservoir poses a danger to the health and safety of persons or property;
- (11) Requires DLNR to submit annual reports to the Governor and Legislature relating to the Act;
- (12) Requires dam and reservoirs owners regulated by the Act to, among other things:
 - (A) Maintain an operation and maintenance plan, including an inspection and monitoring program;
 - (B) Establish an emergency action plan for high and significant hazard potential dams and reservoirs;
 - (C) Facilitate access by any necessary state agency or representative to the dam, reservoir, or appurtenances; and
 - (D) Furnish, upon request, plans, specifications, operating and maintenance data, and other pertinent information;
- (13) Gives the State, BLNR, or DLNR immunity from actions for damages sustained by the failure of private dams or reservoirs regulated by the Act;
- (14) Allows BLNR to catalog and maintain an inventory of all regulated dams and reservoirs under the Act;
- (15) Establishes administrative penalties of up to \$25,000 per day for a first violation of the Act, or any rule, order, or condition adopted pursuant to the Act;
- (16) Makes it a class C felony and establishes monetary criminal fines of up to \$25,000 per day for a first violation, and up to \$50,000 per day for subsequent violations for any person who negligently or with notice, violates the Act, or any rule, order, or condition adopted pursuant to the Act;
- (17) Appropriates into and out of the Dam and Reservoir Safety Special Fund an unspecified amount; and
- (18) Makes other amendments to existing sections of the Act, for purposes of consistency with the new provisions of the Act.

Your Conference on Committee finds that in light of the Kaloko Reservoir Dam tragedy on March 14, 2006, amending chapter 179D, Hawaii Revised Statutes, will enable the State to increase the effectiveness of its dam safety program, by strengthening the monitoring and enforcement measures that provide dam and reservoir safety throughout the State and creating a Dam and Reservoir Safety Special Fund to carry out the purposes of the program.

Your Conference on Committee has amended this measure by:

- (1) Clarifying that the BLNR will have jurisdiction of all dams and reservoirs until the DLNR has completed its statewide inspections, the DLNR has established and implemented rules and criteria for a five year dams and reservoirs inspection and classification processes, and the BLNR declares which dams or reservoirs are to be removed from its jurisdiction;
- (2) Adding a definition for "Operator";
- (3) Deleting new language from section 179D-4, Hawaii Revised Statutes, that would provide that no action can be brought against the State, the Board, or the Department, or its employees for damages sustained through the partial or total failure of any private dam or reservoir addressed under chapter 179D, Hawaii Revised Statutes, or its maintenance or operation by reason of any supervision or other action taken or not taken pursuant to chapter 179D;
- (4) Inserting into the blank appropriation an amount of \$1,000,000, to be deposited into the Dam and Reservoir Safety Special Fund and expended by the DLNR to carry out the purposes of the special fund;
- (5) Changing the effective date of this measure from July 1, 2020 to effective upon approval and changing the effective dates for the appropriation deposited into and expended by the DLNR from the Dam and Reservoir Safety Special Fund from July 1, 2020 to July 1, 2007;
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1946, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1946, S.D. 2, H.D. 2, C.D. 1.

Representatives Ito, Waters, Sagum, Tokioka and Thielen, Managers on the part of the House.
Senators Kokubun, Baker, Hee, Hooser, Tokuda and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 108 on S.B. No. 896

The purpose of this measure is to:

- (1) Appropriate funds in FY 2007-2008 and FY 2008-2009 to the High Technology Development Corporation to negotiate a ten-year lease to house a technology incubator and innovation center in a life sciences research complex in Kakaako, and for planning, development, and operational costs of the center; and
- (2) Require an annual progress report to the Legislature beginning in 2008.

Your Committee on Conference has amended this measure by:

- (1) Changing the square footage in the lease agreement from ninety-nine thousand square feet to sixty-six thousand square feet;
- (2) Appropriating \$150,000 in fiscal year 2007-2008 and \$250,000 in fiscal year 2008-2009; and
- (3) Changing the effective date from July 1, 2020, to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 896, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 896, S.D. 1, H.D. 2, C.D. 1.

Representatives Yamashita, Ito, M. Oshiro and Ward, Managers on the part of the House.
Senators Fukunaga, Baker, Ige and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 109 on S.B. No. 880

The purpose of this measure is to:

- (1) Establish the museum of Hawaiian music and dance committee to determine the appropriate type of institution that should be established, its location, possible financing mechanisms, and to complete an initial business plan for the museum of Hawaiian music and dance; and
- (2) Appropriate funds to the Hawaii Tourism Authority to assist the committee.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$80,000 in fiscal year 2007-2008 and the same sum in fiscal year 2008-2009; and
- (2) Changing the effective date to make the bill effective upon approval, with section 4 to take effect July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 880, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 880, S.D. 2, H.D. 2, C.D. 1.

Representatives Yamane, Manahan and Ching, Managers on the part of the House.
Senators Fukunaga, Tsutsui and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 110 on S.B. No. 1228

The purpose of this measure is to:

- (1) Establish a process to determine the most appropriate means of memorializing the World War II Japanese internment camp experience in Hawaii; and
- (2) Appropriate funds to the Department of Land and Natural Resources for the purpose of this Act.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$50,000 for fiscal year 2007-2008; and
- (2) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1228, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1228, S.D. 1, H.D. 1, C.D. 1.

Representatives Yamane, Manahan and Ching, Managers on the part of the House.
Senators Fukunaga, Tsutsui, Espero and Trimble, Managers on the part of the Senate. (Senator Trimble was excused.)

Conf. Com. Rep. 111 on S.B. No. 1026

The purpose of this measure is to protect the environment through recycling by allowing sixty-eight-fluid-ounce beverage bottles to be recycled under Hawaii's Deposit Beverage Container Program.

Specifically, this measure:

- (1) Increases the volume limit of deposit beverage containers from sixty-four to sixty-eight fluid ounces;
- (2) Requires distributors to report container numbers sold and make fee payments on that basis;
- (3) Permits calculation of redemption value of refund for previously processed and baled containers; and
- (4) Phases in redemption of sixty-eight ounce containers.

Your Committee has amended this bill by:

- (1) Expanding and clarifying the purpose section to allow the Director of Health some discretion in temporarily suspending the deposit beverage container handling fee if it is determined that the deposit beverage container deposit special fund contains sufficient funds;
- (2) Removing the provision allowing consumers to request that the refund value be computed by container count only if the consumers is redeeming not more than fifty containers of each material type per visit;
- (3) Removing language requiring the use of steel or bi-metal cans or unique containers;
- (4) Changing the effective date of the measure to July 1, 2007; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1026, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1026, S.D. 2, H.D. 3, C.D. 1.

Representatives Morita, Yamashita, Chong, Carroll, Yamane and Ching, Managers on the part of the House.
Senators Menor, Baker, Hooser and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 112 on S.B. No. 1515

The purpose of this measure is to require any commercial harbor tenant or user to reimburse the Department of Transportation for the entire amount of a fine levied upon the department by reason of the tenant or user's violation of any federal, state, or county law or rule.

Your Committee on Conference finds that as the landowner of harbor facilities and lands, the Department of Transportation may be held liable by the federal government for the violation of federal environmental laws committed by harbor users or tenants. Your Committee also finds that the measure will allow for a full recovery of fines imposed on the Department of Transportation, as the landowner, for violations of federal and state air and water pollution laws committed by harbor users and tenants.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the language in the purpose section for purpose of style;
- (2) Making a conforming statutory amendment to section 266-25, Hawaii Revised Statutes, relating to penalties for violation of rules, for the purpose of reconciling a possible statutory conflict in interpretation; and
- (3) Changing the effective date from January 1, 2112, to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1515, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1515, S.D. 2, H.D. 2, C.D. 1.

Representatives Souki, B. Oshiro, M. Oshiro and Pine, Managers on the part of the House.
Senators English, Baker and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 113 on S.B. No. 1882

The purpose of this bill is to reduce the tax burden for lower income resident taxpayers by establishing a graduated food tax credit.

Your Committee has amended this bill by expanding the current low-income refundable tax credit and renaming it the refundable food/excise tax credit. The new credit will provide additional income brackets, raise the income cap to increase the number of people who qualify for the credit, and raise the amount of the tax credit for each bracket to provide tax relief to lower income families. The new brackets and credit amounts more accurately reflect current needs and incomes of those who are struggling to pay for necessities.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1882, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1882, S.D. 2, H.D. 1, C.D. 1.

Representatives M. Oshiro, Chong, Lee and Meyer, Managers on the part of the House.
Senators Fukunaga, Baker, Tsutsui and Trimble, Managers on the part of the Senate. (Senator Trimble was excused.)

Conf. Com. Rep. 114 on S.B. No. 148

The purpose of this bill is to satisfy the Hawaii State constitutional mandate requiring taxpayers to receive a tax credit or refund when the balance of the state general fund exceeds five percent of general revenues for each of two successive fiscal years.

Your Committee on Conference has amended this bill by providing a graduated tax credit based on federal adjustable gross income to help low-income taxpayers.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 148, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 148, S.D. 2, H.D. 1, C.D. 1.

Representatives M. Oshiro, Lee, Chong and Meyer, Managers on the part of the House.
Senators Fukunaga, Baker and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 115 on S.B. No. 1779

The purpose of this measure is to provide better protections for the children of Hawaii.

Your Committee on Conference finds that it is in the public's interest to establish a two-year statewide task force to evaluate and make recommendations on the State's responses to cases of child sexual assault and exploitation to make improvements and to better protect and serve the children of Hawaii. Your Committee on Conference further finds that the Department of Human Services should be able to ensure the safety of children who are not safe in their family homes by submitting a permanent plan with the goal of guardianship that the court should be able to award without the termination of parental rights.

Your Committee on Conference amended this measure to:

- (1) Deleting references to a task force;
- (2) Deleting the appropriation;
- (3) Changing the effective date to upon approval; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1779, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1779, H.D. 3, C.D. 1.

Representatives Shimabukuro, Waters, Rhoads and Pine, Managers on the part of the House.
Senators Chun Oakland, Baker, Fukunaga and Hemmings, Managers on the part of the Senate. (Senator Hemmings was excused.)

Conf. Com. Rep. 116 on S.B. No. 1916

The purpose of this measure is to strengthen the support to family caregivers, including extending the joint legislative committee of family caregiving, requiring comprehensive needs assessments, and appropriating funds for continued and expanded services.

Your Committee on Conference amended the measure to:

- (1) Substitute the Joint Legislative Committee on Caregiving for the Executive Office on Aging as having the task of conducting a comprehensive assessment of the needs of care recipients aged sixty and older with physical or cognitive disabilities and the needs of their family caregivers;
- (2) Exempt the expenditures of the Joint Legislative Committee under sections 5 and 6 from chapter 103D, Hawaii Revised Statutes, provided that the committee endeavors to ensure transparency in its procurement processes;
- (3) Allow the Joint Legislative Committee on Caregiving to contract out to a qualified third party to conduct the assessment;
- (4) Insert language regarding the 2005 federal grant for the Aging and Disability Resource Center;
- (6) Clarify that the appropriations in section 9 are to the Executive Office on Aging;
- (7) Clarify that the appropriation made in section 10 is for the purpose of providing direct services to family caregivers as well as for expanding the Kupuna Care program's in-home and access services to qualified care recipients;
- (8) Insert specific monetary amounts in the appropriation sections; and
- (9) Change the July 1, 2020, effective date to upon approval; provided that sections 5, 8, and 9 are to take effect on July 1, 2007, and section 2 is to take effect on June 29, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1916, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1916, S.D. 2, H.D. 3, C.D. 1.

Representatives Green, Shimabukuro, Magaoay, Lee and Ching, Managers on the part of the House.
Senators Chun Oakland, Baker, Ihara and Hemmings, Managers on the part of the Senate. (Senator Hemmings was excused.)

Conf. Com. Rep. 117 on S.B. No. 1672

The purpose of this measure is to ensure that Hawaii's residents have continued access to health care by increasing the Medicaid fee schedule and appropriating funds to meet the increase.

Your Committee on Conference finds that it is in the public interest to ensure accessibility to healthcare for Hawaii's Medicaid recipients. Your Committee on Conference further finds that the rising costs of health care and the resulting inadequacy of payment and reimbursement from Medicaid has severely impacted the services Hawaii's physicians have been able to provide.

Your Committee on Conference amended this measure to:

- (1) Omit the proposed amendment to the Medicaid fee schedule in the Hawaii Revised Statutes;
- (2) Make an appropriation in the amount of \$8,000,000 for each year of the 2007-2009 fiscal biennium to increase payments for physicians' services up to 100 per cent of the current Medicaid rate;
- (3) Require the Department of Human Services to include a sum at least equal to \$8,000,000 in addition to its baseline Medicaid request and to report the amount to be requested no later than twenty days before the convening of the 2008 Regular Session;
- (4) Require the Department of Human Services to report to the Legislature no later than twenty days before the convening of the 2008 Regular Session with the financial amounts necessary to continue the increased payments for physicians services and to increase payments to all Medicaid fee-for-service and QUEST providers up to 100 per cent of the current Medicaid rate;
- (5) Take effect on July 1, 2007; and
- (6) Make technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1672, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1672, S.D. 2, H.D. 3, C.D. 1.

Representatives Shimabukuro, Green, Waters, M. Oshiro and Ward, Managers on the part of the House.
Senators Chun Oakland, Baker and Hemmings, Managers on the part of the Senate. (Senator Hemmings was excused.)

Conf. Com. Rep. 118 on S.B. No. 1676

Your Committee on Conference finds that this bill is intended to help Hawaii Health Systems Corporation address the rising costs of medical malpractice and hospital liability insurance and the lack of insurers providing sufficient coverage in Hawaii. However, such an undertaking by Hawaii Health Systems Corporation requires oversight by those with appropriate knowledge and experience in financial matters and the insurance industry.

Accordingly, your Committee on Conference has amended this measure by:

- (1) Establishing a ten-member captive insurance board that shall carry out Hawaii Health Systems Corporation's duties and responsibilities relating to the establishment of any captive insurance company pursuant to section 323F-7(a)(20), Hawaii Revised Statutes, and the operation thereof;
- (2) Amending section 323F-3, Hawaii Revised Statutes, to clarify that the Hawaii Health Systems Corporation board shall carry out the duties and responsibilities of the corporation other than those duties and responsibilities relating to the establishment of any captive insurance company pursuant to section 323F-7(a)(20), Hawaii Revised Statutes, and the operation thereof;
- (3) Adding an appropriation for fiscal year 2007-2008;
- (4) Changing the effective date to July 1, 2007; and
- (5) Making further technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1676, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1676, S.D. 2, H.D. 1, C.D. 1.

Representatives Green, Herkes, Nakasone, McKelvey and Marumoto, Managers on the part of the House.
Senators Ige, Taniguchi, Baker and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 119 on S.B. No. 992

The purpose of this bill is to support the generation of electricity with fuels that are lower in cost and air emissions by clarifying that naphtha fuel sold for use in power-generating facilities will be taxed at the rate of one-cent per gallon, with an effective date of July 1, 2020, and a repeal date of December 31, 2009.

Current technology allows for a variety of liquid fuels to power electric-generation facilities, as opposed to the use of diesel fuel or oil fuel. These new technologies allow for the use of multiple types of liquid fuels, such as naphtha, that were previously used solely for transportation purposes.

Section 243-4, Hawaii Revised Statutes (HRS), sets the tax rates for numerous fuels, such as diesel oil and aviation fuel at one-cent per gallon and other fuels at the much higher county fuel tax rates; however, this section does not specifically address the tax rate for naphtha fuel. Your Committee on Conference understands that this ambiguity has resulted in naphtha fuel used in power-generation facilities being taxed at the rate of one-cent per gallon, the same rate as diesel fuel, which your Committee on Conference finds to be in conformity with the intent of section 243-4, HRS.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to upon approval, and adding a two-year sunset date;
- (2) Providing that the rate of tax for naphtha as provided for in section 243-4(a)(3), Hawaii Revised Statutes, shall be effective retroactively and apply to any imposition of the fuel tax on naphtha sold for use in a power-generating facility; and
- (3) Making technical, nonsubstantive amendments for clarity, style, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 992, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 992, S.D. 1, H.D. 2, C.D. 1.

Representatives Morita, Yamashita, Carroll, Wakai and Thielen, Managers on the part of the House. (Representatives Wakai and Thielen were excused.)
Senators Menor, Baker, Fukunaga, Hooser and Trimble, Managers on the part of the Senate. (Senator Trimble was excused.)

Conf. Com. Rep. 120 on S.B. No. 1060

The purpose of this bill is to assist injured workers and enhance the workers' compensation law by, among other things:

- (1) Providing an alternative dispute resolution process for workers' compensation claims;
- (2) Establishing optional, evidence-based treatment guidelines for medical providers treating injured workers;
- (3) Requiring essential medical services to be continued for an injured employee during a dispute between the employee and the employer or the employer's insurer regarding treatment, until the Director of Labor (Director) issues a decision on whether medical treatment should be continued;
- (4) Allowing an employer or employer's insurer to recover medical costs from a claimant's personal health care provider or other appropriate occupational or non-occupational insurer for medical treatment the Director determines should have been discontinued;
- (5) Allowing injured employees to be referred for vocational rehabilitation services where the employee has achieved maximum medical improvement and the employer has made no offer of suitable work;
- (6) Allowing employers to request the Director to issue a credit for the amount of temporary total disability benefits that the Director determines should have been discontinued;
- (7) Amending rulemaking powers under the Workers' Compensation Law;
- (8) Establishing requirements and standards for physicians selected by mutual agreement between the claimant and the employer to perform independent medical examinations; and

- (9) Requiring employers' insurers to provide annual reports regarding the costs of their policies to the Director and the Insurance Commissioner.

Your Committee on Conference has amended the bill by:

- (1) Removing the provisions establishing optional, evidence-based treatment guidelines for medical providers treating injured workers;
- (2) Restoring the existing paragraph (8) of the exemptions from the definition of "Employment" in Section 386-1, Hawaii Revised Statutes (H.R.S.) and deleting the new proposed language that was numbered paragraph(8);
- (3) Adding a new subsection (c) to Section 382-31, H.R.S., that allows an employee to receive a weekly benefit equal to seventy per cent of the employee's average weekly wages if the injury causes permanent or temporary disability and payment of compensation was not begun within thirty days of or within the same year as the day of injury whichever is later;
- (4) Clarifying Section 386-94, H.R.S. that only an approved claim by a claimant's attorney shall be a lien upon the compensation as fixed by the Director, the Appellate Board or the Court;
- (5) Removing Section 7 of the bill that amended Section 386-72, H.R.S. entitled "Rulemaking powers."
- (6) Amending proposed language to Section 386-79, H.R.S., entitled "Medical Examination by employer's physician" to allow a claimant who is no longer residing in Hawaii be examined by physicians from a list who are licensed in the state where the claimant resides;
- (7) Deleting proposed language to allow an employee and the employee's physician to record the independent medical examination under Section 387-79, H.R.S.;
- (8) Adding a provision to repeal certain rules related to Workers' Compensation;
- (9) Changing the effective date from July 1, 2020 to June 30, 2007; and
- (10) Making technical, non-substantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1060, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1060, S.D. 1, H.D. 2, C.D. 1.

Representatives Sonson, Souki, Nakasone and Awana, Managers on the part of the House.
Senators Hee, Kokubun and Nishihara, Managers on the part of the Senate.

Conf. Com. Rep. 121 on S.B. No. 709

The purpose of this measure is to:

- (1) Require the Department of Business, Economic Development, and Tourism to investigate, collect, analyze, and publish research and data to track economic progress and aid in the development and economic health of growth industries; and
- (2) Appropriate funds for the purposes of the Act.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the appropriation is for additional resources, including two permanent full-time equivalent economist positions in the Department of Business, Economic Development, and Tourism to improve the State's ability to measure the productivity of and progress toward achieving innovation in Hawaii's economy, and to assess the effectiveness of measures enacted by the legislature to improve Hawaii's economic situation;
- (2) Appropriating \$150,000 in fiscal year 2007-2008 and \$250,000 in fiscal year 2008-2009; and
- (2) Changing the effective date from July 1, 2034, to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 709, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 709, S.D. 2, H.D. 1, C.D. 1.

Representatives Yamashita, Chong, Tokioka and Ward, Managers on the part of the House.
Senators Fukunaga, Tsutsui, Espero and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 122 on S.B. No. 810

The purpose of this bill is to facilitate the establishment of a "totally integrated community" on the state-owned Waimano Ridge lands by:

- (1) Appropriating funds for:
 - (a) The Waimano Ridge Task Force operating expenses;
 - (b) Updating the Waimano Ridge comprehensive master plan; and
 - (c) One permanent, full-time Waimano Ridge facilities manager position; and
- (2) Authorizing the issuance of general obligation bonds for building demolition and water system upgrade and building improvement projects on Waimano Ridge lands.

Your Committee on Conference amended this measure by:

- (1) Inserting the appropriation amount of \$150,000 for the task force operating expenses;
- (2) Deleting the appropriation sections for the master plan and the manager position;

- (3) Deleting the section authorizing the issuance of general revenue bonds; and
- (4) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 810, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 810, S.D. 2, H.D. 1, C.D. 1.

Representatives Green, M. Oshiro and Awana, Managers on the part of the House.
Senators Ige, Baker, Fukunaga and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 123 on S.B. No. 1115

The purpose of this measure is to continue the provision of comprehensive perinatal care on the island of Oahu to women who have a history of methamphetamine and other substance abuse.

Your Committee on Conference amended this measure by inserting the appropriation amount of \$200,000 for fiscal year 2007-2008, and by changing the effective date from July 1, 2020, to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1115, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1115, S.D. 2, H.D. 1, C.D. 1.

Representatives Green, Shimabukuro, Lee and Awana, Managers on the part of the House.
Senators Ige, Chun Oakland, Baker and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 124 on S.B. No. 1170

The purpose of this measure is to address budgetary shortfalls and implement recommended improvements to the Healthy Start Program, including Enhanced Healthy Start.

Your Committee on Conference finds that Hawaii's Healthy Start Program and Enhanced Healthy Start are effective tools for combating child abuse and neglect. Your Committee on Conference further finds that there have been several suggestions for important program improvements that will allow more children and families to benefit.

Your Committee on Conference amended this measure to:

- (1) Specify the amount appropriated is \$1,660,409, for each year of the 2007-2009 fiscal biennium; and
- (2) Take effect on July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1170, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1170, S.D. 1, H.D. 1, C.D. 1.

Representatives Green, Shimabukuro, Mizuno and Ching, Managers on the part of the House.
Senators Chun Oakland, Baker, Sakamoto and Hemmings, Managers on the part of the Senate. (Senator Hemmings was excused.)

Conf. Com. Rep. 125 on S.B. No. 932

The purpose of this measure is to prepare incarcerated individuals for reentry into the community by establishing a comprehensive offender reentry system within the Department of Public Safety and providing funding for reentry programs such as restorative circles, cognitive restructuring programs, and a day-reporting pilot project, that have proven to be effective.

Your Committee on Conference finds that the rehabilitation and preparation of incarcerated individuals for reentry results in lower recidivism rates, thereby reducing the economic and noneconomic costs to the public.

Your Committee on Conference amended this measure to:

- (1) Clarify that the placement of parents in correctional facilities in consideration of the best interest of the family is to be consistent with public safety and inmate security;
- (2) Clarify the staffing allowed for the adult offender reentry program;
- (3) Require the assistance of the Department of Taxation, in addition to the Department of Industrial Relations, in establishing tax incentives for employers who hire formerly incarcerated individuals, and require suggestions for legislation before the 2008 legislative session;
- (4) Replace the proposed stakeholders committee with a legislative oversight committee with different obligations;
- (5) Provide that the Department of Public Safety is not required to complete the research requested on its own;
- (6) Change the duration of the day-reporting pilot project to one year and change the reporting requirements accordingly;
- (7) Specify that the Director of Public Safety is to return offenders incarcerated on the mainland back to Hawaii one year before their release date:
 - (A) Is to be contingent upon the existence of the appropriate programs in Hawaii and shall be consented to by the offender if the offender is participating a successful rehabilitation or reentry program in the mainland facility at that time; and
 - (B) Does not preclude those with less than one year of incarceration remaining on their sentence from being returned to prepare for reentry;
- (8) Clarify that the appropriation for the restorative circles is for the continuation of existing programs, as well as the creation of new programs throughout the State;
- (9) Reduce all appropriations to one year, insert the specific dollar amounts into the appropriation sections, and clarify the uses of the appropriations;

- (10) Require the Department of Public Safety to report to the Legislature prior to the 2008, 2009, and 2010 legislative sessions on the progress and effectiveness of the components of this measure;
- (11) Take effect on July 1, 2007; and
- (12) Make technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference 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 Final Reading in the form attached hereto as S.B. No. 932, S.D. 2, H.D. 2, C.D. 1.

Representatives Evans, Sonson, Har and Finnegan, Managers on the part of the House.
Senators Espero, Baker, Sakamoto, Tsutsui and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 126 on H.B. No. 436

The purpose of this bill is to improve healthcare access in Hawaii by requiring medical assistance programs such as QUEST and Medicaid to include chiropractic coverage.

Your Committee on Conference has amended this bill by:

- (1) Appropriating \$1,000,000 for each year of fiscal biennium 2007-2009 for chiropractic coverage under medical assistance programs; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 436, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 436, H.D. 1, S.D. 1, C.D. 1.

Representatives Shimabukuro, Green, Lee, Rhoads and Ward, Managers on the part of the House.
Senators Chun Oakland, Taniguchi, Tsutsui, Ihara and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 127 on H.B. No. 506

The purpose of this bill is to encourage the continued development of alternative energy sources, thereby reducing the state's dependence on imported fuels, by extending by five years the date by which a qualifying ethanol production facility must be in production to take advantage of the ethanol facility tax credit.

Your Committee on Conference has amended this bill by changing its effective date to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 506, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 506, H.D. 1, S.D. 1, C.D. 1.

Representatives Morita, Carroll and Thielen, Managers on the part of the House. (Representative Thielen was excused.)
Senators Menor, Fukunaga, Baker, Hooser and Trimble, Managers on the part of the Senate. (Senator Trimble was excused.)

Conf. Com. Rep. 128 on H.B. No. 122

The purpose of this bill is to increase transparency in government by requiring public disclosure by any entity that receives certain kinds of financial assistance from the State.

Your Committee on Conference has amended this bill by:

- (1) Inserting an appropriation amount of \$250,000 for fiscal year 2007-2008; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 122, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 122, H.D. 1, S.D. 1, C.D. 1.

Representatives M. Oshiro, Lee and Meyer, Managers on the part of the House.
Senators Baker, Fukunaga, Tsutsui and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 129 on H.B. No. 718

The purpose of this bill is ensure the keiki of Hawaii have access to facilities to learn about, interact with, and enjoy our State's marine resources and ecosystem by:

- (1) Appropriating funds to the Hawaii Community Development Authority (HCDA) to proceed with any necessary environmental remediation measures at the Kewalo basin cove; and
- (2) Setting aside the old ice chute and fuel dock operations building site at the cove for continued use by the Kewalo Keiki Fishing Conservancy.

Your Committee on Conference has amended this bill by:

- (1) Changing the appropriation amount for the necessary environmental remediation measures to \$30,000 for fiscal year 2007-2008; and
- (2) Changing the effective date to July 1, 2007;
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 718, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 718, S.D. 2, C.D. 1.

Representatives Ito, Chong and Thielen, Managers on the part of the House. (Representative Thielen was excused.)
Senators Kokubun, Baker, Fukunaga and Hemmings, Managers on the part of the Senate. (Senator Hemmings was excused.)

Conf. Com. Rep. 130 on H.B. No. 13

The purpose of this bill is to support the administration and operation of the Department of Education's food distribution program by establishing the Food Distribution Program Revolving Fund for the collection and distribution of generated revenue.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 13, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 13, H.D. 1, S.D. 1, C.D. 1.

Representatives Takumi, M. Oshiro and Finnegan, Managers on the part of the House.
Senators Sakamoto, Baker, Nishihara and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 131 on H.B. No. 1630

The purpose of this bill is to prepare students for the information technology age by providing a comprehensive project-based and student-centered learning program in which students are responsible for their own learning. Specifically, this bill appropriates funds to be deposited into the Hawaii 3Ts School Technology Laboratories Fund (Fund) to maintain the Project EAST Program (Program) in existing schools and expand the Program to schools around the state.

Your Committee on Conference has amended this bill by:

- (1) Changing the amount of general funds to be deposited into the Fund, and out of the Fund, to \$1,100,000;
- (2) Changing the effective date to July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1630, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1630, H.D. 2, S.D. 2, C.D. 1.

Representatives Takumi, M. Oshiro, Chong, Sagum and Finnegan, Managers on the part of the House.
Senators Fukunaga, Baker, Espero, Sakamoto and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 132 on H.B. No. 15

The purpose of this bill is to fund special education teaching programs by creating the Felix Stipend Program Special Fund (Fund) into which shall be deposited moneys received as repayment from students due to a breach in their contractual agreements under the Felix Stipend Program.

Your Committee on Conference has amended this bill by:

- (1) Deleting the appropriation from general funds because it is unnecessary;
- (2) Changing the appropriation amount out of the Fund to \$250,000; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 15, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 15, H.D. 2, S.D. 2, C.D. 1.

Representatives Takumi, Chang, M. Oshiro and Finnegan, Managers on the part of the House.
Senators Sakamoto, Tsutsui, Nishihara and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 133 on H.B. No. 598

The purpose of this bill is to enhance the learning experiences of students across the state by establishing and appropriating funds for the Online Learning Task Force (Task Force) to develop a systematic plan to expand opportunities for online learning.

Your Committee on Conference has amended this bill by:

- (1) Changing the amount of the appropriation to support the operations of the Task Force, to \$50,000;
- (2) Changing the effective date to July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 598, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 598, H.D. 1, S.D. 1, C.D. 1.

Representatives Takumi, Lee, Berg and Finnegan, Managers on the part of the House. (Representative Berg was excused.)
Senators Sakamoto, Fukunaga, Tsutsui, Tokuda and Gabbard, Managers on the part of the Senate. (Senator Fukunaga was excused.)

Conf. Com. Rep. 134 on H.B. No. 104

The purpose of this bill is to improve access to medical care by:

- (1) Establishing a process by which Medicaid fee-for-service individual provider reimbursement rates are increased annually for inflation;
- (2) Retroactively adjusting for inflation, payments made to providers of hospital outpatient services and other individual providers; and

- (3) Appropriating funds:
 - (A) To adjust for inflation, payments made to Medicaid fee-for-service hospitals; and
 - (B) For the State's portion of the federal disproportionate share hospital allowance.

Your Committee on Conference has amended this bill by:

- (1) Removing the provisions related to an annual increase in Medicaid fee-for service individual provider reimbursement rates;
- (2) Removing the retroactive payment adjustment;
- (3) Removing the appropriation for inflation, payments made to Medicaid fee-for-service hospitals;
- (4) Inserting an amount of \$7,376,000 for fiscal year 2007-2008 for the State's portion of the federal disproportionate share hospital allowance; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 104, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 104, H.D. 2, S.D. 2, C.D. 1.

Representatives Shimabukuro, Green, M. Oshiro, Mizuno and Ward, Managers on the part of the House.
Senators Chun Oakland, Baker, Ihara and Hemmings, Managers on the part of the Senate. (Senator Hemmings was excused.)

Conf. Com. Rep. 135 on H.B. No. 531

The purpose of this bill is to establish a temporary "Hawaii 3-5 Transition" task force to study the feasibility of expanding Hawaii's early intervention section to continue services for children three to five years of age and appropriating funds for the task force.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that the task force's study is focused on children three years and one day up to five years of age;
- (2) Clarifying the composition of the task force to include at least two parents of children who may require these services and one representative from each of the departments and agencies listed;
- (3) Adding a representative of the Board of Education to the task force;
- (4) Inserting an appropriation amount of \$120,000 for fiscal year 2007-2008 for the task force; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 531, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 531, H.D. 3, S.D. 2, C.D. 1.

Representatives Shimabukuro, Green, Takumi, Rhoads, Mizuno and Ward, Managers on the part of the House.
Representatives Ige, Chun Oakland, Baker, Fukunaga and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 136 on H.B. No. 226

The purpose of this bill to assess the amount of and reduce greenhouse gas emissions (emissions) in Hawaii by:

- (1) Requiring the Department of Health (DOH) to conduct an inventory of Hawaii emission sources and update the report by the Department of Business, Economic Development, and Tourism (DBEDT) and DOH entitled "Inventory of Hawaii Greenhouse Gas Emissions Estimates for 1990", dated July 1997;
- (2) Appropriating fund to enable the Hawaii Energy Policy Forum of the University of Hawaii to:
 - (A) Convene stakeholders to develop a coherent plan with an implementation timetable to reduce emissions; and
 - (B) Analyze the effectiveness of the Global Warming Solutions Act of 2007 (Act), as devised in this bill to reduce emissions and propose modifications thereto to the Legislature prior to the implementation of the scoping plan for achieving the maximum technologically feasible and cost-effective reductions in emissions;

and
- (3) By implementing the Act that includes:
 - (A) Requiring the Director of Health (Director) to determine statewide emissions as of 1990 and approve a statewide emissions limit to be achieved by 2020;
 - (B) Requiring the Director to establish emission limits and emission reduction measures within specified parameters to become operative on July 1, 2012;
 - (C) Requiring the Director to establish a system of market-based declining annual aggregate emission limits for sources or categories of sources that emit emissions, within specific parameters, to achieve the statewide emissions limit;
 - (D) Requiring the Director to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in emissions by 2020; and
 - (E) Provisions relating to reporting and verification of statewide emissions and monitoring and enforcement.

The ramifications of global warming requires a comprehensive approach in developing a statewide framework of action that incorporates Hawaii's unique needs and resources. Accordingly, your Committee on Conference has amended this bill by:

- (1) Declaring as a state policy that by January 1, 2020, Hawaii shall reduce emissions to levels at or below the best estimations and updates of the inventory of emission estimates for 1990;
- (2) Establishing the statewide emissions limit to be equal to or below the level of emissions in 1990;
- (3) Establishing a Greenhouse Gas Emissions Reduction Task Force (Task Force) that is required, before December 1, 2009, to prepare a work plan with specified objectives and a regulatory scheme for implementing the maximum practically and technically feasible and cost-effective reductions in emissions to meet the State's declared policy;
- (4) Requiring the Task Force to submit reports to the Legislature, at specified times, relating to its work plan and regulatory scheme, together with proposed legislation, for achieving reductions in emissions for sources or categories of sources of emissions;
- (5) Requiring the Director to adopt rules, before December 31, 2011, relating to, among other matters:
 - (A) Establishing emission limits applicable to sources or categories of sources of emissions; and
 - (B) Reporting and verification of statewide emissions and monitoring and compliance;
- (6) Authorizing the Director to specify a schedule of fees to be paid by sources of emissions to be deposited into the Clean Air Special Fund; and
- (7) Appropriating \$500,000 for each of the fiscal years of 2007-2008 and 2008-2009.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 226, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 226, H.D. 2, S.D. 2, C.D. 1.

Representatives Morita, Carroll and Thielen, Managers on the part of the House.
Senators Menor, Baker, Hooser and Hemmings, Managers on the part of the Senate. (Senator Hemmings was excused.)

Conf. Com. Rep. 137 on H.B. No. 90

The purpose of this bill is to enhance the monitoring of the insurance marketplace, protection of insurance policyholders, and compliance with the Insurance Code and regulations, by adopting the National Conference of Insurance Legislators Market Conduct Surveillance Model Law, which establishes a framework for the Insurance Commissioner to conduct market conduct examinations of domestic and foreign insurers.

A market conduct examination is a review of an insurer's marketplace practices. Your Committee on Conference finds that this measure will enable the Insurance Commissioner to conduct comprehensive and targeted market conduct examinations of an insurer's operations to evaluate compliance with applicable state laws.

Your Committee on Conference has amended this measure by:

- (1) Inserting appropriation amounts of \$318,000 for fiscal year 2007-2008 and \$365,000 for fiscal year 2008-2009 to carry out the provisions of this bill; and
- (2) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 90, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 90, H.D. 2, S.D. 2, C.D. 1.

Representatives Herkes, Magaoy and Marumoto, Managers on the part of the House.
Senators Taniguchi, Baker and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 138 on H.B. No. 899

The purpose of this bill is to establish sustainable strategies that will reduce Hawaii's dependence on fossil fuels and reduce greenhouse gas emissions. Specifically, this measure appropriates an unspecified amount of funds for Phase I and Phase II of the research, development, and implementation of a pilot project to demonstrate ecologically-sustainable strategies that will enhance soil fertility for the production of clean energy feedstocks and food crops.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$450,000 for fiscal year 2007-2008 for Phase I;
- (2) Deleting the appropriation for fiscal year 2008-2009 and the provisions regarding Phase II funded by this appropriation; and
- (3) Making technical nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 899, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 899, H.D. 1, S.D. 1, C.D. 1.

Representatives Tsuji, Morita, Brower and Ching, Managers on the part of the House.
Senators Menor, Kokubun, Baker, Hooser and Trimble, Managers on the part of the Senate. (Senator Trimble was excused.)

Conf. Com. Rep. 139 on H.B. No. 1221

The purpose of this bill is to provide financial assistance to Hawaii's livestock industry by establishing the Livestock Revitalization Program (Program).

Your Committee on Conference has amended this measure by:

- (1) Amending the definition of "qualified producer" by clarifying that it applies to a person that, at the time of application for and disbursement of funds under the Program, is in the business of producing:
 - (A) Pork from a herd located in Hawaii of no less than 50 sows; and
 - (B) Beef that is grown, slaughtered, processed, and marketed in Hawaii, with producers finishing at least 100 head of beef cattle annually;
- (2) Deleting the provisions allowing a qualified producer to receive reimbursement for up to 50 percent of each farm's feed expenses and requiring the Department of Agriculture (DOA) to establish a formula to calculate reimbursement amounts;
- (3) Specifying that the subsidy shall not be allowed if the flock or herd size falls five percent or more below the required minimums;
- (4) Establishing a maximum grant of \$250,000 per qualified producer per year;
- (5) Requiring applicants to submit certified quarterly and annual financial statements;
- (6) Establishing that funds shall be disbursed upon approval by DOA for up to:
 - (A) Sixty percent of the feed costs incurred for the production of poultry products;
 - (B) Forty percent of the feed costs incurred for milk production;
 - (C) Fifty percent of the feed costs incurred for pigs raised in Hawaii and slaughtered for local consumption; and
 - (D) Fifty percent of the feed costs for beef cattle raised in Hawaii and slaughtered in Hawaii for local consumption;
- (7) Specifying that feed costs shall not include cost of transportation to Hawaii;
- (8) Prohibiting reimbursements to qualified producers if the reimbursement will result in an annual profit of more than:
 - (A) Twelve percent for milk producers;
 - (B) Eight percent for poultry producers;
 - (C) Eight percent for pork producers; and
 - (D) Eight percent for beef producers;
- (9) Inserting an appropriation amount of \$3,000,000 for fiscal year 2007-2008 and the same amount for fiscal year 2008-2009 for the Program;
- (10) Specifying a lapse date of December 31, 2010, for unencumbered balances of the appropriation; and
- (11) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1221, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1221, H.D. 2, S.D. 2, C.D. 1.

Representatives Tsuji, Brower and Meyer, Managers on the part of the House.
 Senators Kokubun, Baker, Tokuda and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 140 on H.B. No. 1211

The purpose of this bill is to increase fees for court-appointed counsel and guardians ad litem who represent the best interests of children and other persons in Family Court civil cases. Specifically, this bill:

- (1) Increases fees for legal services to \$90 per hour;
- (2) Sets fees for non-legal services at \$60 per hour;
- (3) Raises the maximum allowable fees for designated Family Court proceedings; and
- (4) Appropriates funds for the payment of reasonable compensation.

Your Committee on Conference has amended this measure by:

- (1) Deleting the requirement for the Judiciary to submit its budget request to the Department of Budget and Finance (B&F) for the payment of reasonable compensation;
- (2) Changing the expending agency from B&F to the Judiciary;
- (3) Changing the appropriation amount from an unspecified sum to \$880,000 for fiscal year 2007-2008; and
- (4) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1211, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1211, H.D. 2, S.D. 2, C.D. 1.

Representatives Waters, Tokioka and Marumoto, Managers on the part of the House.
 Senators Hee, Baker, Kokubun and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 141 on H.B. No. 855

The purpose of this bill is to provide injured employees with necessary medical services in the event workers' compensation coverage is disputed, by requiring these services to be continued until the Director of Labor and Industrial Relations (Director) issues a decision on the matter.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that an injured employee shall continue to receive essential medical services prescribed by the treating physician necessary to prevent deterioration of the injured employee's condition or further injury until the Director determines that medical services pursuant to the treatment plan shall be discontinued;
- (2) Clarifying that the Director shall make a decision within 30 days of the filing of a dispute and notify the employer, the employee, and the provider of the decision;
- (3) Clarifying that an employer or employer's insurer may recover from the injured employee's personal health care provider or other appropriate occupation or non-occupational insurer all the sums paid for medical services rendered after the employer, the employee, and the provider receives notification of the Director's decision;
- (4) Inserting language that requires the Director to submit any proposed adoption, amendment, or repeal of administrative rules under Hawaii's workers compensation law to both houses of the Legislature prior to their submission to the Governor for approval;
- (5) Inserting language that the submitted rules are disapproved unless the Legislature approves the submitted rules, in their entirety, through adoption of a concurrent resolution within 365 days of their submission to the Legislature; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 855, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 855, H.D. 1, S.D. 1, C.D. 1.

Representatives Sonson, Nakasone and Pine, Managers on the part of the House.

Senators Hee, Kokubun, Nishihara and Gabbard, Managers on the part of the Senate. (Senator Kokubun was excused.)

Conf. Com. Rep. 142 on H.B. No. 833

The purpose of this bill is to assist individuals who provide attendant care and day care services authorized by the Department of Human Services (DHS) by:

- (1) Creating certain exemptions under Hawaii's Employment Security Law, Workers' Compensation Law; Temporary Disability Insurance Law; and Prepaid Health Care Law; and
- (2) Requiring the Department of Labor and Industrial Relations (DLIR) to submit a report to the Legislature on the financial impact and consequences of the exclusions from employment related laws for service providers who provide Medicaid waiver service for persons with developmental disabilities and mental retardation.

Currently, numerous individuals provide a valuable service to the State of Hawaii by serving as domestic caregivers, many of them through contracts with DHS. Recently, questions have arisen as to whether these caregivers, especially those attached to a provider agency, are independent contractors or employees. When these individuals have been ruled as employees, they have been subjected to Hawaii's employment laws resulting in skyrocketing operational costs, a situation that could threaten the existence of these caregivers and seriously affect Hawaii's health and human services system.

Your Committee on Conference finds that the exemptions provided in this measure benefit the State of Hawaii by ensuring that valuable and necessary Medicaid waiver services will continue to be provided to disabled and elderly adults in Hawaii without disruption. This is evident because the exemptions, as clarified, are consistent with existing law and reflect the practices of Medicaid waiver service providers who have provided these services for many years under the prior determinations of law by the Director of Labor and Industrial Relations.

While your Committee on Conference did contemplate amending this measure to include its retroactive application, this is unnecessary since the existing exemptions under sections 386-1, 392-5, and 393-5, Hawaii Revised Statutes, already exclude individuals in the employ of the "recipient of social service payments" as the term is defined in this measure. Further, the Director of DLIR has previously testified that the decision in *In Re Manawa Lea* was limited to and only applied to *Manawa Lea*. Therefore, the decision does not create a precedent and it need not be addressed by this measure.

However, specific concerns were raised by both the Attorney General and Director of DLIR regarding the broad scope of the exemptions, determinations as to whether an individual is an employee or independent contractor, and compliance with the Federal Unemployment Tax Act (FUTA).

Your Committee on Conference has amended this measure by:

- (1) Allowing the terms identifying specific waiver services to be amended by DHS;
- (2) Narrowing the scope of the exemptions to specifically identify waiver services exempted from Hawaii's Employment Security Law, Workers' Compensation Law; Temporary Disability Insurance Law; and Prepaid Health Care Law;
- (3) Stipulating that the exempted individual voluntarily agree in writing to be considered an independent contractor prior to the application of the exemption;
- (4) Limiting the application of the exemption from Hawaii's Employment Security Law to individuals not covered by FUTA; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 833, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 833, H.D. 2, S.D. 2, C.D. 1.

Representatives Sonson, Shimabukuro, Nakasone, Magaoay, Manahan and Pine, Managers on the part of the House. (Representative Shimabukuro was excused.)
Senators Chun Oakland, Hee, Hemmings and Sakamoto, Managers on the part of the Senate. (Senator Hemmings was excused.)

Conf. Com. Rep. 143 on H.B. No. 1292

The purpose of this bill is to enable the Employees' Retirement System (ERS) to maintain its status as a tax-qualified retirement plan by complying with the Internal Revenue Code. Among other things, this bill:

- (1) Prohibits elective officers and judges from terminating their ERS membership upon reaching the statutory cap on retirement benefits even though they remain in office and delay receipt of the benefits until a future separation date;
- (2) Prohibits elective officers from joining the ERS at any time during their term of office; and
- (3) Requires elective officers to exercise a one-time, irrevocable option to join the ERS when they are elected.

Your Committee on Conference finds that this is an important measure that protects the ERS' tax-qualified status, ensuring the favorable tax treatment of employee contributions made on a pre-tax basis.

Your Committee on Conference has amended this measure by:

- (1) Allowing a member who has served in the Legislature for at least five years and who attains the age of 65 to retire and receive a service retirement allowance; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1292, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1292, H.D. 1, S.D. 2, C.D. 1.

Representatives Sonson, Nakasone, Souki and Ward, Managers on the part of the House. (Representative Ward was excused.)
Senators Hee, Baker, Kokubun and Gabbard, Managers on the part of the Senate. (Senator Kokubun was excused.)

Conf. Com. Rep. 144 on H.B. No. 1567

The purpose of this bill is to fund salary increases and other cost adjustments, including Hawaii Employer-Union Health Benefits Trust Fund costs, authorized by Chapter 89C, Hawaii Revised Statutes (HRS), for state officers and employees of agencies excluded from collective bargaining, including the State Ethics Commission, Office of the Auditor, Office of the Legislative Reference Bureau, and Office of the Ombudsman.

Your Committee on Conference has amended this measure by:

- (1) Inserting specific appropriation amounts to fund salary increases and other cost adjustments authorized by Chapter 89C, HRS, for state officers and employees of agencies excluded from collective bargaining, including the State Ethics Commission, Office of the Auditor, Office of the Legislative Reference Bureau, and Office of the Ombudsman;
- (2) Deleting language appropriating monies to fund the Hawaii Employer-Union Health Benefits Trust Fund costs authorized by Chapter 89C, HRS; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1567, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1567, S.D. 1, C.D. 1.

Representatives Sonson, M. Oshiro and Ward, Managers on the part of the House. (Representative Ward was excused.)
Senators Hee, Baker, Kokubun and Gabbard, Managers on the part of the Senate. (Senator Kokubun was excused.)

Conf. Com. Rep. 145 on H.B. No. 751

The purpose of this bill is to support workforce and economic development by:

- (1) Extending the time period in which the Department of Labor and Industrial Relations (DLIR) may expend Reed Act monies appropriated under Act 190, Session Laws of Hawaii 2006 (Act 190);
- (2) Removing restrictions placed on funds used by the Workforce Development Council that conflict with federal restrictions; and
- (3) Providing DLIR with a specific sum of money for administrative purposes.

Act 190 provided \$10,000,000 in Reed Act funds to four county workforce investment boards for workforce and economic development purposes. However, the one-year time frame to expend these funds has proven to be inadequate due to the complexity of the issue and the procedural requirements involved in using federal funds.

While your Committee on Conference finds that \$127,245 is adequate for DLIR to administer Reed Act funds, it is your Committee on Conference's understanding that the workforce investment boards and Workforce Development Council are willing to assist DLIR with administrative expenses should the appropriation prove inadequate.

Accordingly, Your Committee on Conference has amended this measure by:

- (1) Specifying that the funds appropriated to DLIR are for administrative expenses including but not limited to the cost of providing oversight, monitoring, and reporting;
- (2) Allowing the county workforce investment boards and Workforce Development Council to use a portion of the sums allocated to them to further compensate DLIR for administrative expenses not covered by funds appropriated to DLIR; and
- (3) Requiring DLIR, the Workforce Development Council, and the county workforce investment boards to negotiate the additional compensation in paragraph (2).

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 751, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 751, H.D. 1, S.D. 2, C.D. 1.

Representatives Sonson, Nakasone and Pine, Managers on the part of the House.
Senators Hee, Baker, Kokubun and Gabbard, Managers on the part of the Senate. (Senator Gabbard was excused.)

Conf. Com. Rep. 146 on H.B. No. 1572

The purpose of this bill is to fund all collective bargaining cost items negotiated for state employees in collective bargaining unit (1), including salary increases and other cost adjustments, Hawaii Employer-Union Health Benefits Trust Fund contributions, as well as salary increases and other cost adjustments for their excluded counterparts.

On April 23, 2007, pursuant to section 89-11(g), Hawaii Revised Statutes, the Governor transmitted proposed legislation to the Legislature containing all items requiring moneys for implementation which are subject to appropriation.

Your Committee on Conference has amended this measure by:

- (1) Inserting specific appropriation amounts to fund cost items negotiated with collective bargaining unit (1) of the Executive Branch, Judicial Branch, and Hawaii Health Systems Corporation and their excluded counterparts for fiscal biennium 2007-2009; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1572, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1572, S.D. 1, C.D. 1.

Representatives Sonson, M. Oshiro and Meyer, Managers on the part of the House.
Senators Hee, Baker, Kokubun and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 147 on H.B. No. 1569

The purpose of this bill is to fund all collective bargaining cost items negotiated for state employees in collective bargaining unit (10), including salary increases and other cost adjustments, Hawaii Employer-Union Health Benefits Trust Fund contributions, as well as salary increases and other cost adjustments for their excluded counterparts.

On April 20, 2007, pursuant to section 89-11(g), Hawaii Revised Statutes, the Governor transmitted proposed legislation to the Legislature containing all items requiring moneys for implementation, which are subject to appropriation.

Your Committee on Conference has amended this measure by:

- (1) Inserting specific appropriation amounts to fund cost items negotiated with collective bargaining unit (10) of the Executive Branch, Judicial Branch, and Hawaii Health Systems Corporation and their excluded counterparts for fiscal biennium 2007-2009; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1569, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1569, S.D. 1, C.D. 1.

Representatives Sonson, M. Oshiro and Meyer, Managers on the part of the House.
Senators Hee, Baker, Kokubun and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 148 on H.B. No. 1568

The purpose of this bill is to fund all collective bargaining cost items negotiated for state employees in collective bargaining unit (5), including salary increases and other cost adjustments, Hawaii Employer-Union Health Benefits Trust Fund (EUTF) contributions, as well as salary increases and other cost adjustments for their excluded counterparts.

On April 19, 2007, pursuant to section 89-11(g), Hawaii Revised Statutes, the Governor transmitted proposed legislation to the Legislature containing all items requiring moneys for implementation, which are subject to appropriation.

Your Committee on Conference has amended this bill by:

- (1) Inserting specific appropriation amounts to fund cost items negotiated with collective bargaining unit (5) of the Executive Branch and their excluded counterparts for fiscal biennium 2007-2009;
- (2) Inserting specific amounts to cover the Voluntary Employee Benefit Association contribution amounts instead of EUTF; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1568, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1568, S.D. 1, C.D. 1.

Representatives Sonson, M. Oshiro and Meyer, Managers on the part of the House.
Senators Hee, Baker, Kokubun and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 149 on H.B. No. 1345

The purpose of this bill is to appropriate emergency funding for emergency relief operations statewide as a result of the October 15, 2006, Kiholo Bay earthquake disaster.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in Governor's Message No. 233 to the Legislature, requested immediate consideration and passage of this bill by the Legislature citing an existing critical funding shortage.

This bill appropriates general funds for fiscal year 2006-2007 to cover:

- (1) Operational expenses associated with earthquake disaster recovery efforts, including but not limited to National Guard personnel on state active duty and helicopter operating expenses; and
- (2) The 25 percent non-federal cost share for earthquake disaster recovery projects eligible under the Federal Emergency Management Agency's public assistance program,

and requires expending agencies or departments to submit expenditure data reports.

Your Committee on Conference has amended this bill by:

- (1) Changing the amount of the appropriation for operational expenses associated with earthquake disaster recovery efforts from \$18,189,896 to \$900,000 for fiscal year 2006-2007;
- (2) Changing the general fund appropriation of \$5,810,104 for the non-federal cost share for earthquake disaster recovery projects to the emergency and budget reserve fund appropriation of \$24,000,000 for fiscal year 2006-2007;
- (3) Clarifying specific earthquake disaster recovery projects for which the \$24,000,000 appropriation is to be allocated;
- (4) Requiring expending agencies or departments to submit annual expenditure reports; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1345, H.D. 2, S.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1345, H.D. 2, S.D. 3, C.D. 1.

Representatives Evans, Har and Awana, Managers on the part of the House.

Senators Inouye, Baker, Tsutsui and Hemmings, Managers on the part of the Senate. (Senator Hemmings was excused.)

Conf. Com. Rep. 150 on H.B. No. 831

The purpose of this bill is to respect and provide for the wishes of Filipino veterans to have their body returned to the Philippines for burial upon their death by paying directly to a mortuary or crematory the cost of:

- (1) Providing funeral and burial services at the request of a qualifying deceased World War II Filipino veteran's survivor or an interested party; and
- (2) Transporting the veteran's remains to the Philippines,

upon the submission of a contract for services on behalf of the deceased veteran and an itemized unpaid invoice.

Your Committee on Conference has amended this bill by:

- (1) Specifying a limit of \$2,000 per person on the amount paid for funeral and burial services and transportation costs;
- (2) Inserting an appropriation of \$20,000 for fiscal year 2007-2008;
- (3) Making this bill effective upon its approval and changing the effective date of the appropriation to July 1, 2007; and
- (4) Making technical, nonsubstantive amendments for clarity, style, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 831, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 831, H.D. 2, S.D. 1, C.D. 1.

Representatives Evans, Har, Manahan and Finnegan, Managers on the part of the House.

Senators Inouye, Tsutsui, Hooser and Hemmings, Managers on the part of the Senate. (Senator was excused.)

Conf. Com. Rep. 151 on H.B. No. 24

The purpose of this bill is to provide greater incentives for teachers certified by the National Board for Professional Teaching Standards to work in certain positions, such as at a school that is in restructuring under the No Child Left Behind Act, at a school with a high turnover rate, or in a hard-to-fill position, by giving these teachers an additional bonus per year.

Your Committee on Conference has amended this bill by:

- (1) Changing the amount of the bonus to \$5,000 each year;
- (2) Removing the provision that the additional bonus will be provided to not more than 50 teachers per year, based upon performance criteria established by the Superintendent of Education;
- (3) Changing the amount of the appropriation to \$500,000;
- (4) Changing the effective date to July 1, 2007; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 24, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 24, H.D. 1, S.D. 2, C.D. 1.

Representatives Takumi, Sonson, M. Oshiro and Finnegan, Managers on the part of the House.

Senators Sakamoto, Tsutsui, Tokuda and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 152 on H.B. No. 1757

The purpose of this measure is to:

- (1) Increase fines for certain violations of vehicle length and gross weight requirements;
- (2) Repeal fines for second, third, and subsequent violations;
- (3) Require, rather than permit the Department of Transportation to establish a process for vehicle weight violators to mail in uncontested fine payments; and
- (4) Exempt the sale of liquid and alcohol fuels from the general excise tax.

Your Committee on Conference finds that the current system in place for disposing of violations of commercial vehicle length and weight restrictions is burdensome on violators, commercial trucking and delivery companies, law enforcement personnel, and the courts.

Your Committee on Conference further finds that permitting operators to mail in uncontested fines saves time and money for everyone involved in the process. In addition, while the bill eliminates progressive fines and penalties for repeat violators, it doubles the fines and penalties for violation of commercial vehicle length and weight restrictions. Your Committee on Conference finds that these increased fines are sufficient to deter potential violators and to punish those who commit these violations.

Your Committee on Conference also finds that re-enacting the general excise tax exemption for alcohol fuel will help reduce the cost of gasoline for Hawaii's consumers.

Your Committee on Conference has amended this measure by:

- (1) Removing the exemption of the sale of liquid fuel from the general excise tax and adding language that requires that tax savings from the exemption of alcohol fuels shall be passed on to the consumer; and
- (2) Changing the effective date to July 1, 2007, to allow the Department of Taxation to prepare the necessary tax forms, and repealing the exemption for alcohol fuel on June 30, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1757, H.D. 1, S.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1757, H.D. 1, S.D. 3, C.D. 1.

Representatives Souki, B. Oshiro, Lee and Awana, Managers on the part of the House.
Senators English, Hee, Baker, Fukunaga, Menor and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 153 on H.B. No. 1171

The purpose of this bill is to enable the governmental needs of the public to be met in a more timely and efficient manner by exempting positions or contracts for personal services with private persons or entities lasting up to one year from civil service laws.

Personal services positions and contracts enable the counties to fulfill necessary duties and services to the public. Your Committee on Conference finds that making the permanent exemption of certain personal services positions and contracts with private persons or entities from civil service laws would enable the counties to meet the needs of the public in a timely and cost efficient manner.

Your Committee on Conference has amended this measure by:

- (1) Specifying that exempted positions or contracts for personal services with private persons or entities must involve services that cost no more than \$750,000;
- (2) Changing the effective date to July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1171, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1171, H.D. 1, S.D. 1, C.D. 1.

Representatives Sonson, M. Oshiro, Nakasone and Ward, Managers on the part of the House.
Senators Hee, Baker, Tsutsui and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 154 on H.B. No. 19

The purpose of this bill is to implement a new method of financing, in part, new or expanding existing Department of Education (DOE) educational facilities by establishing school impact fees.

Your Committee on Conference finds that Act 246, Session Laws of Hawaii 2005, established the School Impact Fee Working Group (Working Group) that was tasked with, among other things, submitting proposed legislation on its recommendations for determining school impact fees within identified school impact districts. In December 2006, the Working Group transmitted its report to the Legislature, which contained recommendations for two different approaches. The parties that participated in the Working Group have continued to work toward further refining the policies, procedures, formulas, and calculations for requiring school impact fees as a result of new residential developments.

Your Committee on Conference further finds that refining this process includes:

- (1) Enlisting the aid of the counties to assist in the implementation of school impact fees;
- (2) Developing implementation and interim procedures to allow for a transition to impact fees;
- (3) Recognizing the need for the Legislature to revisit this issue to assess where statutory guidance maybe necessary in the future; and

- (4) Allowing the Board of Education and DOE the opportunity to explore alternative financing methods, such as increasing the conveyance tax on certain transactions and creating a dedicated source of funding in the conveyance tax for school facility needs, which would include renovation of existing school facilities.

These have been addressed through the concerted efforts of the interested parties and should be included in this measure to ensure that the most appropriate and effective methods for calculating school impact fees, as well as the manner by which these methods should be implemented, are fully realized.

Accordingly, this measure represents agreement among all of the parties on some of the fundamental elements needed to calculate school impact fees; however, your Committee on Conference, as well as the parties, also recognize that there is still much work to do to perfect the methodology.

Upon further review, your Committee on Conference has amended this measure by, among other things;

- (1) Clarifying in the purpose section that DOE is responsible for determining each school impact district's appropriate student generation rate;
- (2) Including language to clarify the purpose, including the establishment of a general methodology and approach for identifying need areas and calculating appropriate school impact fees for new residential developments;
- (3) Clarifying the findings regarding new residential developments, as opposed to subdivisions, being required to contribute toward the construction of new or the expansion of existing public school facilities through a land requirement or the construction requirement;
- (4) Clarifying that a developer shall provide its proportionate share of the land or the construction cost of new or expanded school facilities;
- (5) Including definitions for the terms "acres/student"; "construction cost"; "cost per student"; "cost/unit"; "land component"; "multi-family unit count"; "new residential development"; "proportionate share"; "recent school construction averages"; "revenue credit"; "school impact fee: land component"; "school impact fee: construction cost component"; "single-family unit count"; and "student generation rate"; and deleting definitions for the terms "greenfield school impact district" and "plat";
- (6) Rewording the provisions relating to the applicability of and exemptions relating to school impact fees by, among other things, including transient accommodation projects in the exemption;
- (7) Requiring DOE to include in its written analysis, prior to the designation of a school impact district, an analysis to support the need to construct new or expanded existing school facilities in the area within 25 years to accommodate projected growth, and removing certain other requirements for the written analysis, including those relating to greenfield school impact districts;
- (8) Requiring DOE to prepare an impact fee analysis with specific requirements;
- (9) Establishing a procedure for determining the area requirements for new school facilities, whether land dedication or a fee in lieu is required, the value per acre, and the dollar amount of the fee in lieu;
- (10) Establishing a formula for the construction cost component of school impact fees;
- (11) Specifying that the calculation of revenue credits shall be reviewed and calculated recognizing that the impact fee shall be set at 100 percent of the fair market value of the land and ten percent of the total school construction cost;
- (12) Establishing provisions regarding refunds of fees in lieu or impact fees that are not expended within 25 years from the date of collection;
- (13) Clarifying provisions relating to credits for contributions, payments, or construction;
- (14) Specifying that private construction of school facilities is considered a "public work" under Chapter 104, Hawaii Revised Statutes (HRS);
- (15) Establishing a new section in Chapter 46, HRS, relating to county powers regarding school impact fees;
- (16) Including provisions for the implementation and interim procedures relating to school impact fees;
- (17) Requiring DOE to report annually on its implementation of the provisions of this bill; and
- (18) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 19, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 19, H.D. 2, S.D. 2, C.D. 1.

Representatives Takumi, Ito, M. Oshiro, Chong and Finnegan, Managers on the part of the House.
Senators Sakamoto, Baker, Tokuda and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 155 on H.B. No. 1003

The purpose of this measure is to facilitate the growth of the alternative fuel industry in the State and develop renewable energy resources to reduce its dependence on imported sources of energy.

Specifically, this measure:

- (1) Statutorily establishes the Hawaii Natural Energy Institute of the University of Hawaii at Manoa to:
 - (A) Research and develop renewable energy in coordination with government and private agencies;
 - (B) Demonstrate efficient energy end-use technologies;
 - (C) Increase funding for research and development; and
 - (D) Submit annual reports to the Legislature; and

- (2) Creates the energy systems development special fund for developing an integrated approach and portfolio management for renewable energy and end-use energy-efficient technologies;
- (3) Establishes the Hawaii biofuels program to manage the State's transition to energy self-sufficiency;
- (4) Establishes the biofuels development revolving loan fund to assist public and private projects to research, establish, and implement the Hawaii biofuels program;
- (5) Requires the Department of Business, Economic Development, and Tourism to develop a bioenergy master plan in consultation with representatives of the relevant stakeholders and submit an interim and final report to the 2008 and 2009 Regular Sessions of the Legislature, respectively; and
- (6) Makes appropriations for the purposes of this measure.

Your Committee has amended this bill by:

- (1) Removing the environmental response fund as a source of funding for the energy systems development special fund;
- (2) Requiring the Hawaii natural energy institute to cooperate with and provide support for the evaluation panel in preparing its evaluation and reports to the Legislature concerning projects and activities funded by the energy systems development special fund;
- (3) Deleting section 4 which appropriates funds from the general revenues to the energy systems development special fund;
- (4) Deleting section 5 which appropriates funds out of the energy systems development special fund;
- (5) Removing the provisions creating the Hawaii biofuels program within the Department of Business, Economic Development, and Tourism;
- (6) Removing the provisions establishing the biofuels development revolving loan fund and appropriating moneys to and from the fund;
- (7) Specifies that the bioenergy master plan shall address:
 - (A) Strategic partnerships relating to biomass crops;
 - (B) Evaluation of the State's potential to rely on biofuels as a significant renewable energy resource;
 - (C) Biofuels demonstration projects;
 - (D) Promoting the State's renewable biofuels resources to potential partners and investors for development and export; and
 - (E) A plan or roadmap to implement commercially viable biofuels development.
- (8) Changing the appropriation for the development of a bioenergy master plan to \$300,000 for fiscal year 2007-2008;
- (9) Redesignation of section and part numbers consecutively; and
- (10) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1003, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1003, H.D. 3, S.D. 2, C.D. 1.

Representatives Morita, Chang, Carroll and Thielen, Managers on the part of the House.
Senators Menor, Sakamoto, Baker, Fukunaga and Trimble, Managers on the part of the Senate. (Senator Trimble was excused.)

Conf. Com. Rep. 156 on H.B. No. 1359

The purpose of this bill is to improve access to prescription drugs by:

- (1) Creating a Hawaii State Pharmacy Assistance Program by merging the current State Pharmacy Assistance Program which coordinates the Medicare Part D prescription drug benefit and the Hawaii Rx Plus Program under a single comprehensive Hawaii State Pharmacy Assistance Program umbrella; and
- (2) Requiring the Department of Human Services to take all steps necessary to enable participation in joint prescription drug purchasing agreements with any other health benefits plan or organization within or outside of this state that agrees to participate in a joint purchasing agreement.

Your Committee on Conference has amended this bill by:

- (1) Inserting an appropriation amount of \$50,000;
- (2) Changing the effective date to July 1, 2008; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1359, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1359, H.D. 1, S.D. 2, C.D. 1.

Representatives Green, Shimabukuro, Herkes, Mizuno and Ward, Managers on the part of the House.
Senators Ige, Taniguchi, Baker, Chun Oakland and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 157 on H.B. No. 55

The purpose of this bill is to protect our youth by establishing a Youth Suicide Early Intervention and Prevention Program for Hawaii.

Your Committee on Conference has amended this bill by:

- (1) Authorizing, rather than mandating, the Department of Health to:
 - (A) Establish and operate a statewide Youth Suicide Early Intervention and Prevention Program;
 - (B) Provide appropriate research, training, and technical assistance;
 - (C) Provide research, training, and technical assistance resources; and
 - (D) Develop and submit proposals for funding from federal agencies and private organizations to support the establishment of a Youth Suicide Early Intervention and Prevention Program;
- (2) Changing the effective date to July 1, 2007; and
- (3) Changing the date on which this Act will be repealed to June 30, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 55, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 55, H.D. 1, S.D. 2, C.D. 1.

Representatives Green, Shimabukuro, Lee, Mizuno and Awana, Managers on the part of the House.
Senators Chun Oakland, Ige, Baker and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 158 on H.B. No. 807

The purpose of this bill is to formally establish an Office of the Long-Term Care Ombudsman within the Executive Office on Aging and to appropriate funds to establish three additional ombudsman program specialist IV positions and a clerk typist II position, to support a regional Long-Term Care Ombudsman Program on the neighbor islands.

Your Committee on Conference has amended this bill by:

- (1) Deleting provisions establishing three additional ombudsman program specialist IV positions and a clerk typist II position, to support a regional Long-Term Care Ombudsman Program on the neighbor islands;
- (2) Removing the appropriation section which would have funded the establishment of a regional Long-Term Care Ombudsman Program on the neighbor islands; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 807, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 807, H.D. 1, S.D. 2, C.D. 1.

Representatives Green, Shimabukuro, Mizuno, Rhoads and Ward, Managers on the part of the House.
Senators Chun Oakland, Baker, Sakamoto and Hemmings, Managers on the part of the Senate. (Senator Hemmings was excused.)

Conf. Com. Rep. 159 on H.B. No. 843

The purpose of this bill is to authorize the Hawaii Health Systems Corporation (Corporation) to bring Kahuku Hospital under its governance through formal affiliation with the Corporation and to provide for transitional facilitation by the Director of Health.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that the physical assets and the ground lease of Kahuku Hospital will become the property of the Corporation;
- (2) Changing the appropriated amount to \$3,900,000;
- (3) Providing for this bill to take effect upon its approval;
- (4) Changing the effective date for the appropriation section to July 1, 2007; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 843, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 843, H.D. 2, S.D. 2, C.D. 1.

Representatives Green, M. Oshiro, Magaoay, Mizuno and Meyer, Managers on the part of the House.
Senators Ige, Baker, Fukunaga and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 160 on H.B. No. 1477

The purpose of this bill is to increase access to primary health care services provided by family physicians or residents in the family medicine residency program at the University of Hawaii to medically underserved residents in rural areas of the State by appropriating funds to:

- (1) Support and expand the family medicine residency program of the University of Hawaii John A. Burns School of Medicine's Department of Family Medicine and Community Health to provide rural primary health care services; and
- (2) Develop a permanent statewide rural primary health care training program in the County of Hawaii to expand the rural health care training available for individuals in the family medicine residency program of the University of Hawaii John A. Burns School of Medicine.

Your Committee on Conference has amended this bill by:

- (1) Inserting the following appropriations:
 - (A) \$1,500,000 for fiscal year 2007-2008 to support and expand the family medicine residency program of the University of Hawaii John A. Burns School of Medicine's Department of Family Medicine and Community Health to provide rural primary health care services; and
 - (B) \$2,500,000 for fiscal year 2008-2009 to develop a statewide Rural Primary Health Care Training Program to provide family physicians to rural areas and improve health care access for the people of Hawaii;
- (2) Changing the effective date to July 1, 2007; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1477, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1477, H.D. 2, S.D. 2, C.D. 1.

Representatives Green, Chang, Mizuno and Awana, Managers on the part of the House.
Senators Ige, Sakamoto, Baker, Fukunaga and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 161 on H.B. No. 367

The purpose of this bill is to establish and fund a pilot program for screening, brief intervention, and referral to substance abuse treatment in the state.

Your Committee on Conference has amended this bill by inserting an appropriation amount of \$84,000 for fiscal year 2007-2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 367, H.D. 1, S.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 367, H.D. 1, S.D. 3, C.D. 1.

Representatives Green, Chang, Mizuno and Awana, Managers on the part of the House.
Senators Ige, Sakamoto, Taniguchi, Baker and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 162 on H.B. No. 1368

The purpose of this bill is to:

- (1) Change the name of the Hospital and Medical Facilities Special Fund to the Office of Health Care Assurance (OHCA) Special Fund (Fund);
- (2) Increase the amount of the Fund that can be used for OHCA activities; and
- (3) Make other improvements to the Fund.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1368, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1368, S.D. 1, C.D. 1.

Representatives Green, M. Oshiro, Mizuno and Ching, Managers on the part of the House. (Representative Ching was excused.)
Senators Ige, Baker, Fukunaga and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 163 on H.B. No. 1220

The purpose of this bill is to promote the high standard of quality of agricultural products produced in Hawaii by establishing the Seal of Quality Special Fund (Special Fund).

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$10,000 out of the Special Fund for the Seal of Quality Program;
- (2) Providing that paragraph (1) takes effect on July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1220, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1220, H.D. 1, S.D. 2, C.D. 1.

Representatives Tsuji, Yamashita, Brower, Wakai and Ching, Managers on the part of the House. (Representative Wakai was excused.)
Senators Kokubun, Tsutsumi, Tokuda and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 164 on H.B. No. 400

The purpose of this bill is to provide a stable and reliable source of water for Hawaii's farmers by:

- (1) Appropriating an unspecified amount of funds for drought mitigation projects and measures in each county; and
- (2) Authorizing the issuance of an unspecified amount of general obligation bonds (GO bonds) to improve certain irrigation systems throughout the state.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$4,000,000 for fiscal year 2007-2008 for the drought mitigation measures;
- (2) Deleting the provisions authorizing the issuance of GO bonds to improve certain irrigation systems throughout the state;

- (3) Changing its effective date to July 1, 2007; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 400, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 400, H.D. 1, S.D. 2, C.D. 1.

Representatives Tsuji, Brower and Meyer, Managers on the part of the House.
Senators Kokubun, Tsutsui, Tokuda and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 165 on H.B. No. 399

The purpose of this bill is to help protect vital soil and water resources by appropriating an unspecified amount of funds to the Hawaii Association of Conservation Districts for the operation of the Soil and Water Conservation Districts (Districts).

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$500,000 for fiscal year 2007-2008 for the operation of the Districts; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 399, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 399, H.D. 1, S.D. 2, C.D. 1.

Representatives Tsuji, Ito, Brower and Meyer, Managers on the part of the House.
Senators Kokubun, Tsutsui, Tokuda and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 166 on H.B. No. 1435

The purpose of this bill is to support the Honolulu Symphony's fundraising efforts in providing for private funds to match state general funds previously appropriated for the State of Hawaii Endowment Fund (Endowment Fund) under Act 97, Session Laws of Hawaii 2006 (SLH 2006), by:

- (1) Specifying a list of the types of private funds that may be used to match the general funds; and
- (2) Extending the lapse date of unexpended and unencumbered funds appropriated under Act 97, SLH 2006, for the Endowment Fund to June 30, 2009.

Your Committee on Conference has amended this measure by:

- (1) Removing the list specifying the types of private funds that may be used to match the general funds;
- (2) Allowing pledges to be used to match the general funds as provided by the law establishing the Endowment Fund; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1435, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1435, H.D. 1, S.D. 2, C.D. 1.

Representatives Yamane, Manahan and Ching, Managers on the part of the House.
Senators Fukunaga, Tsutsui and Slom, Managers on the part of the Senate.

Conf. Com. Rep. 167 on H.B. No. 575

The purpose of this bill is to help protect Hawaii's visitors and residents by:

- (1) Requiring the Board of Directors (Board) of the Hawaii Tourism Authority (HTA) to request the Governor to declare that a tourism emergency exists if the Board of HTA determines that an adverse effect on Hawaii's tourism industry resulting from world conflict, terrorist threat, natural disaster, disease outbreak, or other catastrophic event may result in a substantial interruption of commerce in Hawaii and adversely affect the welfare of its people;
- (2) Upon the Governor's declaration that a tourism emergency exists, requiring HTA to develop and implement measures to respond to the tourism emergency;
- (3) Establishing a Tourism Emergency Trust Fund (Trust Fund) to provide for the development and implementation of emergency measures to respond to the tourism emergency; and
- (4) Specifying that, except for certain funds, funds in the Tourism Special Fund must be deposited into the Trust Fund in a manner sufficient to maintain a balance of \$5,000,000 in the Trust Fund.

Your Committee on Conference has amended this measure by:

- (1) Clarifying under the list of powers for HTA that HTA may develop and implement measures to respond to any adverse effects on the tourism industry;
- (2) Changing its effective date to July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 575, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 575, H.D. 1, S.D. 2, C.D. 1.

Representatives Yamane, Evans, Manahan and Finnegan, Managers on the part of the House.

Senators Nishihara, Inouye, Tsutsui, Kim and Trimble, Managers on the part of the Senate. (Senators Tsutsui and Trimble were excused.)

Conf. Com. Rep. 168 on H.B. No. 1866

The purpose of this bill is to protect the health and safety of those participating in mixed martial arts contests by:

- (1) Providing the Director of Commerce and Consumer Affairs (Director of DCCA) comprehensive authority to regulate mixed martial arts contests;
- (2) Appropriating an unspecified amount of funds for the operational and administrative expenses of regulating mixed martial arts contests; and
- (3) Prohibiting no rules combat, extreme or ultimate fighting, and other similar contests.

Your Committee on Conference has amended this bill by:

- (1) Removing references to "ultimate fighting" to avoid infringing on the intellectual property rights of a private corporation;
- (2) Deleting the provision prohibiting the granting of licenses to contestants or promoters unless they have authorized the Hawaii Criminal Data Justice Center to release a criminal history record check to the Director of DCCA;
- (3) Prohibiting the granting of licenses to promoters unless the promoter has submitted a criminal abstract on the promoter to the Director of DCCA;
- (4) Changing the funding source for the appropriation from general funds to the Compliance Resolution Fund (CRF), and appropriating \$130,000 for fiscal year 2007-2008 and \$205,000 for fiscal year 2008-2009 out of the CRF for the operational and administrative expenses of regulating mixed martial arts contests; and
- (5) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1866, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1866, H.D. 3, S.D. 2, C.D. 1.

Representatives Yamane, Herkes, Manahan and Ching, Managers on the part of the House.
Senators Taniguchi, Baker and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 169 on H.B. No. 1719

The purpose of this bill is to exempt the following from the general excise tax:

- (1) Amounts received by a submanager of an association of apartment owners or of certain nonprofit homeowners or community associations in reimbursement of sums paid for common expenses;
- (2) Amounts received by an operator of a hotel from the owner of the hotel or from a timeshare association for employee wage and benefit costs disbursed by the operator; and
- (3) Amounts received by a suboperator of a hotel from the owner of the hotel, timeshare association, or operator of the hotel, for employee wage and benefit costs disbursed by the suboperator.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to January 1, 2008; and
- (2) Repealing the provisions of this measure on December 31, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1719, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1719, H.D. 1, S.D. 1, C.D. 1.

Representatives Yamane, M. Oshiro, Manahan and Ching, Managers on the part of the House.
Senators Fukunaga, Nishihara, Baker and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 170 on H.B. No. 1352

The purpose of this bill is to establish the Fiftieth Anniversary of Statehood Commission to plan and coordinate various activities to commemorate the 50th anniversary of Hawaii's admission to statehood.

Your Committee on Conference has amended this measure by:

- (1) Deleting the condition that the members selected by the President of the Senate, the Speaker of the House of Representatives, and the Governor represent certain specified sectors of the community;
- (2) Changing the funding source for the appropriation from general funds to the Tourism Special Fund (TSF) and appropriating \$100,000 out of the TSF to be expended by the Hawaii Tourism Authority for the purposes of this bill; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1352, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1352, H.D. 1, S.D. 2, C.D. 1.

Representatives Yamane, Manahan and Ching, Managers on the part of the House.
Senators Nishihara, Tsutsui, Kim and Trimble, Managers on the part of the Senate. (Senator Trimble was excused.)

Conf. Com. Rep. 171 on S.B. No. 1718

The purpose of this measure is to support the development of renewable and efficient energy systems in the State by authorizing the issuance of special purpose revenue bonds to assist BlueEarth Maui Biofuels, LLC, with the construction of a biodiesel refinery on Maui for the purpose of producing fuel for electrical generation.

Your Committee on Conference finds that this measure will help meet Hawaii's goals for energy efficiency and renewable energy use by reducing dependency on imported fossil fuels, providing biodiesel at competitive prices, and stimulating the local production of ethanol. This measure will also provide encourage to local agricultural research, development, and cultivation of renewable energy feedstock crops.

Your Committee on Conference amended this measure by:

- (1) Requiring, as a condition precedent to the issuance of special purpose revenue bonds, that BlueEarth Maui Biodiesel, LLC, or its affiliates give priority to utilizing Hawaii grown fuel stock when available and ensure that no import fuel stock is used that is the product of growth on farms where forest have been cleared to accommodate the growing of such crops;
- (2) Requiring that BlueEarth Maui, in order to receive bond financing, shall import fuel stock produced only from sustainable sources;
- (3) Requiring BlueEarth Maui Biodiesel, LLC, and its affiliates to document that sustainable sources are utilized and requiring the documentation to be transmitted and otherwise made available to the Department of Business, Economic Development, and Tourism;
- (4) Requiring the Department of Business, Economic Development, and Tourism to certify the documentation submitted and to notify the Department of Budget and Finance in writing as to whether BlueEarth Maui Biodiesel, LLC, and its affiliates will comply with the fuel stock and other requirements prior to the issuance of any special purpose revenue bonds;
- (5) Inserting the amount of special purpose revenue bonds authorized as \$59,000,000;
- (6) Making the bonds taxable under state and federal income tax laws; and
- (7) Changing the effective date from July 1, 2020, to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1718, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1718, H.D. 2, C.D. 1.

Representatives Morita, M. Oshiro, Chong and Ward, Managers on the part of the House. (Representative Chong was excused.)
Senators Menor, Tsutsui, Hooser and Trimble, Managers on the part of the Senate. (Senator Trimble was excused.)

Conf. Com. Rep. 172 on S.B. No. 686

The purpose of this measure is to require the Department of Education to report to the Legislature on various aspects regarding the establishment of a career ladder program for educational assistants and provides necessary funding for the program.

Your Committee on Conference finds that a career ladder program for educational assistants was contemplated prior to the transfer of education positions and employees, including educational assistants, from the jurisdiction of the Department of Human Resources Development to the Department of Education pursuant to Act 253, Session Laws of Hawaii 2000. However, to date, the Department of Education has not established a career ladder program, which would provide a salary structure for educational assistants based on specific job requirements such as training, job performance, and years of experience. Your Committee on Conference believes in the merits of establishing a career ladder program for educational assistants; however, it is concerned with the lack of information currently being provided.

This measure requires the Department of Education to report to the Legislature on a career ladder program to be established for educational assistants, including relevant information on the employees affected, and the true costs of implementing a program. Your Committee on Conference believes that, in the future, the Legislature should consider appropriating an appropriate amount of funds to implement a career ladder program; however, prior to such funding, the Department of Education should present all necessary and relevant information to allow for the implementation of a program, which includes repricing class levels.

Upon further review, your Committee on Conference has amended this measure by:

- (1) Requiring the Department of Education to report to the Legislature on a career ladder program for educational assistants that includes:
 - (A) Repricing class levels and a career ladder program, and other career ladder enhancements;
 - (B) The number of employees affected by repricing and a career ladder program; and
 - (C) The cost of implementing repricing and a career ladder program for educational assistants;
- (2) Deleting the appropriation provision; and
- (3) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 686, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 686, S.D. 1, H.D. 1, C.D. 1.

Representatives Takumi, Sonson, Lee and Ching, Managers on the part of the House.
Senators Sakamoto, Baker, Hooser, Nishihara, Tokuda and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 173 on S.B. No. 688

The purpose of this measure is to appropriate funds for the development and initiation of plans by the Hawaii P-20 Initiative Council for education in Hawaii for the coming century.

Your Committee on Conference finds that planning for education in the new century is a complicated mission that must take into account early childhood, primary, secondary, and post-secondary education, as well as career and workforce training. The establishment of a clear vision and a plan for achieving that vision is necessary for the success of the educational system in the State. The Hawaii P-20 Initiative is a consortium of public and private educators, governmental officials, including representatives from the University of Hawaii and the Department of Education, and community leaders who work together to improve academic achievement in the State. The Hawaii P-20 Initiative Council is the appropriate body to develop and initiate plans for education in Hawaii for the new century by ensuring that we produce responsible and productive

citizens from an education system that contemplates a comprehensive vision that promotes lifelong learning from early childhood education to career and workforce preparation.

Accordingly, your Committee has amended this measure by:

- (1) Inserting an appropriation amount of \$50,000 for each year of the fiscal biennium 2007-2009 for the Hawaii P-20 Initiative to develop and initiate plans for education in Hawaii in the twenty-first century; and
- (2) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 688, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 688, S.D. 2, H.D. 1, C.D. 1.

Representatives Chang, Takumi, Lee and Finnegan, Managers on the part of the House.
Senators Sakamoto, Baker, Nishihara and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 174 on S.B. No. 1614

The purpose of this measure is to improve teacher recruitment and licensing by appropriating funds for the implementation of a new human resource management model for Waianae High School and its feeder elementary and middle schools.

Your Committee on Conference finds that a critical teacher shortage currently exists in Hawaii. As a result, the State must focus on efforts to grow and develop a teacher workforce, as well as recruit and retain qualified teachers in the public schools today. Recruitment and retention of highly qualified teachers is a significant problem at Waianae High School, where only slightly more than half of the teachers are fully licensed.

Your Committee on Conference further finds that Waianae High School currently serves approximately two thousand students with only one hundred fifty teachers. Many of the students in Waianae are living at or below the poverty level, and the academic achievement of most Waianae public schools demonstrates a lack of learning. Accordingly, your Committee on Conference recognizes the need for action in the Waianae public schools and believes that the utilization of a human resource management model could be beneficial to the school, its students, and the community at large.

Upon further review, your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$500,000 for each year of the fiscal biennium 2007-2009 for a new human resource management model at Waianae High School; and
- (2) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1614, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1614, S.D. 1, H.D. 1, C.D. 1.

Representatives Takumi, Lee, Hanohano, Shimabukuro and Awana, Managers on the part of the House.
Senators Sakamoto, Baker, Nishihara and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 175 on S.B. No. 1820

The purpose of this measure is to allow the Department of Education to enter into financing agreements, with the concurrence of the Director of Finance, for which lease payments shall be paid through a separate account established within the State Educational Facilities Improvement Special Fund.

Your Committee on Conference finds that the children of Hawaii, their education, and future success are of great importance to the State. Currently, the need for the construction of new public schools is necessary to serve students in rapidly growing new communities, alleviate overcrowded schools, and replace schools in disrepair. With the many financial challenges facing various aspects of the state government, the Legislature must explore alternative methods for allowing the Department of Education to build the necessary new schools for public school students in the State. This measure will allow the Department of Education to partner with private developers through financing agreements to expedite the construction of new schools. However, your Committee on Conference further finds that clarification is necessary to maximize the ability of the Department of Education to enter into financing agreements for which funding has already been provided.

Upon further review, your Committee on Conference has amended this measure by:

- (1) Specifying that any school:
 - (A) To which the Legislature has appropriated planning and design funds prior to the effective date of the Act; and
 - (B) For which a private developer is willing to enter into a lease purchase agreement with the Department of Education within a specified time,

shall be exempt from the requirement that expenditures from the Lease Payments for Schools Account be restricted to lease payments on new schools included within the Department of Education's current six-year capital improvements program and for which the Legislature has adopted a concurrent resolution or appropriated planning and design funds and specified that the remainder of costs are eligible for funding through a financing agreement;
- (2) Removing language that sought to change the limit on financing agreements entered into by the University of Hawaii from exceeding \$3,000,000; and
- (3) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1820, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1820, S.D. 1, H.D. 2, C.D. 1.

Representatives Takumi, M. Oshiro, Nakasone and Finnegan, Managers on the part of the House.
Senators Sakamoto, Baker, Nishihara, Tsutsui and Gabbard, Managers on the part of the Senate. (Senator Tsutsui was excused.)

Conf. Com. Rep. 176 on S.B. No. 1931

The purpose of this measure is to increase and support workforce development in the State by establishing the Educational Workforce Working Group to examine workforce and workforce-related issues; requiring the Department of Education to include plans for workforce-related needs in its strategic plan; requiring the University of Hawaii to report to the Legislature on workforce development efforts; and appropriating funds for workforce development liaisons and support staff for the Department of Education.

Your Committee on Conference finds that current and future workforce needs in the State must be addressed through comprehensive, focused, and concerted efforts of the Department of Education and the University of Hawaii System. Although other entities currently exist to address workforce development issues, there is still a lack of understanding as to where the needs are, how they are being met, and what can be done to better meet the current and future workforce needs of the State. This measure establishes a working group to explore the aforementioned and other issues and to report to the Legislature so that focused efforts can be made in the future to address workforce needs. Your Committee on Conference determines that in order to cull relevant information from other existing entities involved in workforce development, the composition of the working group members should be reconsidered.

Additionally, this measure requires the Department of Education to address educational and workforce related needs in its strategic plan and requires the University of Hawaii provide relevant information on its efforts to address workforce development needs and its plans for improving those efforts in the future. The receipt of this information will assist the Legislature in addressing current and future workforce development needs of the State in an informed manner. This measure also appropriates funds for a workforce academy liaison in the Department of Education, who would be responsible for coordinating workforce development efforts with the academies to provide students with career exploration, awareness, and mentoring. Your Committee on Conference believes that a comprehensive approach should be taken to coordinate and expand workforce development efforts in the State to meet the current and future needs of both the public and private sectors. These efforts will require additional staff to address and facilitate workforce development that utilizes resources in and meets the needs of the public and private sectors.

Upon further review, your Committee on Conference has amended this measure by:

- (1) Changing the composition of the panel to be as follow:
 - (A) Two representatives appointed by the president of the senate;
 - (B) Two representatives appointed by the speaker of the house of representatives;
 - (C) The director of business, economic development, and tourism or the director's designee;
 - (D) The superintendent of education or the superintendent's designee;
 - (E) Two representatives from the University of Hawaii system; provided that at least one shall be the chancellor of a community college;
 - (F) Two high school principals appointed by the superintendent of education from the high school principals leadership group;
 - (G) The executive director of the Hawaii P-20 council or the executive director's designee;
 - (H) The chairperson of the workforce development council or the chairperson's designee;
 - (I) The president and chief executive officer of Enterprise Honolulu or the president and chief executive officer's designee;
 - (J) The president of the Hawaii Science and Technology Council or the president's designee;
 - (K) The president and chief executive officer of the Hawaii Community Foundation or the president and chief executive officer's designee; and
 - (L) The executive director of the Honolulu Community Action Program or the executive director's designee;
- (2) Inserting an appropriation amount of \$25,000 for each year of the fiscal biennium 2007-2009 for the Workforce Working Group and \$125,000 for fiscal year 2007-2008 and \$50,000 for fiscal year 2008-2009 for workforce development liaison positions and support staff within the Department of Education;
- (3) Changing its effective date to July 1, 2007; and
- (4) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1931, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1931, S.D. 2, H.D. 3, C.D. 1.

Representatives Takumi, Chang, Sonson, Yamashita, M. Oshiro and Finnegan, Managers on the part of the House. (Representative Sonson was excused.)
Senators Sakamoto, Baker, Fukunaga, Nishihara, Tokuda and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 177 on S.B. No. 1133

The purpose of this measure is to:

- (1) Make permanent the increase of the rental motor vehicle surcharge tax from \$2 to \$3 by repealing the sunset provision in the law that authorized the increase; and
- (2) Require the Legislative Reference Bureau to conduct a review of the State Highway Fund.

Your Committee on Conference has amended this measure by:

- (1) Adding a findings and purpose section;
- (2) Extending the sunset provision of the \$3 surcharge period from August 31, 2007, to August 31, 2008;
- (3) Replacing the Legislative Reference Bureau with a joint Senate and House of Representatives task force as the entity to conduct a review of the State Highway Fund; and

- (4) Changing the effective date of the Act from July 1, 2020, to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1133, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1133, S.D. 3, H.D. 1, C.D. 1.

Representatives Souki, Yamashita, McKelvey, M. Oshiro and Meyer, Managers on the part of the House. (Representative Meyer was excused.)
Senators Fukunaga, Baker and Espero, Managers on the part of the Senate. (Senator Espero was excused.)

Conf. Com. Rep. 178 on S.B. No. 600

The purpose of this measure is to exempt from taxation an unspecified percentage of capital gains realized during taxable years 2008-2009 from sale of leased fee interest in condominium units to association of apartment owners or residential cooperative corporations.

Your Committee has amended this measure by:

- (1) Changing the unspecified percentage to one hundred per cent;
- (2) Changing the effective date to upon approval for taxable years beginning after December 31, 2007, and ending prior to January 1, 2013; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 600, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 600, H.D. 2, C.D. 1.

Representatives Shimabukuro, Herkes, Rhoads and Ward, Managers on the part of the House.
Senators Fukunaga, Taniguchi, Baker, Chun Oakland and Slom, Managers on the part of the Senate. (Senators Taniguchi and Slom were excused.)

Conf. Com. Rep. 179 on S.B. No. 1034

The purpose of this measure is to exempt aviation fuel purchased by a common carrier for use in intrastate transportation from within a foreign trade zone from the general excise and use taxes.

Your Committee on Conference finds that a healthy inter-island airline industry is vital to the State's economy. Hawaii's inter-island airlines continue to face severe financial challenges. Fuel costs in particular have skyrocketed and grown volatile in recent years.

The intent of this measure is to level the playing field and create a fairer market for all airlines. Sales of fuel sold from a foreign-trade zone for use by airlines traveling out of the State of Hawaii are exempt from general excise and use taxes. However, intrastate flights are not exempt.

Your Committee on Conference has amended this measure by:

- (1) Deleting amendments to the foreign trade zone chapter (chapter 212, Hawaii Revised Statutes);
- (2) Clarifying the language of the amendment to more accurately reflect the nature of the exemption;
- (3) Adding a monetary cap of \$3,800,000 annually to the general excise and use taxes;
- (4) Deleting the requirement that the Department of Taxation conduct a study on the impact of the exemption;
- (5) Changing the effective date to July 1, 2007; and
- (6) Adding a reenactment provision to preserve the underlying provisions of the affected sections of law upon the repeal of the amendments made by this measure on December 31, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1034, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1034, S.D. 2, H.D. 1, C.D. 1.

Representatives Yamashita, Souki, M. Oshiro, Chong and Pine, Managers on the part of the House.
Senators English, Fukunaga, Baker and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 180 on S.B. No. 1922

The purpose of this measure is to:

- (1) Appropriate funds to the University of Hawaii to develop a permanent facility for the Academy for Creative Media;
- (2) Appropriate funds to the Department of Business, Economic Development, and Tourism and to Honolulu Community College to develop a digital media incubator facility; and
- (3) Establish and appropriate funds to the University of Hawaii and Honolulu Community College for a Music and Enterprise Learning Experience Program and a music and entertainment business training center at Honolulu Community College.

Your Committee on Conference has amended this measure by:

- (1) Making corrections to student and fundraising statistics related to the Academy for Creative Media;
- (2) Authorizing a thirty-five year lease of the existing public broadcasting facility and studio on the University of Hawaii at Manoa campus to PBS Hawaii; provided that PBS Hawaii shall be responsible for renovation of the facility and shall provide forty per cent of the net usable square footage of the facility to the Academy for Creative Media through a written memorandum of understanding, and appropriating \$2,870,000 in fiscal year 2007-2008 and \$2,000,000 for fiscal year 2008-2009 for the equipment and installation suitable for the academy for creative media programs, costs associated with handicapped compliance, and common area spaces of the PBS Hawaii facility and studio;
- (3) Deleting the appropriation for planning, design, and construction of a permanent facility for the Academy of Creative Media;

- (4) Deleting the authorization and appropriation for a digital media incubator facility;
- (5) Appropriating \$150,000 in fiscal year 2007-2008 and the same sum in fiscal year 2008-2009 for MELE; and
- (6) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1922, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1922, S.D. 2, H.D. 1, C.D. 1.

Representatives Chang, Yamashita, Yamane, M. Oshiro, Chong and Ching, Managers on the part of the House. (Representatives Chong and Yamane were excused.)

Senators Fukunaga, Sakamoto, Baker, Ige and Slom, Managers on the part of the Senate. (Senators Ige and Slom were excused.)

Conf. Com. Rep. 181 on H.B. No. 317

The purpose of this bill is to make it more cost-effective for Hawaii's small business owners to outsource their employment and payroll needs to a professional employment organization (PEO), while protecting employee rights by:

- (1) Allocating between a PEO and their client company, responsibility for the labor law rights and tax reporting and withholding obligations of employees assigned to the client company;
- (2) Exempting a PEO from the general excise tax on amounts received from a client company that are disbursed for wages, salaries, payroll taxes, and employment benefits of employees assigned to the client company; and
- (3) Making the exemption inapplicable if assigned employees are excluded from any employee rights or benefits required by law, or the PEO fails to pay any assigned employee withholding taxes for which the organization is responsible.

Your Committee on Conference finds that by eliminating the double imposition of the general excise tax on amounts that a PEO disburses for the client company's employee payroll and benefits, this bill will reduce the cost of outsourcing employment and payroll needs and support the growth of small businesses in Hawaii.

Your Committee on Conference has amended this bill by:

- (1) Changing its effective date to July 1, 2007, and specifying that the general excise tax exemption is to apply to gross income or gross proceeds received after June 30, 2007; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 317, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 317, H.D. 2, S.D. 2, C.D. 1.

Representatives Yamashita, M. Oshiro, Chong and Marumoto, Managers on the part of the House.

Senators Fukunaga, Tsutsui and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 182 on H.B. No. 310

The purpose of this bill is to invest in Hawaii's human resources by establishing a Hawaii Broadband Task Force (Task Force) to develop a long-term strategy to offer affordable Internet access and promote broadband usage statewide.

Your Committee on Conference has amended this bill by:

- (1) Specifying that the Task Force is to be comprised of three members of the House of Representatives and Senate, respectively, four representatives of government entities, and five representatives from the private sector;
- (2) Providing that the government and private sector representatives are to be appointed jointly by the President of the Senate and the Speaker of the House of Representatives;
- (3) Requiring the Auditor to provide research and support services to the Task Force;
- (4) Clarifying that the Task Force is to make findings and recommendations to improve Hawaii's broadband capabilities and services, and removing language requiring Task Force plans to encompass the actual development and installation of a broadband system;
- (5) Removing the appropriation for the Task Force;
- (6) Changing the effective date to July 1, 2007; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee on Conference finds that the Task Force will identify means of leveraging federal and other private sector opportunities to develop and improve Hawaii's broadband capabilities. The Task Force's study and recommendations will allow Hawaii to take the essential first steps toward keeping pace with the advances in information technology that are reshaping our world.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 310, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 310, H.D. 2, S.D. 2, C.D. 1.

Representatives Yamashita, Sagum and Ching, Managers on the part of the House.

Senators Fukunaga, Tsutsui, Ige and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 183 on H.B. No. 1670

The purpose of this bill is to facilitate intellectual property development in Hawaii, while upholding high labor and environmental standards and funding instruction that encourages innovation by public school students, by:

- (1) Establishing the Ingenuity Company, a for-profit, limited liability company chartered by the State to own, license, use, and sell intellectual property for the benefit of inventors, labor unions, and public educators; and
- (2) Appropriating funds to capitalize the Ingenuity Company.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation of \$30,000 to capitalize the fund; and
- (2) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1670, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1670, H.D. 2, S.D. 2, C.D. 1.

Representatives Yamashita, Takumi, Sonson, M. Oshiro and Awana, Managers on the part of the House.
Senators Fukunaga, Sakamoto, Baker and Gabbard, Managers on the part of the Senate. (Senator Gabbard was excused.)

Conf. Com. Rep. 184 on H.B. No. 1083

The purpose of this bill is to support the growth of Hawaii's high technology business sector by appropriating funds to:

- (1) Allow the High Technology Development Corporation to negotiate a lease with the developers of a life sciences research complex in Kakaako for laboratory and office space for a state-operated high technology incubator and innovation center;
- (2) Help Hawaii's small high technology businesses compete more successfully for federal funds by continuing funding for the Hawaii Small Business Innovation Research Grant and Hawaii Small Business Technology Transfer Grant Programs (Grant Programs); and
- (3) Establish a follow-on funding program to help Hawaii-based small businesses commercialize successful research and development projects initially funded through the Hawaii Technology Development Venture or the National Defense Center of Excellence for Research in Ocean Sciences.

Your Committee on Conference has amended this bill by:

- (1) Removing the provisions concerning the Kakaako high technology incubator and the Grant Programs;
- (2) Inserting an appropriations of \$5,000,000 for fiscal year 2007-2008 for the follow-on funding program;
- (3) Deleting the project oversight responsibilities of the National Defense Center of Excellence for Research in Ocean Sciences;
- (4) Changing the effective date to July 1, 2007; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee on Conference finds that the follow-on funding program will help Hawaii-based high technology companies that have already successfully performed research and development funded by the federal government, to move their innovations from concept to final commercialization.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1083, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1083, H.D. 2, S.D. 2, C.D. 1.

Representatives Yamashita, Ito, M. Oshiro, Chong, Yamane and Ward, Managers on the part of the House.
Senators Fukunaga, Tsutsui, Ige and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 185 on H.B. No. 1659

The purpose of this bill is to ensure that funds solicited by government to cover the costs and expenses of a state-sponsored enterprise, including trips and other endeavors to generate business opportunities and goodwill for the State, are expended fairly and openly, and subject to competitive procedures, by providing that these funds must be deposited into the general fund, disbursed by legislative appropriation, and expended under the procurement code.

Your Committee on Conference understands that this bill targets trade show activities coordinated by state agencies where participants from the business community are responsible for offsetting part of the costs of booths, equipment, and other related expenses. However, while the procedures required by this bill would increase transparency and accountability, they will also delay the ability of agencies to gain access to solicited funds.

To allow this valuable public-private marketing program to continue unabated, your Committee on Conference has amended this bill by inserting an appropriation of \$50,000 as seed money for initial costs and expenses. The effective date of this bill has also been changed to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1659, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1659, H.D. 2, S.D. 1, C.D. 1.

Representatives Yamashita, Lee and Awana, Managers on the part of the House.
Senators Nishihara, Tsutsui, Kim and Trimble, Managers on the part of the Senate. (Senator Trimble was excused.)

Conf. Com. Rep. 186 on H.B. No. 1270

The purpose of this bill is to improve government planning by:

- (1) Enhancing the ability of the Office of Planning (OP) to collect government agency geospatial data, and assemble and manage a comprehensive and accurate statewide geographic information system;
- (2) Allowing the Office of the Auditor and the Hawaii 2050 Task Force to further develop the Hawaii 2050 Sustainability Plan; and

- (3) Ensuring that the position of Director of OP is given the same status as the head of a principal state department and is subject to the same appointment procedures.

Your Committee on Conference has amended this bill by:

- (1) Removing the provisions relating to the Director of OP;
- (2) Inserting an appropriation of \$850,000 for fiscal year 2007-2008 for the Hawaii 2050 Task Force;
- (3) Changing the effective date to July 1, 2007; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee believes that this measure will provide the guidance necessary for the State to renew its long-term plans, protect its valuable resources, and enhance the quality of life for all the people of Hawaii.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1270, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1270, H.D. 2, S.D. 2, C.D. 1.

Representatives Yamashita, Magaoay, Waters, Chong, M. Oshiro and Marumoto, Managers on the part of the House.
Senators Kokubun, Baker, Tokuda and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 187 on H.B. No. 767

The purpose of this bill is to encourage students of underrepresented populations to attend college by:

- (1) Requiring the Department of Education to provide students who participate in the Running Start Program (Program) with guidance in earning credit toward high school graduation upon the satisfactory completion of certain University of Hawaii (UH) courses; and
- (2) Appropriating funds for scholarships for students who are members of underrepresented populations in higher education to participate in the Program.

Your Committee on Conference has amended this bill by:

- (1) Changing the amount of general funds to be deposited into the UH Scholarship and Assistance Special Fund (Fund), and out of the Fund, to \$50,000 each for fiscal year 2007-2008 and fiscal year 2008-2009;
- (2) Changing the effective date to upon approval; provided that sections 3 and 4 of the bill shall take effect on July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 767, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 767, H.D. 2, S.D. 2, C.D. 1.

Representatives Chang, Takumi, Sagum and Ching, Managers on the part of the House.
Senators Sakamoto, Tsutsui, Nishihara and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 188 on H.B. No. 777

The purpose of this bill is to establish and appropriate funds for an educator loan forgiveness program to strengthen teacher recruitment and retention for hard-to-fill positions at Hawaii's public schools or rural-area public schools.

Your Committee on Conference has amended this bill by:

- (1) Changing the amount of general funds to be deposited into the Hawaii Educator Loan Program Special Fund (Fund), and expended out of the Fund, to \$250,000;
- (2) Changing the effective date to July 1, 2007; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 777, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 777, H.D. 2, S.D. 2, C.D. 1.

Representatives Chang, Sagum and Ching, Managers on the part of the House.
Senators Sakamoto, Baker, Nishihara and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 189 on H.B. No. 1014

The purpose of this bill is to ensure a high quality of teaching in Hawaii's public schools by appropriating funds:

- (1) For each complex area to establish the capacity to coordinate and expand complex-level resources for teacher professional development, alignment of curriculum, and teacher mentoring in schools; and
- (2) For induction teacher mentoring for new teachers and teachers who are new to Hawaii.

Your Committee on Conference has amended this bill by:

- (1) Clarifying the purpose language of the bill;
- (2) Changing the appropriation for establishment of the capacity to coordinate and expand complex-level resources as follows:

- (A) Changing the amount of the appropriation to \$585,000;
 - (B) Specifying that the appropriation is to go to not more than five complex areas;
 - (C) Removing the stipulation that a portion of the funds allocated to individual schools by complex areas shall be for professional development and support of curriculum in visual and performing arts education, physical education, and virtual learning materials and programs; and
 - (D) Requiring that the complexes selected shall be those that have schools where there is a high turnover of teachers or hard-to-fill vacancies and have few other resources for professional development;
- (3) Deleting the appropriation for induction teacher mentoring;
 - (4) Inserting an appropriation of \$165,000 for the Teach For America Program;
 - (5) Changing the effective date to July 1, 2007; and
 - (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1014, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1014, H.D. 2, S.D. 1, C.D. 1.

Representatives Chang, Takumi, Tokioka and Finnegan, Managers on the part of the House. (Representative Tokioka was excused.)
Senators Sakamoto, Baker, Tokuda and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 190 on H.B. No. 1764

The purpose of this bill is to authorize the issuance of revenue bonds to assist the Hawaii Health Systems Corporation (Corporation) in the construction, improvement, and equipment of its healthcare facilities.

Your Committee on Conference has amended this bill by:

- (1) Authorizing the Maui regional system board, or any of the Corporation's regional subsidiary corporations to finance the cost of improvements to their healthcare facilities through the issuance of revenue bonds;
- (2) Providing for the use of the bond revenues to finance Maui's proposed heart, brain, and vascular center;
- (3) Clarifying that the principal of and interest on the revenue bonds issued will be payable from the revenues and other financial assets of the Corporation, its regional system board, or its regional subsidiary corporations financed by the bonds;
- (4) Inserting a provision to allow for the use of the moneys generated by the revenue bonds; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1764, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1764, H.D. 1, S.D. 1, C.D. 1.

Representatives Green, Nakasone, Mizuno and Ward, Managers on the part of the House.
Senators Ige, Baker, Tsutsui and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 191 on S.B. No. 914

The purpose of this measure is to address the inadequacies of mental health care services provided to persons committed to Hawaii state correctional facilities by providing funding for improvements and monitoring progress.

Your Committee on Conference finds that addressing the shortcomings of mental health care for incarcerated persons in Hawaii correctional facilities is important and must be done in a timely manner.

Your Committee on Conference amended this measure to:

- (1) Revert to the Senate Draft No. 2 reporting requirements, which require the Department of Public Safety to report to the Legislature with a detailed mental health plan rather than simply submitting a plan;
- (2) Specify that the report shall be submitted in a written form understandable by lay readers and made available to the public;
- (3) Appropriate a sum of \$500,000 for fiscal year 2007-2008;
- (4) Change the effective date to July 1, 2007; and
- (5) Make technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 914, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 914, S.D. 2, H.D. 1, C.D. 1.

Representatives Evans, Har and Ching, Managers on the part of the House.
Senators Espero, Baker, Chun Oakland, Nishihara and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 192 on S.B. No. 1174

The purpose of this measure is to support the continuation and expansion of parent-child interaction programs at state correctional facilities.

Your Committee on Conference finds that it is important to support and foster parent-child relationships of incarcerated parents and other offender populations. Your Committee on Conference further finds that the Strengthening Keiki of Incarcerated Parents Program has been successful and is a good model to use for replication at correctional facilities and other institutions and agencies that service offender populations throughout the State.

Your Committee on Conference amended this measure by:

- (1) Following the language of the Senate Draft No. 1, with the exception of expanding parent-child programs to agencies servicing offender populations as well as institutions and correctional facilities as per the House Draft No. 1;
- (2) Inserting in the appropriation the specific amount of \$250,000 for each fiscal year in the 2007-2009 fiscal biennium;
- (3) Changing the effective date to July 1, 2007; and
- (4) Making technical, nonsubstantive changes for the purposes of consistency and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1174, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1174, S.D. 1, H.D. 1, C.D. 1.

Representatives Evans, Har and Finnegan, Managers on the part of the House.

Senators Espero, Tsutsui, Sakamoto and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 193 on S.B. No. 613

The purpose of this measure is to provide support and incentives to early childhood education programs and facilities in the State.

Your Committee on Conference finds that a critical teacher shortage problem exists in Hawaii. The need to recruit and retain highly qualified individuals is only surpassed by the need to grow a qualified teacher workforce. This is true at all levels of public school education, but of significant import at the early childhood education level. The State has made great strides to improve early childhood education by developing and making available junior kindergarten and kindergarten programs; however, as research indicates that early childhood education is instrumental in lifelong success, the State must do more to promote, enhance, and support programs and initiatives that address the needs of our young children.

Your Committee on Conference further finds that the Legislature, pursuant to Act 259, Session Laws of Hawaii 2006, established the Early Learning Education Task Force to develop a five-year plan for a coherent, comprehensive, and sustainable early learning system for children from birth to age five. The task force found five key elements to increasing early educator capacity in the State. This measure addresses these key factors by establishing a program to provide incentives to early education professionals and those seeking degrees in the field. Your Committee on Conference believes that the State must invest in our future teachers and assist them in achieving high academic levels and to grow a highly-qualified early education workforce.

Additionally, the need exists to capture and assist younger individuals interested in pursuing early education careers, including those at the high school level. Your Committee on Conference believes that all efforts should be explored to ensure the establishment of a qualified and sustainable early educator workforce.

Your Committee on Conference also determines that additional improvements to the early education system can be accomplished through the provision of land and other facilities for early childhood education programs.

Upon further review, your Committee on Conference has amended this measure by:

- (1) Including language in the purpose section and in statute that requires the Department of Education to collaborate with parents and providers to encourage inclusionary classes with special education eligible and general education students ages three to five, subject to available resources and individualized education plans;
- (2) Requiring the Department of Education's kindergarten report card to assess an individual junior kindergarten or kindergarten student's readiness for advancement;
- (3) Changing the language regarding a school's ability to move students between junior kindergarten and kindergarten to allow movement based on the kindergarten report card;
- (4) Removing language that required schools to incorporate the Hawaii preschool content standards for four-year old children in developing appropriate instruction for the junior kindergarten tier;
- (5) Reinstating language that allows the junior kindergarten and kindergarten program to include a model for blending junior kindergarten and kindergarten students into a single classroom;
- (6) Authorizing the Department of Education to give preference to certain teachers; provided that such preference does not violate any collective bargaining agreement;
- (7) Removing language creating a preference for junior kindergarten educational assistants who have early childhood education credentials;
- (8) Removing amendments to the Hawaii Educator Loan Program that required ten per cent of the sums appropriated into the program's special fund to be used to assist educators seeking associate's or bachelor's degrees in early childhood education;
- (9) Requiring the Department of Education and the Department of Human Services to collaborate to develop suitable Pre-plus classrooms on Department of Education campuses, including charter schools;
- (10) Removing the requirement that the Department of Human Services administer the appropriated capital improvement project funds for the planning, design, and construction of temporary facilities to support Pre-plus programs on public school campuses;
- (11) Removing the requirement that the Department of Accounting and General Services implement required planning, design, and construction functions for temporary facilities to support Pre-plus programs on designated public school campuses;
- (12) Removing the requirement that the Department of Education procure preschool service delivery and implementation and provide general oversight of the Pre-plus program;

- (13) Removing amendments to section 302A-1506.5(a), Hawaii Revised Statutes, requiring that early childhood education classrooms meet the licensing standards determined by the Departments of Education and Human Services;
- (14) Changing the reporting requirement on early childhood education facilities from the Department of Health reporting to the Department of Education to the Department of Education reporting to the Legislature annually;
- (15) Removing language authorizing the Department of Education to establish rules to effectuate section 302A-1506.5, Hawaii Revised Statutes;
- (16) Removing the appropriation for the Hawaii Educator Loan Program;
- (17) Removing the appropriation for the development of courses of public school junior kindergarten and kindergarten teachers for a certificate in early childhood education;
- (18) Removing the authorization for the issuance of general obligation bonds, and the appropriation of funds therefrom, for Pre-plus facilities;
- (19) Removing the authorization for the issuance of general obligation bonds, and the appropriation of funds therefrom, for the Department of Labor and Industrial Relations public-private Pre-plus initiative;
- (20) Changing the effective date to July 1, 2007; and
- (21) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 613, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 613, S.D. 2, H.D. 2, C.D. 1.

Representatives Takumi, Chang, M. Oshiro and Finnegan, Managers on the part of the House.
Senators Sakamoto, Baker, Chun Oakland, Tokuda and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 194 on S.B. No. 885

The purpose of this bill is to enhance career and technical education in Hawaii's schools, thereby preparing our students for further education and employment, by:

- (1) Broadening the Department of Education's (DOE) Agriculture Education Program to include instruction in healthy eating habits and educational opportunities in the fields of farming, diversified agriculture, landscaping, aquaculture, culinary arts, and related industries such as market development and science and technology;
- (2) Requiring DOE to report to the 2008 and 2009 Legislatures on its efforts to implement this program; and
- (3) Appropriating funds for these purposes.

Your Committee on Conference has amended this bill by, among other things:

- (1) Clarifying the purpose language of the bill;
- (2) Statutorily establishing a Career and Technical Education Program within DOE;
- (3) Clarifying the provisions of the Agriculture Education Program;
- (4) Requiring the Agriculture Education Program to coordinate with culinary arts programs;
- (5) Changing the amount of the appropriation for the Agriculture Education Program to \$350,000;
- (6) Establishing and appropriating funds for the Hawaii Excellence Through Science and Technology Academy Pilot Program to be administered by Kauai Community College, in partnership with DOE, at two public schools;
- (7) Establishing the Fostering Inspiration and Relevance Through Science and Technology (FIRST) Pre-Academy Program which shall be administered by the University of Hawaii (UH) College of Engineering;
- (8) Establishing the Robotics and Problem-Based, Applied Learning Program which shall be administered by the UH College of Engineering;
- (9) Establishing the Research Experiences for Teachers Program (RET) which shall be administered by the UH College of Engineering;
- (10) Appropriating funds for the FIRST Pre-Academy Program, including funds for the Robotics and Problem-Based, Applied Learning Program and RET;
- (11) Establishing and appropriating funds for the Business/Education Internship and Mentorship Program within the Department of Business, Economic Development, and Tourism;
- (12) Establishing and appropriating funds for a professional development program, within the UH College of Education, to provide practicing elementary, middle, and high school science and mathematics teachers with opportunities to increase their knowledge and understanding of recent developments in science, technology, engineering, and mathematics;
- (13) Appropriating funds for the Transition To Teaching Program to provide stipends to attract science, technology, engineering, and mathematics graduates to the UH post baccalaureate certificate in secondary education program;
- (14) Changing the effective date to July 1, 2007; and
- (15) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 885, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 885, S.D. 2, H.D. 3, C.D. 1.

Representatives Takumi, Tsuji, Yamashita, Brower and Ching, Managers on the part of the House.
Senators Sakamoto, Kokubun, Baker, Tokuda and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 195 on S.B. No. 603

The purpose of this measure is to improve the public charter school system by clarifying the functions, duties, and roles of the Charter School Review Panel and the Board of Education in the administration and operations of the charter schools in the State.

Your Committee on Conference finds that public charter schools throughout the State serve an important function by creating choices for parents and students within the public school system, while providing a system of accountability for student achievement. Charter schools encourage innovation and provide opportunities for parents to play powerful roles in shaping and supporting the education of their children. Pursuant to Act 298, Session Laws of Hawaii 2006, the Legislature sought to improve the charter school system by adopting proposals recommended by the Task Force on Charter School Governance that was established by Act 87, Session Laws of Hawaii 2005. However, additional reform is necessary to allow charter schools in the State to continue to strive for excellence through effective and efficient operations.

Your Committee on Conference believes that with the numerous duties imposed on the Board of Education and the need for the charter schools to be more autonomous, the Charter School Review Panel should be given increased authority over the administration and operations of the charter schools within the State. However, it is not the intent of the Legislature to alter or affect the Board of Education's role as the State Education Agency for Hawaii. Additionally, the Board of Education should continue to be the final authority over certain decisions of the Panel. Your Committee on Conference determines that the increased authority should include the authority to approve charter school applications; revoke charters; approve amendments to detailed implementation plans; and hire the Executive Director of the Charter School Administrative Office, as the decision should be brought closer to its constituency, as well as approval of the hiring of staff. As a result of this increased authority, your Committee on Conference finds that greater accountability and greater transparency are also necessary in the operations of the Charter School Review Panel.

Upon further review, your Committee on Conference has amended this measure by:

- (1) Specifying that it is not the Legislature's intent to alter or affect the Board of Education's role as the State Education Agency for the State of Hawaii;
- (2) Authorizing the Charter School Review Panel to review, approve, or deny charter school applications; revoke school charters; and review, approve, or deny amendments to school detailed implementation plans;
- (3) Establishing a review process for appeals from decisions of the Charter School Review Panel to the Board of Education;
- (4) Changing the term of the Executive Director of the Charter School Administrative Office to a maximum of four years;
- (5) Authorizing the Charter School Review Panel to hire and evaluate an Executive Director, as well as approve the hiring of staff;
- (6) Making the Charter School Review Panel subject to the requirements of chapter 92, Hawaii Revised Statutes;
- (7) Changing the composition of the panel by including an additional representative from the University of Hawaii, removing the parent of a charter school student, and ensuring that a certain number of members are not affiliated with charter schools;
- (8) Requiring the additional members of the panel, as a result of increased membership of the panel, to be appointed by September 1, 2007, and establishing interim quorum requirements to allow the panel to operate until all twelve panel members have been appointed;
- (9) Removing language that requires the Board of Education to submit to the Legislature annual appropriation requests to fund panel operations;
- (10) Authorizing the panel to make adjustments to charter school allocations due to noncompliance with federal and state reporting requirements;
- (11) Updating the funding formula to ensure that charter school allocations are based on the most recent department budget base;
- (12) Removing the appropriation to the Charter School Administrative Office for various cost items; and
- (13) Changing the effective date to upon approval and including language to preserve changes to section 89-6(g), Hawaii Revised Statutes, upon repeal and reenactment under Act 245, Session Laws of Hawaii 2005.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 603, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 603, S.D. 2, H.D. 2, C.D. 1.

Representatives Takumi, M. Oshiro, Lee and Finnegan, Managers on the part of the House.
Senators Sakamoto, Baker, Hooser, Tokuda, Gabbard, Chu and Oakland, Managers on the part of the Senate.

Conf. Com. Rep. 196 on S.B. No. 1917

The purpose of this measure is to assess and address the housing crisis in Hawaii.

Your Committee on Conference finds that the homeless and affordable housing crises continue to be one of the State's most significant and challenging social problems. Meaningful solutions to Hawaii's housing and homeless problems must be found.

Your Committee on Conference has amended this measure to:

- (1) Postpone the sunset date for the rental housing trust fund to June 30, 2008;
- (2) Retain the existing fifty per cent allocation of the taxes collected in each fiscal year shall be paid into the rental housing trust fund;
- (3) Insert the monetary figures for the appropriations made in this measure;
- (4) Delete the appropriation from the general fund into the rental housing trust fund;
- (5) Insert a severability clause;

- (6) Change the effective date to July 1, 2007; provided that the section postponing the sunset date for the rental housing trust fund shall take effect on June 29, 2007; and
- (7) Make technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1917, S.D. 3, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1917, S.D. 3, H.D. 2, C.D. 1.

Representatives Shimabukuro, Ito, M. Oshiro, Rhoads and Awana, Managers on the part of the House.

Senators Chun Oakland, Taniguchi, Fukunaga, Baker, Menor, Tsutsui and Hemmings, Managers on the part of the Senate. (Senator Hemmings was excused.)

Conf. Com. Rep. 197 on S.B. No. 1792

The purpose of this measure is to advance the State's commitment to provide quality health care for the people of the Hawaii, by:

- (1) Adopting the original task force recommendation of community-based governance; and
- (2) Establishing regional affiliate boards for all regions to be governed by a community-based regional affiliate board of directors, and to provide the necessary authority for each region to accomplish the goal of community-based governance.

Your Committee has amended this bill by:

- (1) Changing regional affiliate boards to regional system boards, increasing the initial membership on the board from eleven to twelve, and specifying that:
 - (A) The regional system boards shall be established no later than January 1, 2008; and
 - (B) No additional debts or liabilities or superior debts shall be added to any regional board that would negatively impact the holders of bond notes;
- (2) Inserting that, until December 31, 2008, a regional system board may appoint a regional chief financial officer and may discharge a regional chief executive officer or regional chief financial officer for cause and that, effective January 1, 2009, the hiring and firing of the regional chief executive officers shall be subject to approval of both the regional system board and the corporation board;
- (3) Inserting the provision that up to December 31, 2008, the discharge of a regional chief executive officer shall only be for cause and after January 1, 2009, regional chief executive officers and other exempt personnel shall be subject to discipline, including discharge in accordance with duly executed contracts, laws governing exempt personnel of the State, and regional system policies adopted in accordance with corporate policies;
- (4) Reducing from ten to eight members of the corporation board to be appointed by the governor from a list of two non-physicians submitted by the senate president and the speaker of the house of representatives within fifteen days of the effective date of this Act as follows:
 - (A) One member from region I from the city and county of Honolulu;
 - (B) One member from region II from Kauai county;
 - (C) Two members from region III from Maui county, except the senate president and the speaker of the house of representatives shall submit two non-physician candidates each;
 - (D) Two members from region IV from eastern Hawaii county, except the senate president and the speaker of the house of representatives shall submit two non-physician candidates each;
 - (E) One member from region V from western Hawaii county, except the senate president and the speaker of the house of representatives shall submit two non-physician candidates each; and
 - (F) Two additional members residing in the State;
- (5) Reinstating the rotation of physician members on the corporation board;
- (6) Specifying that a regional system board, in addition to the public health facility management advisory committee, may submit physician candidates for the board and requiring the Governor to attempt to choose physician members from different regions and to rotate their appointments among the five regions;
- (7) Adding continuing medical education programs to the duties of the corporation board;
- (8) Adding the provisions that:
 - (A) Duties and powers exercised by the regional system boards shall be consistent with corporation-wide policies, and wherever appropriate, corporation-wide policies shall take into account differences among regions and among types of facilities, particularly acute care, critical access, and long-term care facilities within the system; and
 - (B) New corporation-wide policies, and major changes to existing policies other than those changes mandated by legal or regulatory requirements, shall be developed by the corporation board after consultation with a policies committee. The policies committee shall be made up of representatives of the corporation board and each regional system board or designees of each board. The corporation board shall have two representatives on this committee. The corporation board shall review and consider approval of the policies within thirty days of transmittal by the policies committee or at the next board meeting; provided that, if the policies committee fails to take action within thirty days of receiving the proposed policy, the corporation board may consider and adopt or reject or revise the policy. The regional system boards and corporation board, as needed, may submit a request to the committee to alter corporation-wide policies along with detailed justification for the request. The regional system boards and the corporation board shall establish a procedure to further implement this section collaboratively;

- (9) Adding that the regional system boards shall submit their regional and facility budgets to the corporation to be consolidated into a corporation-wide budget for purposes of corporation-wide planning and appropriation requests;
- (10) Adding that rates and charges may vary among regions and facilities and may be consolidated with the rates of other regions into one charge master. Third-party payer contracts may be negotiated at the corporation-wide level with input from the regions, taking into consideration the rates set by the regional system boards. For purposes of securing revenue bonds, the corporation or regional board may covenant to set, and if necessary increase, rates and charges as needed to pay debt service and related obligations plus a coverage factor;
- (11) Adding that the corporation and each regional system board shall be entitled to undertake the acquisition, construction, and improvement of property, facilities, and equipment to carry out these capital and strategic plans;
- (12) Clarifying that only the corporation may sue or be sued and that the corporation or any of its regional system boards may waive sovereign immunity for any bonds to the same extent as the State of Hawaii;
- (13) Clarifying that the corporation board shall delegate to a regional system board its authority to enter into and execute contracts relating to matters exclusively affecting that region;
- (14) Adding that the corporation board may issue revenue bonds up to \$100,000,000 and that the regional system boards shall have the power to issue revenue bonds in any amount;
- (15) Adding that the corporation board may pledge other financial assets of the corporation or the regional system boards to secure bond liabilities;
- (16) Clarifying the custodial control of the regional system boards over facilities and physical assets in the respective regions;
- (17) Adding that all contracting for or acceptance of gifts, grants, loans, property, or other aid shall be consistent with corporation-wide policies established by the corporation board;
- (18) Adding that proceeds of bonds and moneys pledged to secure bonds may be invested in obligations permitted by any document that authorizes the issuance or securing of bonds;
- (19) Adding that, regarding internal policies, the corporation board shall be subject to management and financial audits and clarifying that the regional system boards and the corporation board shall enjoy the exemption from section 103-53(e), Hawaii Revised Statutes, that the corporation board shall be subject to the Hawaii procurement code but that the regional system boards shall not be subject to the code;
- (20) Clarifying that a regional chief financial officer and chief executive officer may only be hired or dismissed with the regional system board's approval and the corporation board;
- (21) Adding that regional system boards and the corporation board are also exempt from the public meeting requirements under part I of chapter 92, Hawaii Revised Statutes;
- (22) Adding that the corporation and any regional system board may deposit moneys into trustee accounts for the purposes of securing or issuing bonds;
- (23) Adding that each regional system board shall submit the results of the annual audit to the corporation board within one hundred twenty days after the close of the regional system board's fiscal year;
- (24) Adding language to protect officers and employees transferred;
- (25) Adding that the terms of membership of the corporation board shall expire as follows:
 - (A) The terms of board members whose date of appointment was prior to and including July 1, 2004, shall expire on December 31, 2007;
 - (B) The terms of board members whose date of appointment was after July 1, 2004, shall expire on September 30, 2008;
- (26) Adding an appropriation of \$750,000 to the Hawaii Health Systems Corporation to support establishment of the regional system boards;
- (27) Changing the effective date from upon its approval to July 1, 2007; provided that:
 - (A) Section 19 shall take effect on January 1, 2009;
 - (B) Section 16 and section 323F-7(c)(30)(B), Hawaii Revised Statutes, shall be repealed on January 1, 2009, and the statutes amended in those sections shall be reinstated in the form they were in before the adoption of this Act; and
 - (C) The amendments made to section 323F-7(c)(15), Hawaii Revised Statutes, in section 23 of this Act shall not take effect if House Bill No. 1764 in any form passed by the legislature, regular session of 2007, becomes an Act.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1792, S.D. 3, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1792, S.D. 3, H.D. 3, C.D. 1.

Representatives Nakasone, Green, Tokioka, Mizuno and Awana, Managers on the part of the House.
Senators Ige, Baker, Tsutsui and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 198 on S.B. No. 907

The purpose of this measure is to:

- (1) Rename the Office of Space Industry, as the Office of Aerospace Development, and adds additional duties relating to identifying and promoting opportunities for expanding and diversifying aerospace-related industries in the State; and
- (2) Appropriate funds for the Office of Aerospace Development, to establish and operate a Pacific International Center for Space Explorations, and for safety and environmental studies for an FAA commercial space port license.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$500,000 in fiscal year 2007-2008 for the purposes of this Act; and
- (2) Changing the effective date from July 1, 2034, to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 907, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 907, S.D. 2, H.D. 2, C.D. 1.

Representatives Yamashita, Sagum, Tokioka and Ward, Managers on the part of the House.
Senators Fukunaga, Tsutsui, Espero and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 199 on H.B. No. 1631

The purpose of this bill is to provide greater transparency in the use of high technology tax incentives while simultaneously gathering and analyzing statistical information on the value of these incentives to the state. Specifically, the bill requires that the Department of Taxation (Department) prepare an annual report using statistics about the high technology businesses already available from July 1, 2004.

Your Committee on Conference has amended this measure by requiring every qualified high technology business (QHTB) that accepts an investment for which the high technology business investment tax credit could be claimed to file an annual survey with the Department. The survey will include information about the QHTB such as investment credit data, revenue and expense data, and specifics about employment and wage data for the QHTB, which will allow the Department to measure the effectiveness of the high technology investment tax credit, including its effect on capital formation, economic development, and diversification of the State's economy based on such factors as the number of QHTBs in various industry sectors, jobs created, compensation levels, and qualified research activities. The results of this study and other information will be reported to the Legislature annually.

Your Committee on Conference further amended this measure by deleting the appropriation section and repealing the bill's provisions after three and a half years to encourage a reevaluation of the usefulness of the information collected and its analyses.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1631, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1631, H.D. 2, S.D. 2, C.D. 1.

Representatives Yamashita, M. Oshiro, Chong, Sagum and Ward, Managers on the part of the House.
Senators Fukunaga, Baker, Ige and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 200 on H.B. No. 1008

The purpose of this bill is to ensure that all of Hawaii's children receive appropriate health care by:

- (1) Establishing the Hawaii Infant Health Care Program as a three-year pilot program to provide health care services to uninsured children who are one day, but not more than 30 days of age;
- (2) Establishing the Hawaii Children's Health Care Program as a three-year pilot program to provide coverage to uninsured children who are at least 31 days to 18 years of age;
- (3) Providing free medical care to children 18 years of age or younger whose family income is at or below 300 percent of the federal poverty level (FPL);
- (4) Allowing children 18 years of age or younger whose family income is at or between 250 and 300 percent of the federal poverty level to receive free QUEST-Net benefits; and
- (5) Appropriating funds for the above purposes.

Your Committee on Conference has amended this bill by:

- (1) Inserting the following appropriation amounts:
 - (A) \$150,000 for fiscal year 2007-2008 and \$250,000 for fiscal year 2008-2009 for the Hawaii Infant Health Care Program;
 - (B) \$700,000 for fiscal year 2007-2008 and \$900,000 for fiscal year 2008-2009 for the Hawaii Children's Health Care Program;
 - (C) \$109,000 for fiscal year 2007-2008 and \$218,000 for fiscal year 2008-2009 to provide medical care to children 18 years of age or younger whose family income is at or below 300 percent of FPL;
 - (D) \$350,000 for fiscal year 2007-2008 and \$700,000 for fiscal year 2008-2009 for medical assistance under QUEST-Net;
 - (E) \$52,000 for each year of fiscal biennium 2007-2009 for two full-time equivalent permanent eligibility worker positions; and
 - (F) \$50,000 for fiscal year 2007-2008 for the purchase of equipment and supplies to implement these various programs and services;

and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1008, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1008, H.D. 2, S.D. 2, C.D. 1.

Representatives Green, Shimabukuro, Mizuno and Ward, Managers on the part of the House.
Senators Chun Oakland, Ige, Baker and Hemmings, Managers on the part of the Senate. (Senator Hemmings was excused.)

Conf. Com. Rep. 201 on H.B. No. 212

The purpose of Part I of this bill is to establish a temporary Maui health initiative task force to develop a comprehensive strategic health plan for the county of Maui.

The purpose of Part II of this bill is to appropriate funds for the State Health Planning and Development Agency to develop and maintain a statewide comprehensive health care workforce map and database.

Your Committee on Conference amended this measure by:

- (1) Requiring the State Health Planning and Development Agency to integrate the report into the activities of the Tri-Isle Subarea Health Planning Council;
- (2) Adding "...the state health planning and development agency shall grant expedited review to any application for a certificate of need whose health care service area is within Maui County that demonstrates financial viability and meets the Hawaii health performance plan relating to Maui county as revised pursuant to section 2(e). Any required hearings or reviews shall be held in Maui county."
- (3) Inserting an appropriation amount of \$100,000 out of the general fund for the operation of the task force;
- (4) Deleting the appropriation for the work force map and database because funds were appropriated in H.B. No. 500, C.D. 1, the executive budget, for that purpose; and
- (5) Changing the effective date to take effect upon approval; provided that the appropriation section shall take effect on July 1, 2007; and
- (6) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 212, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 212, H.D. 2, S.D. 2, C.D. 1.

Representatives Green, Sonson, Mizuno and Meyer, Managers on the part of the House.
Senators Ige, Baker, Fukunaga, Tsutsui and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 202 on H.B. No. 1529

The purpose of this bill is to open the door to higher education opportunities by establishing two scholarship programs in honor of United States Senator Hiram L. Fong and United States Senator Oren E. Long, respectively, to be administered by the University of Hawaii (UH).

Your Committee on Conference has amended this bill by:

- (1) Changing the appropriation for UH to establish an endowment trust to fund the Senator Hiram L. Fong Scholarship to \$50,000;
- (2) Changing the appropriation for UH to establish an endowment trust to fund the Senator Oren E. Long Scholarship to \$50,000; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1529, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1529, H.D. 2, S.D. 2, C.D. 1.

Representatives Chang, Lee, Bertram and Ching, Managers on the part of the House. (Representative Bertram was excused.)
Senators Sakamoto, Tsutsui, Tokuda and Gabbard, Managers on the part of the Senate.

Conf. Com. Rep. 203 on S.B. No. 1365

The purpose of this measure is to:

- (1) Require the Employees' Retirement System, by January 1, 2009, to develop criteria to ensure that it gives preference to Hawaii venture capital investments of equal or lesser risk and equal or greater return to out-of-state investments and caps these investments at three per cent of system funds; and
- (2) Appropriate funds to the University of Hawaii Office of Technology Transfer and Economic Development to enter into a partnership with a private sector entity.

Your Committee on Conference has amended this measure by:

- (1) Deleting the specific requirements for the development of criteria related to Hawaii venture capital investments;
- (2) Requiring the Employee's Retirement System Board, by January 1, 2008, to develop criteria to determine the amount of funds that may be prudently invested in Hawaii private placement investments;
- (3) Adding a requirement that the Employees' Retirement System report annually to the Legislature on any Hawaii venture capital investments; provided that if the board determines it is not prudent to invest in any Hawaii venture capital investment the board shall report the rationale for the decision;
- (4) Deleting the appropriation to the University of Hawaii Office of Technology Transfer and Economic Development; and
- (5) Changing the effective date of July 1, 2020, to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1365, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1365, S.D. 2, H.D. 3, C.D. 1.

Representatives Yamashita, Chang, Sonson, M. Oshiro and Ward, Managers on the part of the House. (Representative Ward was excused.)
Senators Fukunaga, Baker, Ige and Slom, Managers on the part of the Senate. (Senator Slom was excused.)

Conf. Com. Rep. 204 on S.C.R. No. 209

The purpose of this measure is to request the Auditor to study the social and financial impact of mandatory health insurance coverage for use of the LG1 Intelligent Medical Vigilance System.

Your Committee on Conference amended this measure by:

- (1) Changing the title to request the Auditor to study insurance coverage for the use of medical vigilance services in acute care hospitals;
- (2) Inserting references to S.B. No. 409, S.D. 1, which mandates coverage of medical vigilance services for all policies and contracts, hospital and medical service plan contracts, medical service corporation contracts, and health maintenance organization plans and contracts issued after December 31, 2007; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference concurs with the intent and purpose of S.C.R. No. 209, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 209, H.D. 1, C.D. 1.

Representatives Mizuno, McKelvey, Magaoay and Ward, Managers on the part of the House. (Representative McKelvey was excused.)
Senators Ige, Baker, Fukunaga and Whalen, Managers on the part of the Senate. (Senator Whalen was excused.)

Conf. Com. Rep. 205 on S.C.R. No. 48

The purpose of the measure is to request an audit of the Hawaii Disability Rights Center (the Center) to investigate whether the Center:

- (1) Is fulfilling its mission;
- (2) Is abusing its authority over its access to records of persons with developmental disabilities or mental illness;
- (3) Has appropriate grievance procedures and alternative remedied to litigation in place; and
- (4) Is being appropriately overseen by any state or federal authority.

Your Committee on Conference finds that there is an ongoing dispute as to whether the federal law that provides the Center access to records overrides the privacy rights of persons receiving services and their families, with or without the appropriate waivers of these privacy rights.

Your Committee on Conference further finds that there is an ongoing dispute concerning the justification necessary for the Center to demand access to records of persons with disabilities.

Your Committee on Conference further finds that the Center's need for access to records should be balanced to the greatest extent possible against the ability of service providers to allocate their limited personnel resources to both provide services to persons with disabilities and to produce documents in response to requests for records and other information.

Your Committee on Conference amended this measure by deleting its title and contents, inserting a more accurate description of the concerns and issues involved, and requesting the Attorney General to:

- (1) Provide an outline of the legal authority that grants the Center access to:
 - (A) Facilities serving individuals with disabilities;
 - (B) Individuals with disabilities; and
 - (C) The records of the individuals with disabilities;
- (2) Describe, after conferring with the National Disability Rights Network, the federal Center for Mental Health Services, and the federal Administration on Developmental Disabilities, the inter-relationship between the aforementioned legal authority and the laws protecting the privacy of individuals and their records, including but not limited to the federal Health Insurance Portability and Accountability Act; and
- (3) Describe, after conferring with the appropriate federal agencies, the inter-relationship between the rights and responsibilities of natural and legal guardians respecting individuals with disabilities and those of the Center respecting these individuals.

Your Committee on Conference further amended this measure to request the Attorney General to:

- (1) Report on best practices identified in other jurisdictions regarding the manner in which the Center should conduct investigations of allegations of abuse or neglect of an individual with disabilities; and
- (2) Submit the analysis requested by this measure and any recommendations for legislation, administrative rules, or audit deemed necessary to the Legislature prior to the convening of the 2008 Regular Session.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference concurs with the intent and purpose of S.C.R. No. 48, S.D. 1, H.D. 2, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 48, S.D. 1, H.D. 2, C.D. 1.

Representatives Mizuno, Rhoads, Magaoay and Ward, Managers on the part of the House.
Senators Chun Oakland, Baker, Fukunaga, Ihara and Hemmings, Managers on the part of the Senate.